Waikīkī Today, Waikīkī Tomorrow

Waikīkī Improvement Association

September 21, 2017
Hotel inventory in Waikīkī dropped by just over 4,500 units over the last 15 plus years decade due to redevelopment and conversions. Total units are down 1,576.

Source: State of Hawai‘i Visitor Plant Inventory

<table>
<thead>
<tr>
<th>Type</th>
<th>Units 2000</th>
<th>% Mix</th>
<th>Units 2016</th>
<th>% Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>27,358</td>
<td>87%</td>
<td>22,828</td>
<td>76%</td>
</tr>
<tr>
<td>Condominium Hotel</td>
<td>2,073</td>
<td>7%</td>
<td>2,896</td>
<td>10%</td>
</tr>
<tr>
<td>Timeshare</td>
<td>906</td>
<td>3%</td>
<td>1,762</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>1,220</td>
<td>4%</td>
<td>2,495</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total Inventory</strong></td>
<td><strong>31,557</strong></td>
<td><strong>100%</strong></td>
<td><strong>29,981</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
WSD Amendments
1996
2003
2011

Section of an outdoor dining area
Overview

- 1996 amendments were the first significant revision since 1976, incorporating many recommendations of the 1992 Waikīkī Master Plan, but with a focus on improving larger properties in the Resort precincts. Introduced the PDR, planned development concept.

- 2003 amendments added some provisions to encourage the improvement of non-conforming properties, leading to much of the recent renovation. Made PDR process permanent.

- 2009 amendments made revisions to improve the effectiveness of sign regulations in Waikīkī and elsewhere.
WSD Reform 2011

- Merged the Resort Commercial Precinct into the Resort Mixed Use Precinct, as proposed in the 1992 plan, effectively rezoning Waikīkī.
- Provided incentives for the improvement of properties in the Apartment Precinct, as proposed in the 1992 plan.
- Expand the Apartment Mixed Use Subprecinct to cover existing mixed use streets.
- Eliminate parking requirements for retail and eating establishments on small lots (less than 10,000 sq ft).
- Relax some limitations on outdoor dining and vending carts.
Merged Resort Mixed Use Precint

Figure 1. EXISTING WAIKIKI SPECIAL DISTRICT PRECINCTS AND LOCATION OF NONCONFORMING HOTELS AND APARTMENTS IN RESORT COMMERCIAL PRECINCT

Zoning
- Waikiki Special District
- Apartment Precinct
- Apartment Mixed Use Subprecinct
- Public Precinct
- Resort Mixed Use Precinct

Map showing the location of nonconforming hotels and apartments in the Waikiki Special District with zones marked for different types of precint.
Merged Resort Mixed Use Precinct

- A single set of use standards based on what is now allowed in the Resort Mixed Use Precinct.
- Density and open space standards a hybrid of the two existing precincts, using the floor area bonus provisions of the Resort Commercial Precinct as an incentive to encourage more public open space, pedestrian arcades and “green roofs.”
- Base allowable floor area ratio (density) would be lowered to 1.0 (from resent 1.75) in order to increase the incentive to provide public amenities to gain additional floor area.
Public Amenities for Floor Area Bonus

Green Roof          Public Open Space          Arcade
Relationship Between Street and Open Space

- Emphasis on public open space
- Gradual transition in sidewalk height to meet flood and ADA standards
Building Height Based on View Impact Analysis
Incentives for Apartment Precinct

- Allow Planned Development option for qualifying properties in the Apartment Precinct, but at a lower maximum density - i.e., 3.0 FAR instead of 4.0

- Reduce the disincentives in the allowable floor area and required open space ratios for small lots to encourage the renovation or redevelopment of this properties for a wider range of housing types - not just high-rise buildings

- Allow limited expansion of Apartment Mixed Use (AMX) Subprecinct
Optional Parking for Small Commercial Lots

