TESTIMONY SB 2915

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HAWAII COMMUNITY DEVELOPMENT AUTHORITY



Linda Lingle Governor

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STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS AND SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

Monday, February 8, 2010

2:45 P.M.

State Capitol, Conference Room 229

S.B. 2915 – RELATING TO KAKAAKO COMMUNITY DEVELOPMENT DISTRICT

Purpose: Establish a development agreement mechanism designed to strengthen the implementation of Master Plan Permits issued by the HCDA

Position: The HCDA takes no position on the proposal, but offers the following comments.

The HCDA currently administers a Master Plan Permit program in the Kakaako Community Development District (KCDD). This program is described in the KCDD administrative rules and master plan permits issued under this program have the force of law. I note that the objectives for our Master Plan Permit program mirror the objectives described in the legislative proposal for to establish a formal development agreement executed pursuant to a Master Plan Permit issued by the Authority. These existing objectives are cited below.

"Master Plans are intended to encourage timely development, reduce the economic cost of development, allow for the orderly planning and implementation of public and private development projects, and provide a reasonable degree of certainty in the development approval process." [Subchapter 8 §15-22-200(a) HAR]

The intent of the Master Plan Permit is also clearly described in the administrative rule and is again consistent in seeking to provide clarity and certainty to the developer of master plan lands. These intentions are cited below.

"An approved master plan will provide assurances to landowners, developers and investors that projects proposed within a master planned area that are in accordance with the applicable mauka area rules in effect at the time the master plan is approved will not be restricted or prohibited at the permit stage by subsequent changes to those rules." [Subchapter 8 §15-22-200(c) HAR]

Page 6 lines 13 to 16 of this proposal raises the subject of vesting. The proposal specifies that any development agreement entered into shall include:

"(4) A provision specifying that upon final approval of the authority, and subsequent execution of the development agreement, the development rights included shall be deemed vested."

With respect to the vesting of development permit approval, the HCDA Master Plan Program rules provide specific language and assurance to the landowner/developer in this matter. That section reads:

"The purpose of this subchapter is to provide landowners and developers assurances that once they have met or agreed to meet all of the terms and conditions of the master plan approval, their rights to development permit approval in accordance with the development rules in effect at the time of the master plan approval shall be vested for a specified period." [Subchapter 8 §15-22-200(c) HAR]

It is my belief that the current HCDA Master Plan Program rules provide explicit assurances to any landowner/developer with respect to their rights to development permit approval from the HCDA. Any other assurances that the landowner/developer would require would have to be provided by another authority.

Thank you for the opportunity to provide these comments.



PRINCIPALS	The Honorable Senator Clayton Hee, Chair and Members – Committee on Water, Land, Agriculture and Hawaiian Affiars The Honorable Senator J. Kalani English, Chair and Members – Committee on
Francis S. Oda Arch.D., FAIA, AICP	Transportation, International and Intergovernmental Affiars The Senate
Norman G.Y. Hong AIA	State of Hawaii
Sheryl B. Seaman AIA, ASID	Re: S.B. No. 2915
Hitoshi Hida AIA	Aloha:
Roy H. Nihei AIA, CSI	My name is Ralph Portmore and I am an Urban Planner and Principal at Group 70 International, an architectural, planning, interior design, and environmental services
Ralph E. Portmore AICP	consulting firm with a 40 year history of contributing to sustainable and culturally sensitive development in Hawaii. I am speaking today on behalf of Group 70 in
James I. Nishimoto AIA	favor of SB 2915.
Stephen Yuen AlA	This bill establishes good public policy by providing greater predictability in the development approval process, while also providing ample opportunity for public
Linda C. Miki AIA	comment and agency review. As noted in the bill, development agreements strengthen the implementation of approved master plans. They expand public
George I. Atta AICP	benefits by broadening the areas of benefits allowed in negotiations beyond regular zoning actions. Development agreements also streamline the regulatory process and
Charles Y. Kaneshiro AIA, LEED AP	provide stability for investment expectations.
Jeffrey H. Overton AICP, LEED AP	Specifically, adoption of the provisions of this bill will provide the following benefits:
Christine Mendes Ruotola AICP	1. It will stimulate the economy. Certainty in rules and exaction
James L. Stone	requirements, while always desirable from a business standpoint, has
AIA, LEED AP	become even more critical given current economic conditions in Hawaii,
Paul Bierman-Lytle M. Arch., AIA, LEED AP	the U.S., and throughout most of the world. Banks are much more conservative and lending practices more stringent in the global economic
Katherine M. MacNeil AIA, LEED AP	crisis. Such institutions look for greater security in loan applications and investment opportunities. Vested development agreements will provide
Tom Young AlA	a significant degree of comfort to lending institutions and encourage them to loosen the flow in the financial markets. This will be an important factor in the stimulation of the local economy.
	2. This bill will enhance job creation. Fixing regulatory rules will to the point in time of the development agreement will add additional stability

