

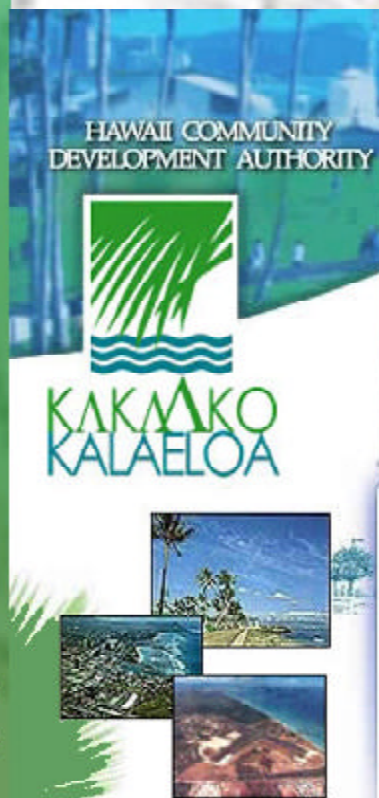


# Annual Report 2003

## Hawaii Community Development Authority

Lori Ann C. Lum  
Chair

Linda Lingle  
Governor



**Bringing Together  
Public and Private  
Resources**

677 Ala Moana Blvd., Suite 1001, Honolulu, HI 96813  
Phone: (808) 587-2870 / Facsimile: (808) 587-8150  
Email: [contact@hcdaweb.org](mailto:contact@hcdaweb.org) / Website: [www.hcdaweb.org](http://www.hcdaweb.org)



## Letter to the Governor



The Honorable Linda Lingle  
Governor  
State of Hawaii

Dear Governor Lingle:

It is with great pleasure that we present the Hawaii Community Development Authority's (HCDA) Annual Report for the 2002-2003 Fiscal Year. This report describes the Authority's activities, accomplishments and progress as it continues in its mission to guide and oversee development in the Kaka'ako and Kalaeloa Districts of Oahu.

Since the Authority was created in 1976, our main thrust has been to ensure that the Kaka'ako District is redeveloped as an attractive and vibrant urban community where Hawaii's people can live, work and play. It is vital to develop a neighborhood that will meet the many needs of the people of Hawaii.

The HCDA's ongoing Improvement District Program is an important undertaking to accomplish the development and enhancement of infrastructure in Kaka'ako. These projects are integral to making Kaka'ako safer, more functional, and able to accommodate the future growth of the District. During the past fiscal year, the HCDA forged ahead with its program to revamp and expand the capacities of the aging network of utilities and roadways in Kaka'ako's mauka and waterfront areas. These improvements are bringing positive changes to the District and are serving as a strong inducement for private sector development in Kaka'ako.

Another major focus of the HCDA is the development of the Kaka'ako Waterfront lands. We recognize that development of the Waterfront will bring important economic and social benefits to the State of Hawaii. Our aim is to foster a premier gathering place in the Waterfront Area, including a mix of cultural, educational and recreational facilities and services that will complement the central business district and the major retail areas on General Growth Properties Inc. (formerly Victoria Ward, Ltd.) lands in Kaka'ako, at Ala Moana Center and in Waikiki. The ongoing construction of the University of Hawaii's John A. Burns School of Medicine at the Kaka'ako Waterfront will provide a major new educational and research facility and serves as a strong impetus for the creation of exciting new industries that will create jobs and strengthen and diversify Hawaii's economy.

Legislation enacted by the 2002 State Legislature that transferred redevelopment responsibility for the Kalaeloa Community Development District to the HCDA has given the Authority an expanded role in determining the future development of lands in West Oahu, and our goal is to strive to facilitate redevelopment in Kalaeloa with the same commitment that has helped to change the face of Kaka'ako.

Many individuals and organizations have contributed greatly to the success of the HCDA thus far. We extend our thanks to: the State administration; the Legislature; Kaka'ako's landowners, businesses and residents; other government agencies; and community groups and concerned citizens. We ask for the continued support of these groups as we continue on our quest to attain our vision for the future of the Kaka'ako and Kalaeloa Districts.

Respectfully yours,

Lori Ann C. Lum  
Chair  
Hawaii Community Development Authority



## Table of Contents

---

HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY  
2003 ANNUAL REPORT  
A report covering the period of  
July 1, 2002 - June 30, 2003

Introduction  
Pages 1-3

HCDA's Current  
Activities and Projects  
in the Kaka'ako District

HCDA's Improvement  
District Program:  
Making Dramatic Improvements  
to Kaka'ako's Infrastructure  
Pages 4-8

The Kaka'ako Waterfront:  
The Creation of a Vibrant  
New Gathering Place  
Pages 9-13

Development in  
Kaka'ako's Mauka Area  
Pages 14-15

HCDA's Current Activities and  
Projects in the Kalaeloa District  
Pages 16-19

Financial Information  
Pages 20-21

Authority Members  
Page 22

---





*The Kaka'ako District is composed of 670 acres bounded by Piikoi, King, and Punchbowl Streets and Ala Moana Boulevard, and the stretch of waterfront from Kewalo Basin to Pier 4 in Honolulu Harbor.*

The Hawaii Community Development Authority (HCDA) was established to supplement traditional community renewal methods by promoting and coordinating public and private sector community development. The 1976 State Legislature created the HCDA to plan for and to revitalize urban areas in the State which lawmakers find to be in need of timely redevelopment. These areas, designated as "Community Development Districts", were determined to be underused and deteriorating, but with the potential, once redeveloped, to address the needs of Hawaii's people and to provide economic opportunities for the State

In creating the HCDA, the Legislature also designated the Kaka'ako area of Honolulu as the Authority's first Community Development District, recognizing its potential for increased growth and development and its inherent economic importance to Honolulu as well as to the State. Lawmakers found that Kaka'ako was significantly underdeveloped and underutilized relative to its central location in urban Honolulu. The Legislature foresaw that the redevelopment of Kaka'ako would offer tremendous opportunities to address the need for more housing, parks, and open areas, as well as new commercial and industrial space near downtown Honolulu.

The Hawaii Community Development Authority has also assumed the role of redevelopment authority for the Kalaeloa Community Development District (Kalaeloa). The 2002 State Legislature adopted legislation to transfer redevelopment responsibility for Kalaeloa from the Barbers Point Naval Air Station Redevelopment Commission to the HCDA. The bill also added five new members to the Authority to represent the Kalaeloa District. These new members vote only on Kalaeloa issues. (See chapter on Kalaeloa activities and accomplishments on Pages 16-19.)





### **The Kaka'ako District**

The Kaka'ako Community Development District is composed of 670 acres of land. The District includes the land bounded by Piikoi, King, and Punchbowl Streets and Ala Moana Boulevard, as well as the stretch of waterfront from Kewalo Basin to Pier 4 in Honolulu Harbor, and the Hawaiian Electric power plant site in downtown Honolulu. Today, the District largely consists of retail and commercial businesses, wholesale and semi-industrial companies, and single- and multi-family residences.

By virtue of its legislative mandate, the HCDA is empowered with comprehensive planning, development and financing responsibilities. The HCDA is able to go beyond traditional community renewal methods by facilitating and participating in collaborative community development efforts between the public and private sectors.

In 1982, following an intensive five-year planning process, the Authority adopted the HCDA's Kaka'ako Community Development District Plan. This Plan and associated rules serve as the basis for guiding both public and private development activities in Kaka'ako. The Plan was subsequently amended to include the Kaka'ako waterfront area and is currently comprised of two documents: the Mauka Area Plan (covering the original area) and the Makai Area Plan (covering the waterfront lands). In an effort to stay in concert with changing market and social conditions, and to facilitate new development, the HCDA continues to revise its plans for Kaka'ako to meet these needs.

### **HCDA Organization**

The HCDA is established as a public corporate entity attached to the Department of Business, Economic Development & Tourism for administrative purposes. The Authority is composed of 16 voting members from the private and public sectors who oversee HCDA operations and establish policies to implement its legislative objectives. (As mentioned earlier, the five Kalaeloa members vote only on Kalaeloa matters and the other 11 members vote on both Kaka'ako and Kalaeloa issues.) Four members are ex officio, voting members from the following State departments: Accounting and General Services; Budget and Finance; Business, Economic Development & Tourism; and Transportation. In addition, the Governor appoints three members from a list of names submitted by the Council of the county in which a community development district is situated as well as four members-at-large. The five Kalaeloa members include: the Chair of the Hawaiian Home Lands Commission; the Director of the City Department of Planning and Permitting; two community representatives (one each appointed by the Governor and the Mayor of Honolulu); and a Hawaiian cultural resources specialist. The HCDA Executive Director serves as the chief executive officer and is appointed by the Authority members. The HCDA staff includes personnel from several professional fields including planning, engineering, architecture, development, finance, public information and administrative services.

