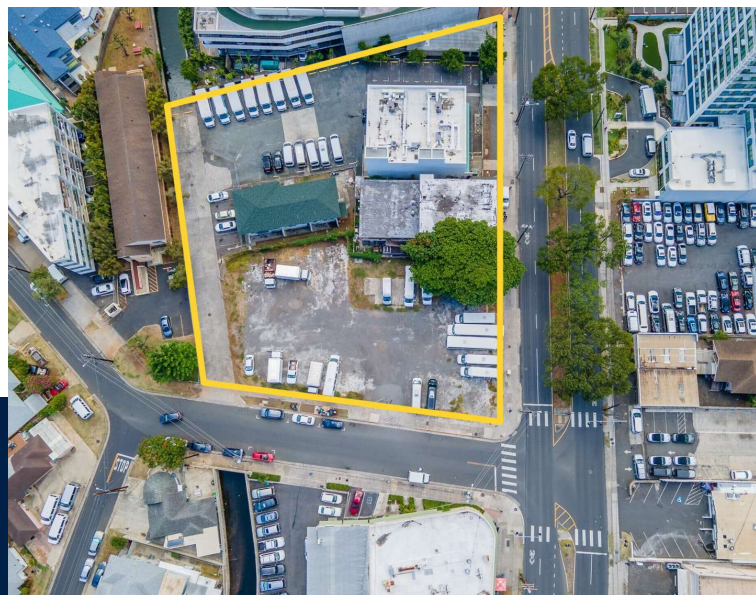


Opportunity to Own a Prime Re-Development Site

1700 & 1722 KALAKAUA AVE., HONOLULU, HAWAII 96814

Offered at \$32,000,000 FS



1700 & 1722 KALAKAUA AVE., HONOLULU, HAWAII 96814

Don't miss out on a once-in-a-lifetime opportunity to own a prime re-development site situated in the bustling heart of Honolulu! This incredible asset boasts an impressive 1.17-acre land area comprised of six lots conveniently located at the coveted corner of Kalakaua Ave and Fern Street. With the Hawaii Convention Center just a block away and the famed Ala Moana Shopping Center less than a mile away, this property is truly at the epicenter of it all. Total of Six Parcels Zoned BMX-3 for Community Business Mixed Use and A-2 Medium Density Apartment. "1700 & 1722 Kalakaua Ave." TMK: 1-2-3-32-052 (BMX-3: 22,664 SF (0.52 ac)) and TMK 1-2-3-32-008, 056, 059, 060, 061 (BMX-3/A-2: 28,239 SF (0.65 ac)).



Property Subtype: Commercial

Sale Type: Investment

Proposed Use: Commercial

No. Lots: 6

Total Lot Size: 1.17 AC

Property Type: Land

Zoning: BMX-3 - Business Mixed Use

- Incredibly visible 1.17-acre lot spanning across six expansive parcels in Honolulu, Hawaii, just 2 miles from downtown via key route Interstate H-1.
- Primely located at the epicenter of it all with desirable BMX-3 zoning primed for Community Business Mixed Use permitting numerous business uses.
- Advantageously positioned at the noteworthy corner of a signalized intersection front and center to a combined total of 22,364 vehicles per day.
- Within walking distance of the Hawaii Convention Center and less than a mile from the Ala Moana Center, the world's largest open-air shopping center.
- Ideally situated in immediate proximity of nationally popular retailers, including Target, Walmart, Sam's Club, Safeway, Whole Foods, and more.
- Surrounded by a robust population of about 333,000 residents who have average household income of \$102,814 and annual spending over \$4.3 billion.

OFFERED AT \$32,000,000 FS



Don't miss out on a once-in-a-lifetime opportunity to own a prime redevelopment site situated in the bustling community of Honolulu, Hawaii. This incredible asset boasts an expansive 1.17-acre land area comprising six parcels conveniently located at the coveted corner of Kalakaua Avenue and Fern Street. The offering is within walking distance of the Hawaii Convention Center, which boasts over 1 million square feet of meeting space and can accommodate 13,000 attendees. The acreage benefits from its positioning less than a mile from the Ala Moana Center, the world's largest open air shopping center, and there are more than 28,000 hotel rooms within a brief 1.5-mile radius. This property at 1700-1722 Kalakaua Avenue is truly at the epicenter of it all, with ideal BMX-3 zoning primed for Community Business Mixed-Use.