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to the development climate. This will encourage developers to proceed with greater confidence in starting construction activity. When this The Senate February 5, 2010 Page 2 of 2

> happens, jobs will be created in the construction and building trades, which have been among of the hardest hit sectors in this economic downturn.

- 3. Certainty in exactions and conditions will allow developers to more accurately assess benefits and risks. This will help them make quicker and more informed decisions on whether to proceed with a development. Knowing that future rules will not alter the bases for their rates of return is a huge benefit and will increase their confidence that a fair return on investment is possible. This will improve the business climate of Hawaii and promote more investment.
- 4. The resulting developments will bring with them public benefits such as affordable housing, parks and open space, school improvements, community services contributions, and expansion and/or repair of needed infrastructure. As projects move forward the associated public benefits will also be realized. Developers will use their resources more efficiently to complete projects that create benefits that improve the quality of life in Hawaii.

SB 2915 will clearly help the economy of Hawaii, as well as help to ensure that future developments are sustainable and contribute to our quality of life. I strongly support and encourage passage of SB 2915.

Thank you for the opportunity to present this testimony.

Sincerely,

ortmore

Ralph E. Portmore, AICP



Kamehameha Schools

TESTIMONY TO THE SENATE COMMITTEE ON WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS AND THE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

By

Sydney Keli`ipule`ole, Director Endowment/Residential Assets Division

Hearing Date: Monday, February 8, 2010 2:45 p.m. Conference Room 229

February 5, 2010

TO: Senator Clayton Hee, Chair
Members of the Committee on Water, Land, Agriculture, and Hawaiian Affairs
Senator J. Kalani English, Chair
Members of the Committee on Transportation, International and Intergovernmental Affairs

RE: S.B. No. 2915 - Relating to the Kaka'ako Community Development District

Thank you for the opportunity to comment on S.B. No. 2915 (this "Bill").

Kamehameha Schools ("KS") respectfully <u>supports</u> this Bill. If adopted, this Bill would encourage new development, redevelopment and construction projects within the Kaka`ako Community Development District, including projects that would benefit the local community and general public, such as parks, plazas, public facilities and early reserved housing projects. It would help create new jobs, stimulate our local economy in a difficult time and help revitalize an aging urban neighborhood, without using any legislative funds.

A. Provides a Stable Framework for Development

This Bill would provide a more stable framework for development in Kaka`ako under master plan permits and development agreements.

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Master plans in the Kaka'ako mauka area are "intended to encourage timely development, reduce the economic cost of development, allow for the orderly planning and implementation of public and private development projects, and provide a reasonable degree of certainty in the development approval process." HCDA's Mauka Area Rules §15-22-200(a).

This "reasonable degree of certainty" is essential for investments or developments to occur under a master plan. Without it, landowners, developers, and their lenders, cannot justify investing in parks, plazas, public facilities or other projects that benefit the public, unless each project standing alone provides a market return. Landowners and developers are forced into a parcel-by-parcel approach, without any ability to predict or rely on approvals for future projects.

Recent attempts by the State to enact statutes that impose new, more difficult requirements on lands covered by master plans have added yet more uncertainty into an already difficult development environment. This Bill would protect landowners, developers and businesses on lands covered by master plan permits and development agreements from those types of statutes and would help to provide that "reasonable degree of certainty" necessary to encourage investments in private and public benefit projects under a master plan.

B. Provides a Stimulus to Our Local Economy

This Bill would help stimulate our local economy by encouraging new investments and developments on lands covered by master plans in Kaka`ako, which will lead to new construction, jobs, industry growth and housing opportunities. This stimulus can be accomplished without any legislative funding; it only requires the State agree to let landowners and developers make private investments and proceed with certainty.