## The HCDA's Mission in Kaka'ako

In creating the HCDA, the Legislature set directions for Kaka'ako's revitalization and development. A mixed-use district was envisioned where residential, commercial, industrial, and public uses would complement each other. Lawmakers also deemed it important to respect and support the present functions of Kaka'ako as a major economic center. The Legislature believed Kaka'ako could provide:

- improved infrastructure and public facilities;
- increased housing opportunities for all segments of the community;
- increased business (commercial and industrial) opportunities;
- increased economic activity; and
- increased public recreation and open space.

The overall mission of the HCDA is to ensure the transformation of Kaka'ako into a dynamic urban neighborhood that accommodates a mix of people with a wide spectrum of social and business activities. Kaka'ako's transformation will also improve the State's economy by enhancing new business growth opportunities as well as new job opportunities. Kaka'ako will be a conveniently located community that is attractive and safe, with the ability to provide for housing, recreation, and places to work, shop and to socialize. As envisioned in the Kaka'ako development plan, the District will represent the best of Honolulu's destiny—a bustling residential and business center with additional opportunities for recreation, shopping and education, day or night. The HCDA is working to ensure that the Kaka'ako District accommodates and encourages a combination of open space and parks with well-planned commercial, industrial and residential development, including affordable housing

Public and private sector investment in Kaka'ako is generating new retail establishments and office space, a variety of restaurants and entertainment, and infrastructure to support the services, growth opportunities and quality of life that are distinguishing Kaka'ako as a desirable urban neighborhood. Kaka'ako is once again becoming a vibrant and cohesive community. To ease traffic congestion and make Kaka'ako an even safer and more attractive environment, the HCDA is improving roadways, constructing new sidewalks and beautifying the streetscape with the planting of trees and landscaping

The State's ownership and control of the majority of land in Kaka'ako's waterfront area offers the HCDA the opportunity to create a premier gathering place. On these waterfront lands, the HCDA has provided over 41 acres of new park lands and open space, making miles of shoreline accessible to residents. With the initiation of \$36 million of infrastructure improvements and a proactive strategy to develop new cultural, educational, and recreational facilities, together with new commercial and business opportunities, the Kaka'ako Waterfront is destined to become a popular attraction for residents and visitors, while providing a strong stimulus for the State economy.

## Regulatory Functions

Since the adoption of the Kaka'ako Plan in 1982, the HCDA has performed regulatory functions to ensure that any development occurring in the District meets the provisions of the Kaka'ako Plan. The HCDA regulates planning, land use, zoning, and development of land within the Kaka'ako District. The Plan includes specific requirements and restrictions relating to height, density, building setbacks, front yards, open space, view corridors, streetscapes, landscapes and tower footprints. Additionally, the Plan contains schemes for transportation, open space and recreation areas, public facilities, and infrastructure. The HCDA processes permits for major planned development projects, as well as for smaller projects and building renovations.







## HCDA's Improvement District Program



### *Making Dramatic Improvements to Kaka'ako's Infrastructure*

One of the most important functions that the HCDA has in the Kaka'ako District is to ensure the systematic improvement of the District's network of streets and utilities for the purpose of facilitating and encouraging redevelopment. Any community requires a well-honed system of roadways and utilities to function properly, ensure public safety, and to grow. Kaka'ako is no exception. For many years, the District had been burdened with a deteriorating and inadequate infrastructure system, much of which was installed over 75 years ago. Many streets were narrow and unimproved, and susceptible to serious flooding during times of heavy rainfall. Certain roadways lacked safe pedestrian walkways and were filled with haphazardly parked vehicles. Existing overhead utility poles, cables and equipment gave an unsightly and cluttered character to the Kaka'ako streetscape. Moreover, the District's obsolete infrastructure network was not only detrimental to its businesses, residents and visitors, but it also stymied the timely redevelopment of properties. Many areas just did not have sufficient capacity to support further development.

The Improvement District (ID) Program undertaken by the HCDA has proven to be a very effective and successful method of financing and constructing the massive infrastructure improvements that are necessary for the revitalization of Kaka'ako. For this ambitious program—which has been largely funded by the Hawaii State Legislature—the HCDA has joined forces with property owners and the public utility companies to make improvements to Kaka'ako's roadways in a systematic, timely and cost-effective manner. The ID Program is being used to reconstruct and/or widen streets with new streetlights, curbs, gutters and sidewalks. Drainage, sewer and water systems are being improved and upgraded. Telephone, electric and cable television systems are also being upgraded and relocated underground.

By the close of the 2002-2003 Fiscal Year, the HCDA had completed eight Improvement District Projects and construction work on two new ID projects (Forrest Avenue Improvements and the Queen Street Extension Project) was ongoing. (See the chart in this section for a summary of each project.) To date, the Hawaii State Legislature has appropriated over \$217 million for infrastructure improvements in the Kaka'ako District.

#### **Kaka'ako's Improvement District Program**

Under the HCDA's ID Program, the total cost of infrastructure improvements is shared by State government, Kaka'ako property owners and the public utility companies. The State pays for the greater share of the cost because the general public derives benefits from the improvements. For example, a major public cost involves improvements to the drainage system. In the first four ID projects, the majority of the construction cost was for major drainage systems that run through Kaka'ako and serve the Punchbowl and lower Makiki areas. Since these drainage improvements substantially

benefit out-of-District as well as Kaka'ako property owners, the cost is distributed accordingly, with State government paying the largest share.

Kaka'ako's landowners are assessed only for improvements that specially benefit them. To assist landowners in paying assessments, the Authority may arrange for the sale of assessment area bonds to provide financing for property owners who are unable to make a lump sum payment. Through this arrangement, landowners have the option of paying for their assessments (with interest) in installments over a period of up to 20 years. This option is also offered to landowners in improvement district projects where there are no sale of assessment bonds.

The massive scale of the ID projects makes it imperative for the HCDA to inform all affected property owners and recorded lessees of the proposed improvements prior to actual construction. This process involves individual meetings, public informational meetings and two public hearings. The entire process, from the preliminary engineering and design work to the completion of the project, typically extends over a two- to three-year period. Throughout the course of any ID project, the HCDA strives to complete construction activities in an expeditious and cost-effective manner, while ensuring public safety and minimizing the disruptions and inconveniences to the businesses and public. The Authority uses flyers, the HCDA newsletter and website, and informational meetings to keep merchants, residents, and landowners informed of construction activities. The HCDA website posts traffic advisories and project updates on all of the Authority's ongoing improvement district projects. HCDA staff members are available to address questions and concerns as they arise.

### **Ward Avenue Extension Project (Improvement District 6)**

The Ward Avenue Extension Project, completed in late 2000, was the first phase in the development of new and enhanced roadways and utility systems in the Kaka'ako Waterfront. For this \$8.2 million public works project, a new roadway was built from the intersection of Ward Avenue and Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets. The roadway and utility system improvements constructed for the Ward Avenue Extension will facilitate the redevelopment of Kewalo Basin's Ewa edge and the surrounding area, playing a crucial role in the State's plan to transform the Kaka'ako Waterfront into a world-class center of commercial, cultural and recreational activities to be enjoyed by Hawaii's families and visitors. The Ward Avenue Extension Project has significantly improved vehicular and pedestrian access and circulation in the area, and it has established a distinctive streetscape theme for the Kaka'ako Waterfront. The project also improved approximately 150 feet of Ahui Street, Makai of Ilalo Street.