- Eliminate required parking for lots under 10,000 square feet with businesses that have mostly walk-in customers
- Impractical and undesirable to try to fit parking on small lots, with driveways cutting across the sidewalk
- Minor expansion of 2003 amendment
Outdoor Dining and Vending Carts

- Relax coverage limits and perimeter hedge requirement for outdoor dining areas, especially for lots with smaller (<100-ft) frontages
- Allow food and flower vending carts in setback areas at a ratio of 1 per 100-ft frontage, instead of present limit of 1 per zoning lot
Red: Completed
Purple: Future Construction
Blue: Major Renovations

Waikīkī Projects 2016-17
The Ritz-Carlton Residences in Waikīkī
The Ritz-Carlton Residences in Waikīkī
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The Ritz-Carlton Residences in Waikīkī

- The Ritz Carleton Residences
- Two 350’ Towers
- 552 guest rooms
- $434 million investment
- Tower 1 Opening July 15, 2016
- Tower 2 to open mid 2018
The International Market Place
The International Market Place

- The International Market Place, opened August 25, 2016
- 360,000 sq. ft. of leaseable space
- $500 million Project
- Taubman, Coastwood Capital Group & The Queen Emma Land Company
Hyatt Centric Waikīkī Beach
Hyatt Centric Waikīkī Beach

- Hyatt Centric Waikīkī Beach
- 22 story
- $61 million Project
- 230 guest rooms
- Coastwood Capital Group & The Chartes Lodging Group Partners
- Opened December 2016
Hilton Hawaiian Village
The Grand Islander

- The Grand Islander
- 37 Story
- 418 guest rooms
- $415 million investment
- Opened March 2017
- Over 90% Occupancy
The Grand Islander
133 Kaʻiulani (Kingʻs Village)
133 Kaʻiulani (Kingʻs Village)

- 350 ft. high, 33 story Condo-Hotel
- 248 units
- Developers are Honolulu-based BlackSand Capital, Kobayashi Group and The MacNaughton Group
The Laylow Autograph Selection
The Laylow Autograph Selection
ʻAlohilani Resort at Waikīkī Beach
Coming Soon: Summer 2017
ʿAlohilani Resort at Waikīkī Beach
Coming Soon: Summer 2017
‘Alohilani Resort at Waikīkī Beach
Coming Soon: Summer 2017
‘Alohilani Resort at Waikīkī Beach
Coming Soon: Summer 2017
‘Alohilani Resort at Waikīkī Beach
Coming Soon: Summer 2017
Park Kālia Waikīkī
Park Kalīa Waikīkī

- 350 ft. high, 26 story Condo-Hotel
- 170 units
- Hawaii-based Best Hospitality LLC, a subsidiary of Tokyo-based Tsukada Global Holdings,
- Still in planning process
Queen Emma Mauka
Queen Emma Mauka

2. Food Pantry (2016)
4. Waikiki Regent Apartments (expired)
7. Queen Emma Apartments (2015)
8. ABC Store (2020)
Outrigger Reef Hotel
Outrigger Reef Hotel
Waikīkī IVU Product Distribution
2000 to 2015

Visitor Unit Product Distribution

Luxury:
- 2015: 48.0%
- 2010: 23.0%
- 2000: 45.0%

Upscale:
- 2015: 26.0%
- 2010: 21.0%
- 2000: 26.0%

Mid Price:
- 2015: 20.0%
- 2010: 23.0%
- 2000: 28.0%

Economy:
- 2015: 3.0%
- 2010: 4.0%
- 2000: 12.0%

Budget:
- 2015: 7.0%
- 2010: 3.0%
- 2000: 11.0%
# Impact of Market Shift

<table>
<thead>
<tr>
<th></th>
<th>Average Daily Rate</th>
<th>Occ. %</th>
<th>Room Inventory</th>
<th>Total Hotel Rev. inc Rooms, FB, Retail</th>
<th>Annual Total Revenue per Room</th>
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<tbody>
<tr>
<td>2015</td>
<td>$222</td>
<td>85.5%</td>
<td>25,512</td>
<td>$2.5 B</td>
<td>$96,288</td>
</tr>
<tr>
<td>2000</td>
<td>$118</td>
<td>76.6%</td>
<td>31,207</td>
<td>$1.5 B</td>
<td>$48,926</td>
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</table>