C. Supports the Creation of a Well-Designed, Diverse Urban Community

This Bill would help fulfill the State's vision of Kaka'ako as a well-designed, diverse urban community, by encouraging private investments in parks, plazas, public facilities and projects with broader public benefits, by allowing landowners and developers to develop under master plans that must be consistent with the State's plans for the area, HCDA's Mauka Area Rules §15-22-205(b), and that must provide public benefits "which are generally provided by government and would not otherwise be required from private developers." HCDA's Mauka Area Rules §15-22-200 (b)

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D. Supports the Construction of Early Reserved Housing.

The passage of this Bill would support the development of early reserved housing units in advance of the development of market units.

Current reserved housing requirements impose a landowner/developer subsidy between \$75,000 and \$100,000 per unit, figures that have been generally confirmed in discussions with the HCDA. Given this subsidy, no landowner or developer would undertake to construct early reserved housing units as a credit against requirements imposed on future market units, unless there is "reasonable certainty" that when the landowner or developer does construct the market units (which will pay for the subsidy), the governmental requirements and conditions for construction of those units are predicted and unchanged. This Bill would provide that future certainty, so that landowners and developers can undertake early reserved housing projects.

E. Helps Level the Playing Field for Kaka'ako.

This Bill is patterned after an existing statute (Part VII of HRS ch. 46 entitled "Development Agreements" adopted in 1985) that gives counties the authority to enter into development agreements to vest property rights. The finding and purpose of the existing statute (HRS §46-121) mirror the need for certainty in the development approval process. Specifically, the existing statute states:

"The legislature finds that with land use laws taking on refinements that make the development of land complex, time consuming, and requiring advance financial commitments, the development approval process involves the expenditure of considerable sums of money. Generally speaking, the larger the project contemplated, the greater the expenses and the more time involved in complying with the conditions precedent to filing for a building permit.

The lack of certainty in the development approval process can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and commitment to comprehensive planning. Predictability would encourage maximum efficient utilization of resources at the least economic cost to the public.

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3

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Development agreements will encourage the vesting of property rights by protecting such rights from the effect of subsequently enacted . . . legislation which may conflict with any term or provision of the development agreement or in any way hinder, restrict, or prevent the development of the project. Development agreements are intended to provide a reasonable certainty as to the lawful requirements that must be met in protecting vested property rights, while maintaining the authority and duty of government to enact and enforce laws which promote the public safety, health, and general welfare of the citizens of our State. The purpose of this part is to provide a means by which an individual may be assured at a specific point in time that having met or having agreed to meet all of the terms and conditions of the development agreement, the individual's rights to develop a property in a certain manner shall be vested."

This Bill levels the playing field by confirming that HCDA has the same authority possessed by the counties since 1985. The benefits of development agreements vesting property rights are available to landowners in each county through specific legislation, to the exclusion of landowners of Kaka'ako. This Bill eliminates an existing barrier to development that is unique to Kaka'ako (and other lands under the jurisdiction of the HCDA).

F. Furthers the Intent of the HCDA's Rules on Master Plans

The HCDA and the Kaka'ako Community Development District were created "to join the strengths of private enterprise, public development and regulation into a new form capable of long-range planning and implementation of improved community development." (HRS §206E-1.)

Consistent with this long-range planning, HCDA adopted the mauka area plans and rules. These plans and rules were developed through a community-driven process and reflect the community's goals to revitalize Kaka'ako mauka to include mixed-use neighborhoods and a well-rounded scope of "work, live, visit, learn and play" activities. An important part of the mauka area plans and rules to achieve such a well-designed community is the assurance provided to those developing lands under a master plan. Under the HCDA's rules, "[a]n approved master plan will provide assurances to landowners, developers and investors that projects proposed within a master planned area that are in accordance with the applicable mauka area rules in effect at the time the master plan is approved will not be restricted or prohibited at the permit stage by subsequent changes to those rules." HCDA's Mauka Area Rules §15-22-200(c).

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This Bill would similarly, and for all the same reasons given by the HCDA in their rules (e.g., reasonable certainty, public benefits, orderly planning), provide landowners, developers and investors with assurances against subsequent changes to legislative statutes.

G. Advances the Public Benefits of the Kaiāulu 'O Kaka'ako Master Plan

Kaiāulu 'O Kaka'ako (Kaka'ako community) Master Plan is KS' master plan encompassing 29 acres of Kaka'ako mauka. From its initial submission to HCDA on November 26, 2008, to the issuance of the master plan permit on September 2, 2009, KS' master plan has received strong community support. It envisions a progressive, twenty-first century mixed-use urban village offering the opportunity for residents to "work, live, visit, learn and play" in Kaka'ako. Kaiāulu 'O Kaka'ako is an urban redevelopment project promoting a "smart living" community alternative to traditional suburban communities.