### **Kamakee Street Improvements Project (Improvement District 7)**

Construction work on the second phase of infrastructure improvements on a portion of Kamakee Street (from Queen Street to Ala Moana Park Road) was completed by the end of 2002. This \$11 million project, called ID-7, completed the installation of the last major drainage system in the Mauka portion of Kaka'ako. The project realigned Kamakee Street (between Auahi Street and Ala Moana Boulevard) and created a four-way signalized intersection at Ala Moana Boulevard and Ala Moana Park Road. The ID-7 Project has already improved traffic circulation through the Kaka'ako District and created a new,



*After improvements, Ilalo Street will be a beautifully landscaped boulevard that will serve as the principal collector street for the Waterfront.*



# HCDA's IMPROVEMENT DISTRICT PROJECTS

## **IMPROVEMENT DISTRICT 1**

Location: About 100 acres bounded by Punchbowl, King, Cooke, Queen, South, Auahi Streets, and Ala Moana Boulevard.  
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines.  
Cost: \$35.2 million  
Completed: September 1988

## **IMPROVEMENT DISTRICT 2**

Location: About 110 acres bounded by Keawe, Auahi, Coral, Pohukaina, Cooke and Ilalo Streets to the ocean.  
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines.  
Cost: \$36.7 million  
Completed: October 1990

## **IMPROVEMENT DISTRICT 3**

Location: About 60 acres involving portions of Cooke Street, Kapiolani Boulevard, Halekauwila, Keawe, Coral, Victoria & Curtis Streets.  
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines.  
Cost: \$42.4 million  
Completed: October 1993

## **KEWALO BASIN IMPROVEMENTS**

Work: Improvements to Kewalo Basin access, interior roadways, grade-separated promenade, bus lanes, and parking.  
Cost: \$2.4 million  
Completed: August 1995

## **IMPROVEMENT DISTRICT 4**

Location: Kamakee Street (from Kapiolani Boulevard to Queen Street)  
Work: Improvements to roadways, drainage, sewers, water systems and the undergrounding of electric, telephone and CATV lines.  
Cost: \$12 million  
Completed: June 1999

## **IMPROVEMENT DISTRICT 5 (Kaka'ako Makai Gateway)**

Location: Cooke Street (between Ala Moana Boulevard and Ilalo Street); block bounded by Ala Moana Boulevard, Cooke, Ilalo and Ohe Streets and block immediately Makai of Ilalo Street and Ewa of Ohe Street  
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone & CATV lines; development of two-acre passive park and four-acre play field.  
Cost: \$6.7 million  
Completed: June 1998

## **IMPROVEMENT DISTRICT 6 (Ward Avenue Extension)**

Location: Ward Avenue (from Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets)  
Work: Construction of a new roadway from the intersection of Ward Avenue and Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets and roadway and utility system enhancements.  
Cost: \$8.2 million  
Constr. start: May 1999  
Completed: November 2000

## **IMPROVEMENT DISTRICT 7 (Kamakee Street Extension)**

Location: Kamakee Street, between Queen Street and Ala Moana Boulevard  
Work: Realignment of Kamakee Street and creation of a four-way signalized intersection at Ala Moana Boulevard and Ala Moana Park Road.  
Cost: \$11 million  
Est. start: November 1999  
Completed: December 2002

## **IMPROVEMENT DISTRICT 8 (Forrest Avenue Realignment)**

Location: Forrest Avenue  
Work: Realignment of Forrest Avenue with South Street to reconfigure the surround land into three development-ready parcels for commercial development. The project will require a reconfiguration of a portion of the container cargo yard.  
Cost: \$4.8 million  
Constr. Start: September 2002  
Est. completion: September 2003

## **IMPROVEMENT DISTRICT 9 (Ilalo Street Improvements)**

Location: Ilalo Street, between Ahui and South Streets  
Work: Widening and enhancements to Ilalo Street, from Ahui to South Streets; installation of new water, sewer and drainage systems; construction of new roadways; new driveways, sidewalks, curbs and gutters; and installation of new utility lines.  
Cost: \$17 million  
Constr. start: July 2000  
Est. completion: April 2003

## **IMPROVEMENT DISTRICT 10 (Queen Street Extension)**

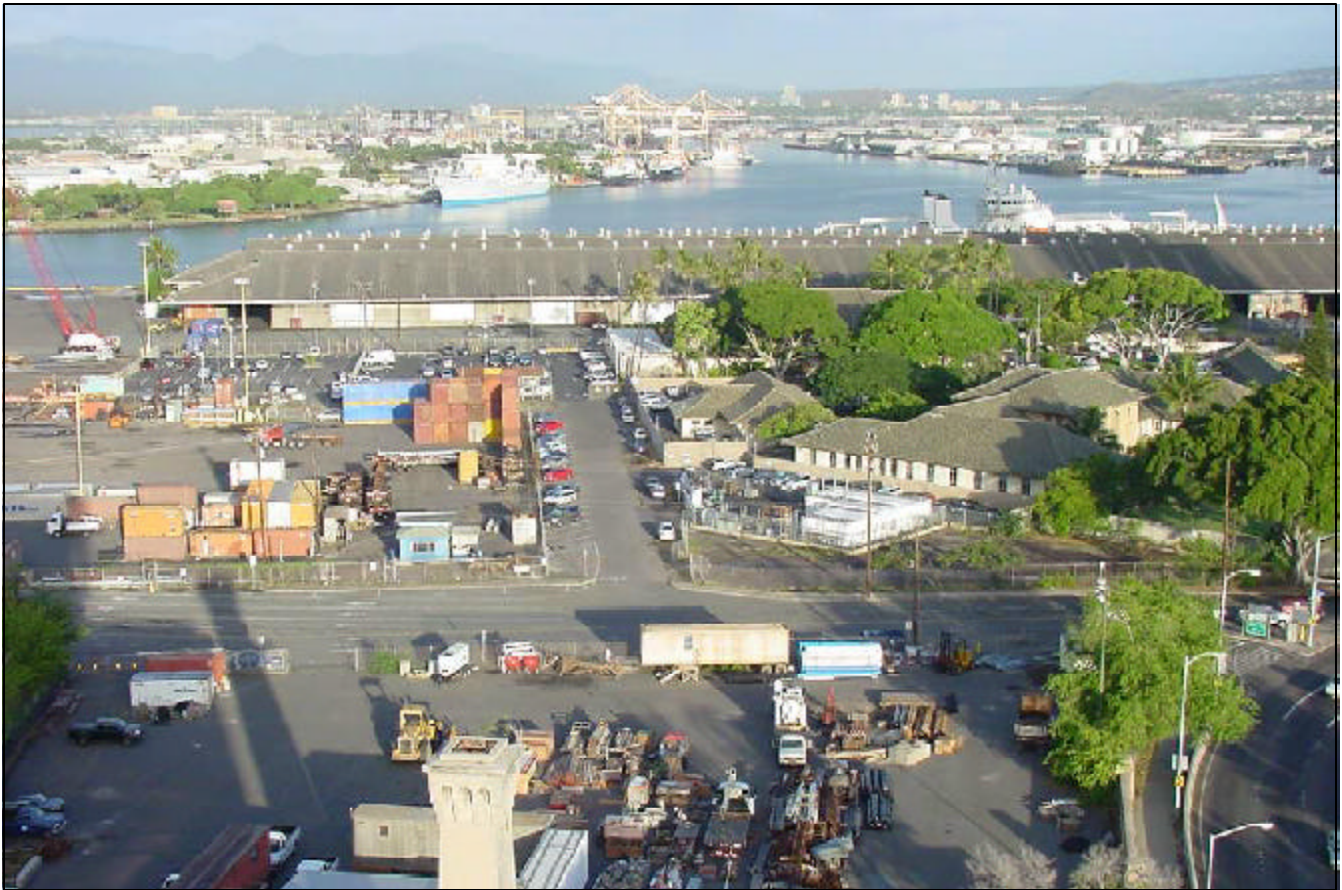
Location: Queen Street, between Kamakee and Waimanu Streets.  
Work: Extension of Queen Street, a new 76-foot right-of-way and improvements to the water, sewer, drainage, roadway, and electrical systems.  
Cost: \$5.5 million  
Est. start: April 2003  
Est. completion: July 2004

## **IMPROVEMENT DISTRICT 11 (Queen Street Improvements)**

Location: Queen Street, between Ward Avenue and Kamakee Street.  
Work: Road widening/improvements and utility system enhancements.  
Cost: \$6.5 million  
Est. start: September 2004  
Est. completion: November 2005

## **AHUI/OHE/OLOMEHANI STREETS IMPROVEMENTS**

Location: Ahui Street, from Ilalo Street to Olomehani Street; Ohe Street, from Ilalo to Olomehani Streets; and Olomehani Street  
Work: Street widening/improvements/realignment and utility system enhancements.  
Cost: \$15 million  
Est. start: July 2004  
Est. completion: December 2005



*Forrest Avenue was realigned with South Street.*

direct link between Ala Moana Beach Park and Kaka'ako.