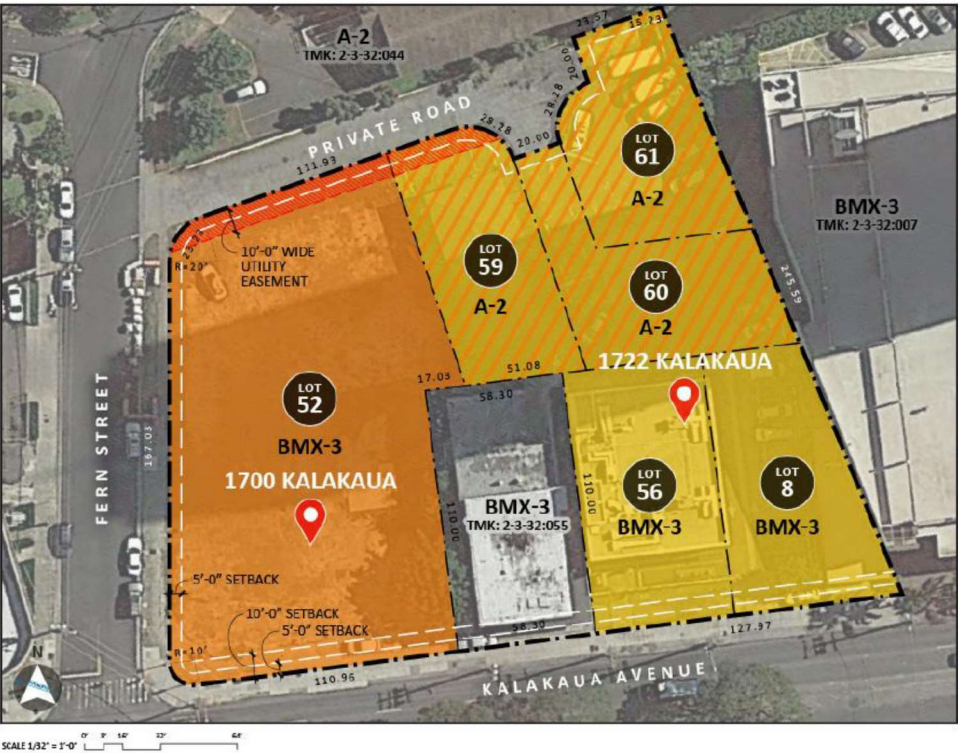
Honolulu's Community Business Mixed-Use zoning permits numerous commercial, residential, lodging and hospitality, and industrial uses. By-right commercial uses include retail stores, restaurants, shopping centers, offices, medical offices, personal and business services, financial institutions, fitness centers, theaters, entertainment venues, and auto rentals and sales within limitations. Permitted residential uses comprise single-family dwellings within mixed-use projects, multifamily apartments or condos, live-work units, and mixed-use buildings with commercial at the street level and residential on the upper levels. Lodging and hospitality approved and conditionally permitted uses entail hotels within certain sustainable communities, including central O'ahu, and bed and breakfasts with a conditional use permit. Light industrial use is allowed only when incidental to permitted retail use, while limited wholesaling and distribution use can be within a maximum of a 2,000-square-foot floor area.

1700-1722 Kalakaua Avenue benefits from its exceptionally visible location at the premier corner of a signalized intersection, front and center, to a combined total of 22,364 vehicles per day. The acreage is significantly positioned within one of Honolulu's booming retail corridors and is in immediate proximity to prominent demand drivers. Within a 1-mile radius of the property are international and nationally renowned retailers and eateries, including Target, Walmart Supercenter, Sam's Club, Safeway, Whole Foods, Starbucks, McDonald's, Subway, Taco Bell, and many more. Numerous locally popular businesses also encompass this area and are joined by sought-after tourism attractions. Ala Moana Beach, home to the captivating Magic Island Lagoon, sits at the intersection of Waikiki, Kaka'ako, and Midtown Honolulu and serves as a heavily trafficked destination all year round, drawing business to the area.