2000 - 2015
Related Real Estate Transactions

Royal Hawaiian Center 2014
$696.5M

New York-based J.P. Morgan Asset Management paid $696.5 million to buy the Royal Hawaiian Center in Waikīkī from Kamehameha Schools. The transaction works out to more than $2,100 per square foot for the 6.3-acre leasehold shopping center.

Ala Moana Center 2015
$907M for 25%

Ala Moana Center, the largest shopping mall in Hawaii, has a new owner. Chicago-based General Growth Properties Inc., sold a 25 percent stake in the Honolulu mall to Australian Super for about $907 million.

The transaction values the 2.2-million-square-feet Ala Moana Center at about $5.5 billion, the two companies said.

Hyatt Regency Waikīkī 2016
$780 M

Blackstone Group LP sold the leasehold on the Hyatt Regency Waikiki Beach Resort and Spa to Mirae Asset Global Investments Co. for $780 million.
Top 10 Malls in the U.S. 
SALES PER SQUARE FOOT

#3 Pioneer Place $1,855/SF
#5 Forum Shops at Caesars $1,515/SF
#2 The Grove $2,100/SF
#9 Ala Moana $1,360/SF
#4 Woodbury Common Premium Outlets $1,550/SF
#10 The Mall at Short Hills $1,245/SF
#1 Bal Harbour Shops $3,010/SF
#6 Aventura Mall $1,500/SF
#7 The Mall at Millenia $1,400/SF
#8 Orlando Premium Outlets $1,385/SF

CBRE
National High Street Rents
NATIONWIDE VS KALAKAUA AVE

#3 San Francisco
$48/SF/Mo

#2 Los Angeles
$40/SF/Mo

#5 Waikiki
$33/SF/Mo

#4 Chicago
$40/SF/Mo

#1 New York
$254/SF/Mo

#6 Miami
$30/SF/Mo
New Retailers in Waikīkī

VALENTINO
Royal Hawaiian Center

HARRY WINSTON
Royal Hawaiian Center

JIMMY CHOO
Royal Hawaiian Center

Saks Fifth Avenue
International Market Place

MONCLER
Luxury Row at 2100 Kalakaua

URBAN OUTFITTERS
Hyatt Regency Waikīkī

Tommy Bahama
298 Beachwalk
Waikīkī Beach

The beach is our most important visitor attraction
What is Waikīkī without a Beach?

- Loss of 58% of westbound visitors
- Loss of 2.9 million occupied nights
- Loss of $2.0 billion in overall visitor expenditures
- Loss of 6,352 jobs
Program

• Create a Waikīkī Beach Management District.
• Set-up Waikīkī Beach Special Improvement District Association.
• Engage UH Seagrant coordinator.
• Draft a Waikīkī Beach Management Plan (2017-18).
Royal Hawaiian Groin
Waikīkī Beach - Aging structures

Royal Hawaiian Beach Wall

Emergency repair
Dolan Eversole - Waikīkī Beach Management Coordinator
Waikīkī Beach Special Improvement District Association
University of Hawaiʻi Sea Grant College Program
Royal Hawaiian Groin
The current Waikīkī Special District Design Guidelines (WSD DG) were written in May 2002.

The Waikīkī Special District portion of the cities Land Use Ordinance (LUO) has been amended twice since 2002.

The WSD Design Guidelines were written by DPP staff in response to a mandate in the ordinance and 80% of the language comes directly from the LUO and provides no additional guidance.
The goal of these revisions is to provide clear guidance to developer/architect teams as to the need for building forms to create public spaces, while at the same time providing Honolulu City staff with objective criteria in which to evaluate proposed projects.