#### **Forrest Avenue Realignment (Improvement District 8)**

Construction work commenced in September 2002 on the Forrest Avenue/Container Yard Reconfiguration Project. Realignment of Forrest Avenue with South Street is necessary to line up these two roadways Mauka and Makai of Ala Moana Boulevard. In doing so, the realignment reconfigured the surrounding land into three development-ready parcels for commercial development. This \$4.8 million project will also require a reconfiguration of a portion of the container cargo yard. The realignment of Forrest Avenue with South Street mauka of Ala Moana Boulevard will include surface roadway improvements and the relocation of existing underground sewer and water lines. The project also involves the relocation of container yard refrigeration lines and portable clerk offices. The project was scheduled for completion in September 2003.

#### **Ilalo Street Improvements (Improvement District 9)**

To prime Kaka'ako's Waterfront for development, the HCDA continued its infrastructure construction work on Ilalo Street, which will serve as the main thoroughfare for Kaka'ako's waterfront area. This \$17 million project involves the upgrading of roadways and utility systems on Ilalo Street, from Ahui Street to Forrest Avenue (South Street). The Ilalo Street improvements were substantially completed in April 2003 and the street was reopened to the public, except for a small segment from Keawe Street to Forrest Avenue, which remained closed for the Improvement District 8 construction period.

Previously, infrastructure in Kaka'ako's Waterfront was generally inadequate and improvements were required to support development of the area. To facilitate development of the lands in the Kaka'ako Waterfront and redevelopment of the Kewalo Basin waterfront, the HCDA has widened and improved Ilalo Street, creating an extension to Forrest Avenue (South Street).

The 1997 State Legislature appropriated \$36.3 million to the HCDA to construct infrastructure improvements in Kaka'ako Makai. Ilalo Street, together with the Ward Avenue Extension, is now functioning as a beautifully landscaped boulevard that will serve as the principal collector street for the Waterfront. Ilalo Street will offer an attractive and comfortable pedestrian environment and will be vital to providing access to the Waterfront and projects such as the University of Hawaii John A. Burns School of Medicine. Improvements made to Ilalo Street include: the installation of new water, sewer and drainage systems; construction of the new landscaped roadway; new driveways, sidewalks, curbs and gutters; and the installation of new underground utility lines.



### **Queen Street Improvements (Improvement District 10)**

The HCDA began construction work on the Improvement District 10 (ID-10) —or Queen Street Extension— Project in April 2003. The ID-10 project is located between Kamakee Street and Waimanu Street, and consists of the construction of a new roadway, that will extend Queen Street from Kamakee Street to Waimanu Street. The project will also include work to widen the portion of Waimanu Street between the new roadway and Pensacola Street. Except for the widening of Waimanu Street, which will be paid for by Nauru Phosphates Royalties, Inc., the cost of ID-10 is shared by the HCDA, the public utility companies, and properties benefiting from the new roadway. The total estimated cost of ID-10 is \$5.5 million. The HCDA will pay for 74 percent of the total cost, and the public utility companies and properties shares will be about 8 percent and 18 percent, respectively. The construction is tentatively scheduled for completion in July 2004.

The 1999 State Legislature appropriated \$9.6 million to the HCDA for infrastructure improvements on a portion of Queen Street. The HCDA's long-term plan for Queen Street is to improve the water, sewer, drainage, roadway, and electrical systems in Queen Street between Ward Avenue and Waimanu Street. The \$9.6 million appropriation, along with \$2 million of HCDA revolving funds, allowed the HCDA to design and construct the extension of Queen Street from Kamakee Street to Waimanu Street, and a portion of the improvements to Queen Street from Ward Avenue to Kamakee Street. The new infrastructure will improve services to property owners in the area and provide added capacity for future private development. The HCDA has long designated Queen Street as an alternate route to Kapiolani and Ala Moana Boulevards. Currently, sidewalks, curbs and gutters are needed to accommodate both vehicular and pedestrian traffic safely through the District. The proposed roadway will make the area safer and more accessible, and enhance its development potential.

In 2001, the HCDA completed negotiations with Victoria Ward, Limited (VWL) and the Nauru Phosphates Royalties Trust (Nauru) to finalize a land exchange agreement that allowed the Authority to proceed with its proposed Queen Street Extension Project and to develop a new park area in Kaka'ako. Because the Queen Street Extension right-of-way is located on land owned by the HCDA, as well as by VWL and Nauru, the Authority needed to obtain ownership of the land with a minimum of land acquisition costs. The land exchange created two park sites totaling 108,000 square feet along both sides of the Queen Street Extension. (See the chapter on Development in Kaka'ako Mauka for more details on the proposed new parks.)

### **Queen Street Improvements (Improvement District 11)**

The Queen Street Improvement Project, also known as Improvement District 11 (ID-11), is proposed to construct roadway and infrastructure improvements on Queen Street, between Kamakee Street and Ward Avenue. The improvements would include: new road pavement, sidewalks, gutters and streetlights; new sewer, water and drain systems; street landscaping; and the overhead to underground conversion of existing utility systems. These improvements are required to support development in Kaka'ako's Mauka Area.

This \$6.5 million project will also expand this portion of the Queen Street right-of-way from its present width of 56 feet to 60 feet. As a result, HCDA will need to acquire portion of some properties along both sides of Queen Street to accommodate the road widening. Starting in February 2003, the HCDA's engineering consultants started conducting fieldwork along Queen and Cummins Streets, such as surveying, soil testing and gathering general information for the design of the improved roadway. The 2002 State Legislature appropriated \$6.5 million to the HCDA for planning, design, land acquisition and construction of the Queen Street Improvements Project. The HCDA tentatively plans to hold public hearings on the proposed ID-11 Project in January and May of 2004. If the Authority approves the project, construction could begin in September 2004 with completion in November 2005.

### **Ahui/Ohe/Olomehani Street Improvements**

Continuing its effort to improve access and traffic circulation in the Kaka'ako Waterfront, the HCDA is proposing infrastructure improvements to a portion of Ahui Street; from Ilalo to Olomehani Streets; Ohe Street, from Ilalo to Olomehani Streets; and Olomehani Street. These improvements, which will cost approximately \$15 million, will be similar to the other improvement districts in that all the infrastructure (water, sewer, drain, roadway, electrical, telephone) will be upgraded to current standards. When completed, these streets will have a 50-foot wide right-of-way. Improvements to these roadways are intended to attract developers to the area and support the development of the neighboring parcels.

The portion of Ohe Street to be realigned is located in the Kaka'ako Waterfront, between Ilalo Street and Olomehani Street and adjacent to the Kaka'ako Waterfront Park. The realignment is aimed at improving traffic circulation within the Kaka'ako Waterfront while facilitating development in the Diamond Head portion of the peninsula. It will create a larger urban green area along Ohe Street in the vicinity of the Children's Discovery Center. The realignment of Ohe Street will also allow for the development of the children's play area and public plaza envisioned in the Kaka'ako Waterfront Park Master Plan. A proposed roadway layout includes a realigned Ohe Street connecting Ilalo and Olomehani Streets in an "S" curve configuration. Koula Street, between Ilalo and Olomehani Streets, is proposed to be closed and all streets between Ala Moana Boulevard and Ilalo Street are to remain open. The HCDA plans to start construction work on this project in July 2004. The work is expected to take about 18 months to complete.



## The Kaka'ako Waterfront

KAKA'AKO  
KALAELOA



### *The Creation of a Vibrant New Gathering Place*

The development of the Kaka'ako Waterfront and Makai Area lands presents an exciting opportunity for the State of Hawaii to create an extraordinary new gathering place and to contribute strongly to the islands' economic health. The Kaka'ako Waterfront is widely acknowledged as Honolulu's last remaining crown jewel, an important area that offers exciting development potential. These waterfront lands, the majority of which are owned by the State of Hawaii, have the potential to accommodate the recreational, cultural, educational and commercial needs of Hawaii's people, while playing a significant role in the State's economic future. This is an unprecedented development opportunity, and the HCDA will continue to work towards reclaiming and transforming Kaka'ako's waterfront lands into a magnificent new public place.