The HCDA, in its formal findings of fact for the issuance of the master plan permit (paragraphs 59.a. to 59.s.) found no fewer than nineteen public benefits intended to be created as the result of implementation of KS' master plan. These include:

- 1. Job creation of as many as 9,291 on-site construction jobs and 10,202 off-site jobs generating approximately \$933 million in workers' payroll,
- 2. At full build-out, 5,466 full time professional and service jobs generating approximately \$230 million in annual workers' payroll,
- 3. Increased real property tax and general excise tax revenues from the redevelopment and incubation of new businesses,
- 4. During construction, tax revenues to the state of \$141.5 million in excise tax and \$73.7 million in income tax,
- 5. Annual income tax revenues to the state of upward of \$18.1 million at build-out,
- 6. Annual real property tax revenues to the county of upward of \$8.9 million,

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5

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- 7. New living options for existing residents and young people returning to Hawaii to work,
- 8. Up to 2,750 new residential dwelling units,
- 9. Delivery of reserved housing,
- 10. Reduction of urban sprawl,
- 11. Incorporation of best smart urban growth principles and practices,
- 12. Creation of sustainable communities with green buildings,
- 13. Well-designed open spaces and landscaping,
- 14. Beautification along public streets to enhance the city's urban environs,
- 15. Pedestrian and bike friendly streets and a phase out of on-street parking,
- 16. Land dedications by KS years in advance of any redevelopment ("Since 1989, [KS] has dedicated approximately 3 acres of land in [Kaka`ako] for the HCDA to develop public projects including Pohulani Housing Development, Mother Waldron Park and portion of the Makai Gateway Park" at paragraph 66),
- 17. Improvements to public facilities (with KS already contributing millions of dollars toward infrastructure costs),
- 18. Protection of cultural and historic resources, and
- 19. No mass relocation of existing tenants.

Specifically, the HCDA's findings of fact and conclusions of law states: "105. The public benefits described in paragraph 59 above and described below are consistent with the Mauka Area Plan and Rules. These public benefits enhance the surrounding communities and provide a benefit to the residents of the area, as well as the general public."

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Investments to implement the master plan and achieve the vision for Kaka'ako will not occur as long as uncertainty of development rights exists. This Bill would reduce that uncertainty and provide the best opportunity for these public benefits to be realized.

H. Requested Changes to SB No. 2915

For clarification, we respectfully request the addition of the phrase "in the agreement" to §206E-G (b) (page 8 line 5) to confirm that the parties may, by mutual agreement, expressly agree in the development agreement to be bound by certain changes in the law. The revised provision would read as follows with the additional phrase:

(b) Any relevant state law, county ordinance, resolution, rule, or policy governing the development and use of the land subject to the development agreement shall remain in full force and effect throughout the term of the development agreement. Any subsequent state law, county ordinance, resolution, rule, or policy adopted after the execution of the development agreement shall not affect the agreement unless expressly stated otherwise in the agreement.

In addition, for clarification, we respectfully request that §206E-G (c) (page 8 lines 6 to 9) be amended in its entirety to read as follows:

(c) This subpart shall apply to any development agreement entered into by the authority on or before July 1, 2010, and all state laws, county ordinances, resolutions, rules, and policies governing the development and use of the land subject to the development agreement, which were in effect as of the date of the original development agreement, shall control. Upon the written request of the principal of any development agreement in effect on July 1, 2010, the authority shall amend such agreement to conform to the provisions of this subpart.

We appreciate the opportunity to express our views on this measure.

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SENATE COMMITTEE ON WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS Senator Clayton Hee, Chair Senator Jill Tokuda, Vice Chair

SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

Senator J. Kalani English, Chair Senator Mike Gabbard, Vice Chair

Monday, February 8, 2010 Senate Conference Room 229 2:45 PM

SENATE BILL 2915 <u>Relating to the Kaka'ako Community Development District</u> Testimony submitted by Michelle S. Matson

This testimony is respectfully submitted for the purpose of providing comments relating to Senate Bill 2915, which establishes a process for the Hawaii Community Development Authority (HCDA) to enter into development agreements for lands within the Kaka'ako community development district. The Legislature's findings show that a reliable redevelopment process is predicated on having approved master plans with public benefits in place prior to entering into development agreements that provide predictability in the development approval process.