The revised guidelines are not style-based or material specific. Instead they are intended to provide Waikīkī with a pedestrian friendly scale at the ground level to promote walkability, provide for mix of uses and support the environmental and economic health of the area.
Major Changes

- Simplified format
- Clarified Language on View Planes
- Provided Clarification on Public Open Space
- Updated language on sidewalk paving and fencing
- Defined Reflectivity
- Provided guidance on preferred Colors
- Provides guidance on outdoor lighting
Waikīkī Height Limits

- 350’
- 320’
- 300’
- 280’
- 260’
- 240’
- 220’
Building Height Based on View Impact Analysis
Homeless Sit Lie Law
Waikīkī Sit-Lie Law & Prohibition on Public Urination and Defecation Pass in 2014
Homeless Housing First
# IHS Homeless Outreach Update

<table>
<thead>
<tr>
<th>First Year Goals</th>
<th>Goals</th>
<th>Results to Date (12/31/16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach to Waikīkī Homeless Individuals</td>
<td>600</td>
<td>839</td>
</tr>
<tr>
<td>Place Homeless from Waikīkī in Shelter or Housing</td>
<td>280</td>
<td>488</td>
</tr>
<tr>
<td>Assist Homeless Individuals from Waikīkī to return home (Out of State)</td>
<td>240</td>
<td>316</td>
</tr>
</tbody>
</table>
HIS Homeless Outreach Update

- Homeless Outreach Shuttle Service
- Mōʻiliʻili Homeless Service Center
- Hotels donate furniture for homeless housing
- Hotel Security & Community Referral Service
Royal Hawaiian Groin

**CURRENT STATUS:**

- Public Hearing on CDUA held on March 7, 2017
- DLNR Land Board makes Final Decision April 2017
- Construction Begins January 2018
Ala Wai Canal to be Dredged
2018
Ala Wai Watershed Collaboration
Ala Wai Watershed Collaboration
Kalākaua Sidewalk Repaving Phase
Kalākaua Sidewalk Repaving Phase 2
PROJECT OBJECTIVES

- **MEET AMERICANS W/ DISABILITY ACT (ADA)** mandatory compliance by correcting the sidewalk slope conditions, especially the cross slope from store front to street curb.

- **REPLACE AGING RED 4”X4” TILES** and repair any uplifting sidewalks

- **FIX DRAINAGE ISSUES** including ponding and clogged drain problems.

- **CONSOLIDATE THE LANDSCAPE** to help mitigate the uplifting of the sidewalk by tree roots and making maintenance easier.

- **DISCOURAGE JAY WALKING** with planter along the street curb.

City and County of Honolulu
Department of Design and Construction
2015
Kūhiō Beach Park
Hula & Torch lighting

Three times a week Tuesday, Thursday & Saturday
Recapturing a Hawaiian sense of place
Aloha Festivals 2017
Investiture & Opening Ceremonies September 9th
Aloha Festivals 2017
Waikīkī Hoʻolauleʻa, September 23
Aloha Festivals 2017
Aloha Festivals Floral Parade September 30
Sunset on the Beach
Sunset on the Beach
Hawai‘i 50 Season Premiere
Waikīkī Street Events
<table>
<thead>
<tr>
<th>Month</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Sony Open</td>
</tr>
<tr>
<td>February</td>
<td>Great Aloha Run</td>
</tr>
<tr>
<td>March</td>
<td>Honolulu Festival</td>
</tr>
<tr>
<td>April</td>
<td>Spam Jam</td>
</tr>
<tr>
<td>May</td>
<td>Filipino Festival</td>
</tr>
<tr>
<td>June</td>
<td>Pan Pacific Festival</td>
</tr>
<tr>
<td>July</td>
<td>Fourth of July Events</td>
</tr>
<tr>
<td>August</td>
<td>Duke’s Ocean Fest</td>
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<tr>
<td>September</td>
<td>Aloha Festivals</td>
</tr>
<tr>
<td>October</td>
<td>Hawai‘i International Film Festival</td>
</tr>
<tr>
<td>November</td>
<td>Waikīkī Holiday Parade</td>
</tr>
<tr>
<td>December</td>
<td>Honolulu Marathon</td>
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</tbody>
</table>

