

UNITE HERE!

LOCAL 5 HAWAII

Eric Gill, Financial Secretary-Treasurer

Hernando Ramos Tan, President

Godfrey Maashiro, Senior Vice-President

January 23, 2013

Committee on Zoning and Planning
Honolulu City Council
530 South King Street
Honolulu, Hawaii 96813

Re: Testimony in opposition to Resolution 13-2

Dear Chair Anderson and Members of the Zoning and Planning Committee:

UNITE HERE! Local 5 ("Local 5") objects to the Committee and the City Council considering Resolution 13-2 for the 2121 Kuhio development project at this time, as it is premature. Local 5 has filed a lawsuit against PACREP LLC because the Environmental Assessment (EA) for this project was insufficient for the public and decisionmakers.

There are a few key issues in the litigation which pertain to your decision today:

Usage of the Units

The developer could take steps to ensure that the building is used for transient accommodations only and that there are limits to the amount of time per year owners can stay in their units, but it has not agreed to provide any assurance in this regard, despite the questions Local 5 raised about this and other issues last August. Without this assurance, owners could stay in their units year-round, treating them as residences. To the extent this occurs, it could entirely change the number of jobs the project will create, the parking needs for the building, and the project's impact on area resources such as affordable housing and area schools.

Beyond the mere fact that this project is a condotel with no assurances that owners will be required to participate in a "rental pool" or rent their units out at all, it is also notable that this project will be managed as a Ritz-Carlton Residences. Ritz-Carlton's website states "The Residences are private, whole-ownership real estate; they may be condominiums or estate homes. The Residences are not time-share real estate or fractional real estate."¹

The proposed versus actual use of the building is not the only issue affecting the impact of the development on our community.

Land Use Ordinance restrictions

Finally, section 21-9.80-4(g)(3) of the Land Use Ordinance states:

"The council by resolution may approve a building that exceeds the building height limits established in Exhibit 21-9.15 and on the zoning map, provided that the council determines that the building with the added height would not be visible within the view cones from the Punchbowl lookouts towards Diamond Head and the horizon line of the ocean or from the Kalakaua Avenue frontage of Fort DeRussy towards the slopes and ridgeline of the Koolau Range, and the building does not exceed a height of 350 feet."

¹ http://www.ritzcarlton.com/NR/rdonlyres/B2561413-907E-45C9-844B-0BEC579FC882/0/20188RCRFAQs_abbrevforweb_rev12211.pdf

RECEIVED
CITY CLERK
& C OF HONOLULU

2013 JAN 24 AM 6:56

According to DPP director Jiro Sumada, "The view study conducted by the Applicant of the Waikiki skyline, from the Punchbowl Lookout towards Diamond Head and the ocean, indicates that a relatively small portion (about eight percent) of the proposed 350-foot building will be visible." That fact alone should be grounds for City Council's denial of this Resolution, per the Land Use Ordinance. Further, the developer is asking for the right to build a roughly 320-foot wide tower (for the first six floors) that will block ocean and mountain views for residents and visitors. The Council should also keep in mind that with rooftop appurtenances included, the actual height of the structure will be 368 feet. The developer has claimed that the additional height allows it to create a narrower structure than it would otherwise have intended to build. However, even in the Draft EA, when the developer contemplated a wider building, it still projected a 350-foot height. Further, the developer may have the right to build a wider structure under regulations about gross square footage if that is all that is considered, but there are in fact other limitations such as consideration of view planes that should prevent a larger structure, and even the current structure as it is oriented.

Faulty Waikiki Special District Application

The developer's Waikiki Special District (WSD) application is faulty in that it proposes a different project with different environmental impacts than the project contemplated in the EA. In the EA, the developer proposes a 459-key condotel with 187 parking stalls. The WSD proposes a 361-key condotel with 164 parking stalls. On-site employment for the first full year of operation is projected as 475 workers in both documents. This change could affect the project's impacts on the community, and those impacts should be studied.

Assuming the developer is, in fact, planning a 361-key condotel, the projected 475 on-site jobs would mean roughly 131.6 jobs for every 100 rooms. According to an analysis by Wells Fargo, in 2011 hotels on average employed just 51.6 non-supervisory workers and 8.3 supervisory workers per 100 occupied rooms. If that were the case for this property, there would be fewer than 220 jobs at the project even if occupancy was at 100% (Average occupancy for Oahu hotels for 2005, a record year, was under 86%)².

Parking

Parking is hard to come by in Waikiki, and it gets more and more difficult as increasing numbers of residents and visitors compete for the available spots. Instead of doing anything to resolve the problem, the developer of 2121 Kuhio is planning to construct just 164 parking spaces for its 361-key building. What's worse, developers are proposing that some of the 164 stalls are being built to fulfill a requirement for parking that was supposed to have been built years ago.

The previous owner of this property built a luxury shopping center at 2100 Kalakaua Ave. In 2000, the developer of the luxury shopping center at 2100 Kalakaua agreed to build 139 parking stalls for the project. Instead, both that owner and now the new owner have asked the City to reduce the parking requirements. The City has agreed, ultimately reducing the 139-stall requirement to just 45 stalls. Despite the reduced requirements, twelve years have passed and the company has not yet constructed any parking for this project! PACREP has asked that 45 of the 164 spots they intend to build count toward fulfilling that requirement, leaving just 119 for everyone else. Given the unclear usage of the units, is it possible that more than 119 people will want to park in this 361-room building? If so, where will they park? Even if the developer is not correct about the number of jobs the property will support, there will presumably be at least some employees who may choose to drive to work. Where are those workers going to park?

Conclusion

² 2006 Annual Visitor Research Report, State of Hawaii Department of Business, Economic Development and Tourism. Table 79.
1516 South King Street • Honolulu, Hawaii • 96826-1912 • Phone (808) 941-2141 • Fax (808) 941-2166 • www.unitehere5.org

The basis of the Environmental Assessment is currently in question. Until that question is resolved, permitting on the project should not move forward. If the courts rule that a full Environmental Impact Statement is required for the project, as Local 5 contends, then any action taken on this Resolution will be invalid. Considering this resolution today is a waste of the Zoning Committee's time.

If the Zoning Committee does move forward on this resolution, it should not approve the height exemption.

Thank you for your consideration of our concerns.

Very truly yours,



Eric Gill
Financial Secretary Treasurer
UNITE HERE, Local 5