Senate Bill 2915 states that comprehensive master plans "are intended to create well-designed communities that improve the urban environment of Honolulu." This is clearly in concert with the community-based efforts invested in the development of both the Kaka 'ako Mauka and Kaka'ako Makai master plans.

For the purposes of Kaka'ako community development district, Senate Bill 2915 would apply to two private master plans within Kaka 'ako Mauka area and two community-based master plans, one for a portion of the Kaka'ako Mauka area and one presently underway for the Kaka'ako Makai area. This measure appears to be well-intended by reinforcing the terms and conditions of approved master plans in the context guiding redevelopment of lands within the master plan area, as follows:

- Development agreements are <u>a mechanism to strengthen the implementation of an approved</u> <u>master plan</u>.
- These agreements <u>encourage private and public participation in the implementation of the master</u> <u>plan</u>, <u>reduce the economic cost of development</u>, and <u>allow for the orderly construction of</u> <u>recreational and publicly available facilities</u> through the vesting of rights to develop the balance of <u>the projects</u>...
- ...<u>upon approval of the master plan</u>, ..in accordance with all applicable statutes, ordinances, resolutions, rules, and policies then in existence...
- ...certain development rights <u>upon the approval. of.</u>, <u>master plans</u> and development agreements in connection with an approved master plan.
- Statutory Amendment to §206E-B <u>Authorization to negotiate development agreements; final approval</u>. (a) The executive director of the authority may enter into direct negotiations for a development agreement with any person having interest in real property located in the Kakaako community development district, for the development of the property in accordance with this section; <u>provided that</u>:

(1) <u>Any development agreement entered pursuant to this subpart shall be consistent with the terms</u> and conditions of the applicable master plan; §206E-E Specific provisions of development agreements. (a) ..any development agreement entered into shall include:
(3) <u>Any public dedication requirements and public dedication credits, consistent with the applicable master plan;</u>

However, upon closer evaluation, there appear to be some discrepancies and contradictions to the above stipulations which warrant further explanation, correction and/or remedy:

 <u>..upon approval of the master plan</u>, the applicant may proceed with the project <u>in accordance</u> with all applicable statutes, ordinances, resolutions, <u>rules</u>, <u>and policies</u> <u>then in existence</u>... (Page 2, emphasis added)

Concern: This may be interpreted by the HCDA to mean that while a master plan may be approved, development agreements would not need to be consistent with the master plan because any rules and policies remaining in existence may vastly differ. One such example would be the community-based Kaka'ako Makai master plan guided by the Vision and Guiding Principles for Kaka'ako Makai, which vastly differ from the HCDA's existing Makai Area rules and policies that will very likely require amendment to become consistent with the forthcoming master plan.

§206E-C Public hearings. Notwithstanding any other law to the contrary, the authority shall conduct at least one public hearing on any request for approval for a development agreement... The authority <u>may hold the public hearing in conjunction with any applicable master plan public hearing held prior to the approval of the master plan.</u>
(Pages 3 to 4, emphasis added.)

Comment: This also contradicts the overall intent of the measure that development agreements "shall be consistent with the terms and conditions of the approved master plan." (Authorization to negotiate development agreements; final approval, (a)(1), page 3)

- §206E-E Specific provisions of development agreements. (a) ..any development agreement entered into shall include:
 - (3) <u>Any public dedication requirements and public dedication credits, consistent with the applicable master plan.</u> (Page 5, emphasis added.)

Comment: Public dedication requirements included in development agreements applicable to Kaka'ako Mauka and Kaka'ako Makai master plans should be clearly specified as restricted to the Kaka'ako Mauka and Kaka'ako Makai adjoining areas, and any public dedication "credits" consistent with applicable master plans should be defined in this measure.

• Section 4, page 6.

Concern: Given the troubling examples described in the attached addendum, it should be clarified in Senate Bill 2915 that any development or redevelopment in Kaka'ako Mauka or Kaka'ako Makai contemplated or approved by the HCDA during the Legislature's consideration of is measure shall be subject to the terms and conditions of this measure upon its approval.

The Senate's Committee on Water, Land, Agriculture and Hawaiian Affairs and Committee on Transportation, International and Intergovernmental Affairs are respectfully requested to ensure that all master plans for Kaka'ako Mauka and Kaka'ako Makai are in place in consonance with this measure prior to associated development agreements being entered into by the HCDA, and that the respective master plans and any amendments are founded on community-based participation and community endorsement with Legislative protection.