- China Town New Year’s Events
- Hapa Lua Honolulu Half Marathon
- HIFF Spring
- Mele May
- King Kamehameha Day Parade
- ‘ukulele Festival
- Hawai‘i Food & Wine Festival
- Honolulu City Lights
Waikīkī Special District
Parades and Events

<table>
<thead>
<tr>
<th>Type of Events</th>
<th>Current Allowed</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2016 Revised</th>
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<tbody>
<tr>
<td>Legacy</td>
<td>14</td>
<td>12</td>
<td>12</td>
<td>14</td>
<td>14</td>
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<tr>
<td>Lottery</td>
<td>15</td>
<td>6</td>
<td>14</td>
<td>15</td>
<td>7</td>
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<tr>
<td>Waiver</td>
<td>8</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>3</td>
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<tr>
<td>First Amendment</td>
<td>NA</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>21</td>
<td>30</td>
<td>35</td>
<td>27</td>
</tr>
</tbody>
</table>
Waikīkī Special District
Parades & Events - New Rules

- Limit applicants to two Kalākaua closures a year
- Block parties restricted to between Seaside and Kapahulu Avenues
- Required insurance level increased
- Mayor’s waivers reduced
Waikīkī Transportation Management Association (WTMA)

TMA Handbook

A Guide to Successful Transportation Management Associations

TMAs -

- 135 exist
- In most states
- In other countries
- 30-year history
- Partnerships
- Mostly private
- Flexible structure
- Solution driven
The WTMA Board approved proceeding with its first project: Royal Hawaiian Avenue Commercial Passenger Loading Zone Management. The first phase of the plan was completed on March 30, 2016.
Waikīkī Transportation Management Association (WTMA)

The project was funded by DFS Galleria and the WTMA Founding Partners: the Hawaii Transportation Association, E Noa Corporation, Royal Star Hawaii, JTB Hawaii, Roberts Hawaii and Polynesian Hospitality. The City’s Department of Transportation Services prepared the sign plan and will be making other improvements along Royal Hawaiian Avenue.
The new three minute passenger loading zone sign has been installed and the old “NO PARKING ANYTIME” sign is being removed.

Waikīkī Transportation Management Association (WTMA)
The new signs enlarge the passenger loading zone from 44 to 365-feet. The WTMA is conducting communication and monitoring activities now that the signs have been installed.
Waikīkī Transportation Management Association (WTMA)

Initial Work Project and Program Tasks

Site Specific Transportation Assessment and Enforcement Projects

• Royal Hawaiian Avenue
• Commercial Vehicle Staging Areas
• Ala Moana Boulevard
• Kalākaua Avenue
• Koa Avenue
• Ala Wai Pedestrian and Bicycle Bridge
Managing Deliveries in Waikīkī a growing issue.
Waikīkī Circulator

Electric Buses + Dynamic Scheduling + Enhanced Infrastructure + All Door Boarding = Waikīkī Circulator
BATTERY ELECTRIC BUS
Developing a Sustainable Public Transportation System
Benefits of Electric Vehicles

- No diesel emission pollution
- Quieter
- More energy efficient
- Less costly to maintain
- More sustainable than diesel
- Can partner with HECO to develop infrastructure and advantageous rates
WATCIP Routes and Stops

LEGEND
- Core Circulator Route
- Makai Circulator Route
- Core Circulator Stops
- Makai Circulator Stops
Honolulu Bike Share System
A place of Aloha.

A wonderful place to vacation.

A place to learn of a unique and colorful heritage; a place to create a bright future.

A place whose success will bless islander and visitor alike.

A place to bequeath to our children and their children.