When fully developed, the Kaka'ako Waterfront is certain to be a major gathering place for Hawaii's residents and visitors. It will provide a beautiful locale for socializing, dining, learning, rest, and recreation. It will also be the incubator for business ideas, research and breakthroughs in technology and medicine, while providing educational opportunities for students. Kaka'ako's waterfront lands could be transformed into a contemporary "urban village", a walkable and self-contained community that could accommodate the lifestyles of workers in the growing industries that represent Hawaii's economic future. The Kaka'ako Waterfront would serve as a symbol of Hawaii's new economy—an attractive assemblage of activities, structures and facilities that represent the community's achievements, hopes and dreams. The University of Hawaii's development of its new John A. Burns School of Medicine on Kaka'ako Waterfront lands promises a world-class educational and biomedical research facility that will spur future development of the surrounding parcels while providing new jobs and helping to diversify the State's economy.

### **The Kaka'ako Waterfront Today**

Currently, the Kaka'ako Waterfront is composed of 227 acres of land makai of Ala Moana Boulevard, from Kewalo Basin to Aloha Tower. About 200 acres of the land is owned and controlled by the State of Hawaii. It contains an abundant, scenic stretch of ocean frontage and is centrally located between downtown Honolulu and Waikiki. The Kaka'ako Waterfront could provide substantial amenities through the development of civic, cultural and recreational facilities. The lands also have the potential to generate sufficient revenues to support the maintenance of common areas in the Kaka'ako Waterfront. The HCDA is working towards creating an economically viable strategy consistent with the vision for the Kaka'ako Waterfront that will balance





private and public facilities, and will accommodate new and expanded technological, biomedical, and educational industries.

#### **The Development Plan for the Kaka'ako Waterfront**

Adopted in 1998, the Kaka'ako Makai Area Plan and Rules provide the framework for development of the Kaka'ako Waterfront into a vibrant, exciting and attractive "gathering place" for Hawaii's residents and visitors. The Plan emphasizes the creation of remarkable public amenities in the Kaka'ako Waterfront, including an abundance of parks and open spaces anchored by the Kaka'ako Waterfront Park, spacious tree-lined streets, and sidewalks, all of which enhance and enrich Kaka'ako's outdoor environment. Under the Plan, a variety of new facilities could also be developed including: a Science and Technology Center, showcasing Hawaii's expertise in astronomy, oceanography, and other sciences; an Ocean Research Center (most likely in combination with other research or museum facilities); medical education and research facilities; technology and biotechnology commercial areas; a retail complex along Kewalo Basin; and parking facilities to accommodate increased activity in the area. The public open spaces, cultural facilities and amenities, and commercial areas planned for the Kaka'ako Waterfront will provide new industries and opportunities for Hawaii's residents.

The intent of the Makai Area Plan is to diversify Hawaii's economy while, at the same time, establishing a special people-oriented place. Under the Plan, a substantial portion of the Waterfront is reserved for public enjoyment and access to the waterfront. A smaller portion of State-owned lands is earmarked for commercial development. The revenues generated from such development would help support the public parks and other amenities. The Plan emphasizes the mutual benefits and importance of combining new development with ample public spaces.

The Plan's land use directives maintain a central corridor of park lands in the Kaka'ako Waterfront. The Kaka'ako Waterfront Park has been extended, through the implementation of the Makai Gateway Parks, to Ala Moana Boulevard to enhance its visibility and reinforce its prominence as a major public park that will serve as a centerpiece for adjacent commercial developments. Public access to the Kaka'ako Waterfront is a high priority and one mile of shoreline is dedicated to park use.

Park, commercial, industrial, waterfront commercial, and public activities are allowed in land use zones established in the revised Makai Area Plan. A *park zone* accommodates a variety of park environments, including cultural, educational and active recreational activities. The *commercial zone*, encompassing about 50 acres of land, permits a wide range of commercial land uses such as high technology offices and retail establishments. The *industrial mixed-use zone*, covering 56 acres, supports maritime activities and facilities within Honolulu Harbor as well as limited commercial activities. The *waterfront commercial zone*, encompassing 22.3 acres, allows commercial activities and fishing and boating services along the edges of Kewalo Basin. The *public zone* sets aside land for existing public uses such as the U. S. Immigration Station, the Department of Health and the current Ala Moana Pump Station.

In keeping with the vision of the Kaka'ako Waterfront as a people-oriented place, the Makai Area Plan emphasizes pedestrian movement through the area. Pedestrian promenades would run along the waterfront and along Cooke Street. Ilalo

# Kaka'ako Makai Projects

## Kewalo Basin Park

A five-acre scenic shoreline park located in Kewalo Basin. Includes a pedestrian promenade, observation areas, trellised picnic area, reconstructed seawall, comfort station and shower facilities and a new net shed. Completed in 1990.

## Kaka'ako Waterfront Park/Phase 1

Thirty acres of passive recreational park space built on a former landfill site. Includes contoured rolling landscaped mounds, a scenic pedestrian promenade spanning the length of the park, comfort stations and picnic areas, five oceanfront observation areas, a community amphitheater, and two protected water access points. Completed in 1992.

## Kewalo Basin Harbor & Park Improvements

Improvements facilitate and enhance access, traffic circulation and parking within the Kewalo Basin harbor area. Includes a pedestrian promenade along the Mauka and Diamond Head pier face. Completed in July 1995.

## Children's Discovery Center

HCDA completed remediation and structural stabilization of the former Kewalo Incinerator for use as a children's museum. The Children's Discovery Center completed extensive construction work, additional structure work, tenant improvements, exhibit fabrication and landscaping work. HCDA's work was completed in September 1995. The Children's Discovery Center opened in December 1998.

## Kaka'ako Makai Gateway Project

Creation of a scenic gateway to, and extension of, the Kaka'ako Waterfront Park with the addition of an attractive six-acre park. Also involves infrastructure improvements on a portion of Cooke Street, including roadway, drainage, sewer and water system enhancements, and relocation of electric and telephone lines underground. The project also includes a two-acre passive park and a four-acre play field. Completed in mid-1998.

## Kaka'ako Aquarium Study

A study of the feasibility of developing a world-class aquarium facility in the Kaka'ako Waterfront near Kewalo Basin and the Kaka'ako Waterfront Park. Initial feasibility study released in late 1998.

## Kaka'ako Brownfields Project

A "brownfields" environmental study of lands in the Kaka'ako Waterfront to evaluate whether contamination exists on State-owned parcels in Kaka'ako Makai. Completed in late 1999.

## Kaka'ako Waterfront Park Enhancements

A new master plan for the Kaka'ako Waterfront Park that could accommodate new cultural attractions and a broad range of amenities such as water features, works of art, interpretative walks and gardens, a carousel, and innovative children's play areas. Adopted in February 2000. Construction anticipated to start in 2004.

## UH JABSOM Biomedical Research Center

The University of Hawaii is constructing a new \$150 million educational and medical research center on 9.1 acres of land on the Kaka'ako Waterfront. The facility will be a major state-of-the-art facility that will contribute immeasurably to the economy in terms of the thousands of construction and new bioscience jobs it will create and the millions of dollars in research grants it will bring to the University. Construction started in October 2002 and the school is tentatively set to open in the Fall of 2005.

## Aquarium/Marine Research Complex at the Kaka'ako Waterfront

KUD International LLC (KUD) is planning the development of an aquarium and marine research complex on about 10 acres of State-owned land at the Kaka'ako Waterfront. KUD intends to develop a master plan, and select the ultimate owner and operator for each of the project's phases.





Street is designed to be a major strolling and shopping corridor with large shade trees, generous sidewalks and street furnishings. To increase non-vehicular access to the Kaka'ako Waterfront from downtown Honolulu, Ala Moana Park and Kaka'ako's Mauka Area, the Plan includes a shared use path within the Makai Area that will ultimately connect the Kaka'ako Waterfront Park to Ala Moana Beach Park and the Aloha Tower Marketplace.

### **A Business Plan for the Kaka'ako Waterfront**

On October 2, 2002, the HCDA adopted a "business plan" to establish a specific vision, mission and strategy for future development of the Kaka'ako Waterfront. The need for the Plan is critical since the imminent development of the University of Hawaii's new medical school and biomedical research center at the Waterfront would serve as a catalyst for the development of Kaka'ako and begin to attract more people to the area.

The Business Plan—as with past Kaka'ako waterfront plans—envisions the area as a "gathering place" that should accommodate a mix of retail, recreational, commercial and residential activities. The Plan anticipates development of the Kewalo Basin area to include a farmer's market-type facility with recreational and retail activities that will draw people to the area.