Addendum

Professional planning consultants have worked diligently with community stakeholders to ensure that contemporary community-based planning practices are implemented, and the community has trusted and relied on the expertise of these consultants to ensure complete and final community-based master plans. However, strange and unexpected things happen after all is said and done through the best efforts and good faith of both the community and the consultants.

Kaka'ako Mauka

A particular outcome of the Kaka'ako Mauka community-based master plan effort was its afterthe-fact transformation by HCDA staff prior to its presentation to the HCDA board for approval. Somehow the community's advocated low-profile multi-family residential building envelopes within inviting human-scale neighborhoods were transformed into high-density building envelopes and towers, and comfortable streets lined with shade trees and open view corridors were diminished to streets with narrow mauka-makai public view slots lined with building walls and wall-to-wall retail stores. A hard-surfaced plaza was used to meet an open space requirement and serve as an axis to abruptly terminate at Ala Moana Boulevard across form Kewalo Basin, which portends that this vital, traditional commercial small-boat working harbor may be intended to be converted to a private yacht harbor through the HCDA's promoted "Alternative A," now moving toward an EIS with only six community representatives in agreement out of seventeen stakeholder groups.

Kaka'ako Makai

Red warning flags also wave along the planning path of the community-based Kaka'ako Makai Master Plan currently underway. This community-based master planning process has received strong s upport from the motivated residential and professional community, which recently participated in a successful 3-day workshop to expand on the Vision and Guiding Principles for Kaka'ako Makai established by the Kaka'ako Makai Community Planning Advisory Council (CPAC). But contrary to the intent of Senate Bill 2915, it appears that HVCDA intends that development agreements are to precede this master plan:

- Last year the Legislature's collective wisdom and foresight provided statutory guidance for the HCDA to collaborate and consult with the CPAC, which is inclusive and representative of the larger community, on any plans for the development of Kaka'ako Makai. This measure was enacted into law in July. Since HCDA monthly reports periodically inform the CPAC of projects contemplated for Kaka'ako Makai, the HCDA apparently considers this to be collaboration. Suddenly in August HCDA staff provided the CPAC with a single, one-page copy of a site plan for a 71/2-acre lot in Kaka'ako Makai showing it to be covered with asphalt for parking 1100 vehicles, including private auto-dealer storage, as an "interim" \$2.8 million taxpayer-funded project. The CPAC found there was no market study for filling this vast area with a sea of cars within the coastal zone shoreline management area, but was informed at the same meeting that a coastal zone special management area permit hearing for approval of this proposal would be conducted the following week. To date, the expected and necessary collaboration and consultation on this HCDA-initiated proposal has been absent, and civic-minded community leaders have found it necessary to petition for a contested case hearing.
- Also during this time the HCDA informed the CPAC that negotiations were underway for the existing John Dominis restaurant lease to be purchased by a new lessee. After the HCDA had worked closely over several months with the future lessee's representatives, and before the lease was finalized, in November the CPAC received one presentation of a full-blown plan to demolish the noted restaurant designed to be compatible with the

surrounding shoreline, and to construct in its place a commercial wedding chapel resembling a misplaced cathedral on the shoreline massively reflecting the Ala Moana sewage pump station's architecture. Those attending the presentation, including architects and planners, community leaders and shoreline area stakeholders, and adjacent landowner representatives, expressed shock and utter dismay with the new lessee's uninformed approach to redeveloping this site, and since that time collaboration has been repeatedly requested by the CPAC. HCDA staff has acknowledged an understanding that the proposed project is without a Hawaiian sense of place in this shoreline en vironment, but has informed the CPAC that the new lessee's development agreement is under review without consideration of these significant public shoreline viewplane concerns, and a required public meeting will be conducted immediately prior to the CPAC's February meeting. To date, the expected and necessary collaboration and consultation with the CPAC has been absent, and the concerned community continues to await communication with the lessee and the HCDA.

These examples serve to illustrate continuing disregard for the community-based master planning process. Collaboration and consultation with the CPAC as stipulated by statute has been flouted, and there has been ultimate neglect of the master planning process by placing development agreements and approvals before the applicable master plan that will ensure the Legislature's defined predictability and public benefits for the interested and affected community, the immediate stakeholders and lessees of State public land, and adjacent private land owners.

TESTIMONY SB 2915 (END)

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