Another component of the Plan is the development of a major new industry in the Waterfront area. A signature icon development is also envisioned. (An example of an architectural icon is the Sydney Opera House in Australia.) The overall character of the Waterfront envisioned is that of a walkable urban village with an attractive and comfortable pedestrian-friendly environment. Parking structures, containing at least 2,000-2,500 stalls, would need to be built to serve the increase in residents, guests and employees in the area. The Plan proposes the development of some residential units to establish an active, vibrant "gathering place".

The Authority will also have to consider several issues in order to implement the Plan. It will need to develop a strategy for accomplishing environmental cleanup of waterfront lands to facilitate development of these parcels. In addition, the Authority will also need to find ways of mitigating Ala Moana Boulevard as a pedestrian barrier, and encouraging people to come to the Waterfront.

## **CURRENT AND FUTURE KAKA'AKO WATERFRONT DEVELOPMENTS**

### **University of Hawaii John A. Burns School of Medicine (JABSOM)**

On October 24, 2002, the University of Hawaii broke ground for its new John A. Burns School of Medicine (JABSOM) complex in the Kaka'ako Waterfront. In addition to revitalizing the UH medical school program, the \$150 million new JABSOM complex is envisioned as an economic engine for the state that will create jobs, increase research and stimulate the growth of a biotechnology industry in Hawaii. The project will include educational and biomedical research facilities on 9.1 acres strategically located in the Kaka'ako Waterfront area. The JABSOM campus is designed as a low-rise complex of buildings that will complement the adjacent Kaka'ako Waterfront Park. Extensive landscaping and on-site seating areas will be provided in a central courtyard.

UH officials are predicting that the new JABSOM complex will be a premier center for biomedical research that will be a catalyst for the growth of a strong biotechnology industry. It will be a major state-of-the-art facility that will contribute immeasurably to the economy in terms of the thousands of construction and new bioscience jobs it will create and the millions of dollars in research grants it will bring to the University. At the same time, it will serve as an anchor for the development of a revitalized Kaka'ako Waterfront.

The first phase of the facility will include an Education/Administration Building and a Biomedical Research Building (including a child care center, fitness center and a central mechanical plant), totaling approximately 317,225 square feet. The Center is slated to open in Fall 2005. The second phase will include a research center and a parking structure containing 363 stalls. The UH anticipates developing additional stalls at an off-site location.

### **Aquarium/Marine Research Complex at the Kaka'ako Waterfront**

The HCDA in March 2003 entered into an agreement with KUD International LLC (KUD) for the development of an aquarium and marine research complex on about 10 acres of land at the Kaka'ako Waterfront. KUD, a subsidiary of Kajima U.S.A. Inc., specializes in acting as a master developer for complex, mixed-use public private projects. For the proposed aquarium/marine research complex in Kaka'ako, KUD intends to develop a master plan, select the ultimate owner and operator for each of the project's phases, negotiate operating agreements and facilitate long term as well as construction financing. KUD envisions three major and independent components for the project. They are: a world-class aquarium; a new and expanded marine research facility to replace the current Kewalo Marine Laboratory facility; and a private high-tech bio-research center. It is anticipated that these uses will be planned in an integrated campus setting with shared facilities and equipment. Each of these components may be funded and operated independently. KUD will submit a business plan to the Authority before seeking a lease for each component of the project.



*Above, a rendering of the John A. Burns School of Medicine complex and at left, the construction continues.*

### **Memorials Installed at the Kaka'ako Waterfront Park**

During the 2002-2003 Fiscal Year, two memorials were installed and dedicated at the Kaka'ako Waterfront Park: (1) the Ehime Maru Memorial Association's monument to honor those who perished in the accidental sinking of the Ehime Maru fishing ship and

(2) Mothers Against Drunk Driving's (MADD) memorial that is intended to honor victims of drunk driving crashes and other violent crimes in the State of Hawaii.

The Ehime Maru was a Japanese educational fishing vessel that was accidentally sunk in Hawaiian waters. The Memorial, which was dedicated in February 2002, consists of nine sloping black granite blocks, an anchor from the ship, the fishing school's emblems and information on the ship's sinking and recovery operations, as well as the names of the people whose lives were lost. The Memorial is located adjacent to the observation mound in the Kaka'ako Waterfront Park. The Association felt that the Park site was the most appropriate for the Memorial because it offers a vantage point of the accident site and the final resting place of the Ehime Maru. The Ehime Maru Memorial Association paid for all construction costs, maintenance and liability insurance for the Memorial.

The MADD Memorial was installed at the Ewa end of the promenade at the Kaka'ako Waterfront Park. The memorial offers a serene location for people to remember their loved ones. Manoa artist John Koga designed the 13-foot tall memorial that overlooks the ocean at the park. It features a trio of bronze figures that stand on a concrete pillar eight feet above the ground. The holes in the hearts of the three figures symbolize the loss felt by the loved ones of drunk driving victims. The \$50,000 cost of the memorial was paid entirely with donations to MADD, who will provide maintenance for the monument.

### **Kaka'ako Waterfront Park Improvements**

Enhancements to the Kaka'ako Waterfront Park are being planned by the HCDA. The goal of the Kaka'ako Waterfront Park Master Plan, adopted in February 2000, is to create a one-of-a-kind urban park that will feature a unique blending of cultural and recreational activities for Hawaii's residents and visitors. This is a long-term plan that the State can implement over time. The plan provides an overall structure or thematic framework for the Kaka'ako Waterfront Park so that new amenities, facilities and enhancements can be developed there in the coming years. The plan supports the future development of recreational attractions in the Waterfront Park, along with the enhancement of pedestrian circulation, active and passive park use and the waterfront promenade. It envisions the creation of a "heart" of the Kaka'ako Waterfront Park through the development of attractions such as an interactive water feature, a children's play plaza, and a new amphitheater in the area surrounding the Children's Discovery Center.

The HCDA on July 5, 2000 granted approval to proceed with design development of a first phase project, which is an interactive fountain and play plaza. The objective of the first phase project was to create a one-of-a-kind feature that would generate activity and interest in the Kaka'ako Waterfront Park. One concept explored for the interactive fountain is a series of interactive jets simulating a wave set through which children and adults can actually walk. In addition to the interactive water feature, a passive seating area is planned within the plaza area. Modular, internally lit fiberglass seats have been suggested for the seating, which is intended for play as well. The project aims to establish the character of the Park, with the goal of attracting both families and children. The HCDA anticipates the start of construction on Phase 1 improvements to the Kaka'ako Waterfront Park in 2004.



## Development in Kaka'ako's Mauka Area



Since the HCDA came into existence, Kaka'ako has evolved into a vibrant, attractive and diverse community of people from all walks of life, coexisting with the neighborhood businesses and recreational facilities that serve both Kaka'ako and the larger community. To maintain and further revitalize this community, the HCDA has tried to encourage and facilitate development projects in the District. To this end, the Authority has modified and eased development restrictions and fees to stimulate new project construction during the tough economic times. The agency continues to focus in this direction.

**In prior years, the State focused on the development of affordable housing in Kaka'ako. To date, more than one-half of the housing units constructed in Kaka'ako under HCDA's guidance have been affordably priced units. The HCDA has developed, through alliances with other government agencies and the private sector, a total of about 1,100 affordable residential units in two family rental projects, three senior citizen rental projects, and a for-sale condominium project. (See accompanying residential projects chart.)**

### **New Parks Along Queen Street Extension**

The HCDA tentatively plans to start construction work in September 2004 on the first segment of two park sites, totaling 109,000 square feet, along the mauka and makai sides of the Queen Street Extension. The conceptual plans for the parks, approved by the Authority in March 2002, call for development of a neighborhood park that would provide passive recreation space for residents and others in the area. The conceptual plans approved by the Authority address comments, suggestions and concerns solicited from the public, the Ala Moana/Kakaako Neighborhood Board and City and County agencies. A public informational meeting was held on January 16, 2002.

The park will provide pedestrian access and a sufficient amount of park furniture for relaxation. No parking stalls would be developed within the park site. Wide sidewalks around, and pathways through, the park will link existing and future residential towers with the surrounding commercial area. Proposed amenities for the park include: children's play area for school aged children; a "gateway feature" sculpture; seating areas with tables and chairs; and shade trees. The estimated construction cost of the new parks is \$2 million, which will be funded by public facilities dedication fees. The

HCDA will construct the Mauka park and the developer of the Hokua at 1288 Ala Moana complex will build the Makai park in conjunction with its development.

**Current Developments in Kaka’ako Mauka**

During the 2002-2003 Fiscal Year, construction continued on the new \$2 million Sub-Zero showroom at the corner of Piikoi and King Streets. When completed in early 2004, the single story building with a mezzanine level will showcase quality kitchen appliances by Sub-Zero and Wolf.

M.K. Management , LLC is planning the development of Hokua at 1288 Ala Moana, a new residential and commercial complex to be located along Ala Moana Boulevard between the Nauru Tower and the IBM Building. The project will be a mixed-use complex that will have a 40-story residential tower oriented toward the ocean and some low-rise commercial and retail uses that are oriented toward the street frontages. An open space plaza will be located along Queen Street to provide physical linkage with the adjacent Queen Street Makai Park planned for development by the HCDA. The luxury residential tower will have 248 units and construction on the project began in October 2003.

Another noteworthy project for which construction was started in late 2003 is the City and County of Honolulu’s new \$12.7 million Headquarters Complex for the Honolulu Fire Department. Being developed on 1.603 acres of land at the intersection of Queen and South Streets, the Complex will include: a new 32,000 square foot Headquarters Building; a renovation of the historic Kaka’ako Fire Station (on South Street) into a Honolulu Fire Department Museum; a renovation of the existing Kaka’ako Fire Station (on Queen Street); and the development of a 50-stall parking lot. The new Headquarters Building will house all administrative functions of the Fire Department. The HFD Museum will house exhibits and displays, a retail sales counter for souvenirs; a meeting room and offices. Construction will take about two years to complete.



Above, a map showing the location of the Queen Street Park.

**HCDA Affordable Housing Projects and Public Facilities**

<b>Project</b>	<b>Units</b>
<b>KAMAKEE VISTA Mixed-Use Family Rentals</b>	<b>225</b>
<b>POHULANI Mixed-Use Senior Rentals</b>	<b>262</b>
 <b>NA LEI HULU KUPUNA Senior Rental Housing</b>	<b>75</b>
 <b>KAUHALE KAKA’AKO Mixed-Use Family Rentals</b>	<b>258</b>
 <b>HONUAKAHA Affordable Senior Rentals &amp; For-Sale Condominiums</b>	<b>243</b>
 <b>HONUAKAHA SENIOR CITIZEN/COMMUNITY CENTER</b>	<b>6,800 sf</b>





*An aerial view of the Kalaeloa District.*

### **Background**

The 2002 Hawaii State Legislature passed Senate Bill 2702, SD2, HD2, CD1, which transferred redevelopment responsibility for the Kalaeloa Community Development District (formerly Barbers Point Naval Air Station) from the Barbers Point Naval Air Station Redevelopment Commission (Commission) to the Hawaii Community Development Authority (HCDA) effective July 1, 2002. Along with the task of redeveloping the Kalaeloa Community Development District (Kalaeloa), all contracts, administrative rules, and other responsibilities relating to the Commission were assumed by HCDA. Senate Bill 2702 also required the transfer to HCDA of the Kalaeloa Community Development Revolving Fund and the remaining balance of \$51,592 therein. In addition, the bill authorized HCDA to assess non-federal end-users of the property for a proportionate share of staff and operating costs for Kalaeloa. Finally, the bill established a revolving fund ceiling of \$500,000 that would enable the agency to expend any moneys collected from assessments, as well as the transferred balance.

### **Kalaeloa Activities**

During the first fiscal year, HCDA drafted a Memorandum of Understanding (MOU) that established an operating budget for fiscal year 2003 for the Kalaeloa Community Development District, and required that all non-federal landowners pay their proportionate share of the costs. Five out of nine agencies signed and returned the MOU. At the end of fiscal year 2003, four of those agencies that signed the MOU had transferred their assessed amounts. Since HCDA was only able to collect a portion of the assessments, and since the 2003 State Legislation provided no funding for Kalaeloa, the anticipated scope of operations had to be scaled back.



For fiscal year 2003, HCDA had enough funding to retain the services of the former Barbers Point Naval Air Station Redevelopment Commission (Commission) secretary, and to pay for minimal operating costs such as postage and telephone service. The State Historic Preservation Division agreed to continue to provide space within its office in the Kapolei State Office Building at 601 Kamokila Boulevard, Suite 555. The telephone number for HCDA's Kalaeloa office is 692-7925; and the fax number is 692-7926. Most of the Commission files and files relating to Kalaeloa are maintained within the Kalaeloa office of HCDA.

Although the overall lack of funding has precluded any major redevelopment activity in Kalaeloa, HCDA has been working diligently to respond to community concerns that have arisen as a result of base closure. HCDA felt it was important to retain at least one staff member on site at Kalaeloa to maintain files and to handle inquiries and requests from the community. Most work involves fielding inquiries about the purchase or lease of land at Kalaeloa, then researching to determine the landowner of the parcel or building in question. The caller is then directed to the proper agency or organization for additional information. Other work involves fielding complaints about the condition of property at Kalaeloa, and subsequently following up with the appropriate landowner to ensure that the problem is resolved in a satisfactory manner.

Also during the past year, the HCDA has convened several meetings with the landowners, licensees, and other government agencies to discuss redevelopment in Kalaeloa. These meetings were designed to build a consensus amongst the stakeholders to determine a united approach to the revitalization of the former military base. At present, further discussion regarding Kalaeloa redevelopment has been put on hold pending a decision regarding the stationing of an aircraft carrier at Pearl Harbor and a supporting air wing at Kalaeloa. Reuse of Kalaeloa for military purposes would undoubtedly affect any plans for civilian reuse, so major decisions about redevelopment have been postponed until the ultimate reuse is determined.

In addition to the transfer of redevelopment responsibilities for Kalaeloa, Senate Bill 2702 required that five new members be added to the Hawaii Community Development Authority to represent Kalaeloa. During fiscal year 2003, HCDA added the new Kalaeloa board members to the Authority, and have included a Kalaeloa status report in the monthly Authority meetings. Following are some of the activities the HCDA has monitored or been involved with in Kalaeloa, and their status as of the end of fiscal year 2003 (June 30, 2003).

#### **Utilities Licenses and Conveyance**

**Wastewater:** The City Department of Environmental Services (ENV) executed the license for the Kalaeloa Wastewater System effective June 1, 2003. The anticipated date for conveyance of the system to ENV from the Navy is December 31, 2003.

**Water:** The Honolulu Board of Water Supply licensed the Kalaeloa water system in September 2002, and has now taken over billing from HCDA. It is anticipated that conveyance of the system will occur in mid 2004.

#### **Roadways**

The four major roadways within Kalaeloa have been conveyed to the State Department of Transportation (DOT). These roadways are: Enterprise, Roosevelt, Coral Sea, and West Perimeter Roads. Other roadways, including Saratoga, Independence, Midway, Boxer, Copahee, Hornet, Lexington, Shangrila, Yorktown and Tripoli Roads, and the right-of-way for the realignment of Coral Sea, and the North-South Road connector have been conveyed to the City Department of Transportation Services (DTS). DOT will transfer its four roadways to the City once they have been improved to meet City standards.

#### **Drainage**

Currently, drainage at Kalaeloa is achieved through percolation of surface water into the porous substrata. This system of percolation does not meet existing City standards for drainage. However, implementation of a traditional drainage system in Kalaeloa is expected to cost in excess of \$90 million. Since it is believed that percolation has provided adequate drainage for the area in the past, the Commission proposed that Kalaeloa be declared a "special drainage district" in which a traditional drainage system would not be required for development to occur. The City has stated that it does not object to the proposal, but warns that geotechnical studies must be undertaken to ensure the reliability of the system. It is estimated that such studies would cost approximately \$600,000. Due to a lack of funding, these studies have not yet been commissioned.



### **Redesignation of Surplus Properties**

In November 2002, the HCDA designated the land uses for two parcels that had previously been overlooked. The first parcel was the sewage lift station located on the southern part of the district next to the Coast Guard property. The sewage lift station had mistakenly been included with another parcel, and therefore designated for park use. The HCDA redesignated the land use to reflect a public facilities designation.

The second parcel given a land use designation was the fuel farm, located adjacent to the airport, and almost fully within the National Guard parcel. The fuel farm had not received any designation previously, therefore the HCDA took action to designate the parcel for appropriate use as an airport facility.

In March, 2003, the Authority designated those portions of the Eastern Heritage Park and Akoko Parcels that were encumbered by endangered species or archaeological features as "conservation," and the remaining portions of both parcels as "commercial." Further, the Authority directed staff to pursue an economic development conveyance (EDC) for the areas designated for "commercial" use. The Navy is anxious to complete disposal of these parcels, and has informed HCDA that the EDC process should be started as soon as possible to avoid the Navy selling the parcels under a negotiated sale or at public auction. HCDA has discussed with the Navy the difficulty of beginning the EDC process, which could require significant financial resources, when the decision regarding stationing an aircraft carrier at Pearl Harbor is still pending. The Navy understands the HCDA's situation, and is holding off for now on any decisions regarding the disposition of the Eastern Heritage Park and Akoko parcels.

### **Rezoning Applications and Building Permits**

At this time, building permits for construction within the Kalaeloa district cannot be processed because new construction is not provided for under existing zoning. At the beginning of 2003, HCDA submitted comments to the City in support of rezoning Kalaeloa's "Downtown" area to allow the City to issue building permits in those areas most likely to support development in the near term. However, like other aspects of redevelopment in Kalaeloa, rezoning has been put on hold pending a decision regarding potential military reuse at the former base.

In addition to the decision about the aircraft carrier and the supporting air wing, any possible zoning changes are further complicated by the fact that the reliability of percolation in place of a traditional drainage system to service potential redevelopment has yet to be confirmed. Even if the zoning in the area is changed to accommodate proposed development, the City cannot issue building permits unless adequate infrastructure is in place to support the development.

### **Navy-Retained Properties and Fluor Hawaii**

The Navy selected Fluor Hawaii, LLC to redevelop Ford Island. Included in the property to be developed are Navy lands at other Oahu locations including the Navy-retained portion of Kalaeloa. The Navy has entered into an interim lease with Fluor for several Kalaeloa housing parcels. The fee conveyance is expected to occur within the next three years. Chaney Brooks will be the property manager for Fluor Hawaii. All of the Kalaeloa homes will be available for rent by the public. In addition, Fluor plans to spend approximately \$35 million in repairs to the homes at Kalaeloa and Iroquois Point. The Navy and Fluor have reached an agreement regarding the shared utilities. HCDA has met with and continues to be in contact with Fluor regarding its development in Kalaeloa.



### **Conveyance of Remaining Properties**

As of June 30, 2003, about two-thirds of the surplus property at Kalaeloa had been conveyed to end users. Several parcels slated for conveyance to the Department of Hawaiian Home Lands have yet to be conveyed, as well as an airport parcel, Ordy Pond (which will be conveyed to the University of Hawaii) and all of the City Parks and Recreation parcels. The City has delayed acceptance of the conveyance of its parcels until a final decision on the land use for Kalaeloa is determined.

### **Federal Conservancy Legislation**

In December 2002, the United States Congress passed legislation that allows U.S. military branches undergoing base realignment and closure (BRAC) to convey properties at no cost to non-profit conservation organizations for the purpose of protecting natural resources. The Navy hopes to utilize this new conveyance mechanism to dispose of the two parcels that comprise the property known as the "Western Heritage Park," and is considering pursuing application of the conservancy legislation in relation to the Eastern Heritage Park and Akoko parcels.





# Financial Information

## Hawaii Community Development Authority STATEMENT OF APPROPRIATIONS, EXPENDITURES, ENCUMBRANCES AND BALANCES For Fiscal Year Ended June 30, 2003

	PRIOR YEAR AVAILABLE FUNDS 7/1/02	APPRN	TRANSFERS	EXPENDITURES	ENCUMBRANCES	UNALLOTTED	FUNDS	LAPSED
<b>OPERATING FUNDS</b>								
ACT 177, SLH 2002	-	139,537		119,903		6,115		13,519
<b>PROJECT FUNDS</b>								
Kakaako Community Development District								
ACT 216, SLH 1987	12,980			500	12,480			
ACT 259, SLH 1990	2,215				2,215			
ACT 298, SLH 1991	382,659			83,489	297,889			
ACT 218, SLH 1995	135,937			22,217	113,720			1,181
ACT 328, SLH 1997	4,145,969			1,633,401	1,544,497			969,071
ACT 116, SLH 1998	3,914,084			1,964,410	1,416,372	387,704	2,911,276	533,302
ACT 91, SLH 1999	25,444,983			1,865,918	5,880,085	2,328,664	347,655	14,400,000
ACT 259, SLH 2001	11,825,321		(1,750,000)	4,029,850	3,372,172	15,650,000	2,392,954	
ACT 177, SLH 2002	-	19,150,000	1,750,000	2,342,599	514,447			
DELEGATIONS				9,559	191,229			
IMPROVEMENT DISTRICT BOND FUNDS								
KAKAAKO REVOLVING FUND	38,360,909	2,860,938		5,891,428	879,730		34,450,689	
KALAELOA REVOLVING FUND	-	120,698	51,592	49,324			122,968	
	<u>84,425,845</u>	<u>22,271,173</u>	<u>51,592</u>	<u>18,009,576</u>	<u>14,224,936</u>	<u>18,372,483</u>	<u>40,225,540</u>	<u>15,917,073</u>

1/ Variance fees, dedication fees, assessments, rents, etc., collected.  
 2/ Assessments, etc., collected.  
 3/ Transfer from the Barber's Point Naval Air Station Redevelopment Commission revolving fund.  
 4/ Lapse of expenditure authorization for federal funds which could not be secured.



# Financial Information

Hawaii Community Development Authority  
 STATEMENT OF EXPENDITURES  
 (For Fiscal Years Ending June 30, 2002  
 and June 30, 2003)

	JUNE 30, 2003		JUNE 30, 2002	
	OPERATING FUNDS	PROJECT FUNDS	TOTAL EXPENDITURES	TOTAL EXPENDITURES
PERSONAL SERVICES	119,903	1,342,971	1,462,874	1,269,467
OTHER CURRENT EXPENSES	-	16,545,651	16,545,651	14,905,192
EQUIPMENT	-	1,053	1,053	-
<b>TOTAL EXPENDITURES</b>	<b>119,903</b>	<b>17,889,675</b>	<b>18,009,578</b>	<b>16,174,659</b>



## Authority Members (July 1, 2002- June 30, 2003)

Chair

**LORI ANN C. LUM**

Public Affairs Director  
Watanabe Ing Kawashima & Komeiji

Vice Chair

**JAMES KOMETANI**

President and Principal Broker  
James Kometani, Inc., Realtors

Secretary

**CHRISTINE H. H. CAMP**

Managing Director  
Avalon Development Company

**WILLIAM J. AILA, JR.\***

Harbor Agent III  
Waianae Boat Harbor (DOT)

**ERIC CRISPIN\***

Director  
Department of Planning and Permitting  
City and County of Honolulu

**MICHAEL GOSHI, NCARB, AIA**

Principal  
Design Partners Incorporated

**RODNEY HARAGA**

Director  
Department of Transportation

**MICAH KANE\***

Chairman  
Hawaiian Homes Commission  
Department of Hawaiian Home Lands

**PATRICK KUBOTA**

President, NxTech Development  
& Consulting LLC

**ALLAN LOS BANOS, JR.**

Safety Coordinator/Program Specialist,  
Hawaii Masons Union

**GEORGINA K. KAWAMURA**

Director of Finance  
Department of Budget and Finance

**GARY I. KONDO, D.D.S.**

President,  
Hawaii Dental Group, Inc.

**THEODORE E. LIU**

Director  
Department of Business, Economic  
Development & Tourism

**RUSS SAITO**

Comptroller  
Department of Accounting and General Services

**EVELYN SOUZA\***

Parent Community Network Center Coordinator  
Makakilo Elementary School

**MAEDA C. TIMSON\***

Assistant Vice President, Retirement Savings Plan  
First Hawaiian Bank

Executive Director

**JAN YOKOTA**

(served until August 2003)

**\*Denotes Kalaeloa Member**





**State of Hawaii**



**677 Ala Moana Blvd., Suite 1001  
Honolulu, Hawaii 96813  
Telephone: (808) 587-2870  
Fax: (808) 587-8150  
e mail: [contact@HCDweb.org](mailto:contact@HCDweb.org)  
<http://www.HCDweb.org>**