Downtown Honolulu is favorably established 2 miles north of 1700-1722 Kalakaua Avenue, offering an easy commute from major thoroughfare Interstate H-1, the longest interstate highway in all of Hawaii, providing premier connectivity from the asset to around the island. Surrounding the acreage is a dense population of about 333,000 residents who live within a 5-mile radius and bring in an average household income of \$102,814. These residents are joined by a robust daytime population of 270,700 employees and have a notable annual spending power of more than \$4.3 billion.

Break ground and discover the development possibilities at 1700-1722 Kalakaua Avenue in Honolulu, Hawaii. The flexible BMX-3 zoning permits numerous uses for a new owner to build a lucrative asset in this prime and highly sought-after destination, surrounded by reputable businesses.

Incredibly visible 1.17-acre lot spanning across six expansive parcels in Honolulu, Hawaii, just 2 miles from downtown via key route Interstate H-1. Within walking distance of the Hawaii Convention Center and less than a mile from the Ala Moana Center, the world's largest open-air shopping center. Primely located at the epicenter of it all with desirable BMX-3 zoning primed for Community Business Mixed Use permitting numerous business uses. Ideally situated in immediate proximity of nationally popular retailers, including Target, Walmart, Sam's Club, Safeway, Whole Foods, and more. Advantageously positioned at the noteworthy corner of a signalized intersection front and center to a combined total of 22,364 vehicles per day. Surrounded by a robust population of about 333,000 residents who have average household income of \$102,814 and annual spending over \$4.3 billion.



| Address: | 1700 KALAKAUA AVENUE |
|---------------------|---------------------------------|
| TMK: | 2-3-32:052 |
| Lot Area: | 22,664 SF (0.52 acres) |
| Devel. Plan Area: | Primary Urban Center |
| Flood Zones: | X – Beyond 500 Year Flood Plain |
| State Land Use: | Urban District |
| Street Setback: | Front: 5'-10', Side: 0'-10' |
| Property Tax Class: | Commercial |

| Address: | 1722 KALAKAUA AVENUE |
|---------------------|---------------------------------|
| TMK: | 2-3-32:008, 056, 059, 060, 061 |
| Lot Area: | 28,239 SF (0.65 acres) |
| Devel. Plan Area: | Primary Urban Center |
| Flood Zones: | X – Beyond 500 Year Flood Plain |
| State Land Use: | Urban District |
| Street Setback: | Front: 5'-10', Side: 0'-10' |
| Property Tax Class: | Commercial |

Zoning Development - LUO Option

BASE LAND-USE ORDINANCE (LUO) SUMMARY

| | LUO |
|---|----------------------------|
| LUO Zoning Designation: | A-2/BMX-3 |
| Lot Area: | 50,903 SF |
| Floor to Area Ratio (FAR): | 2.5-3.5¹ |
| Max Developable FAR Area ¹ : | 178,161 SF |
| Project Efficiency (Target): | 78% |
| Potential Saleable Area: | 138,965 SF |

| | |
|----------------------------|---------------|
| Height Limit: | 250 FT |
| Setbacks | |
| Front: | 10 FT |
| Side & Rear ² : | 10 FT |

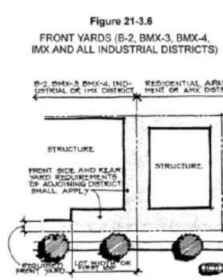
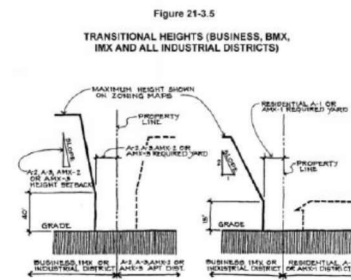
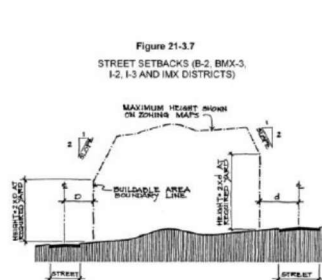
1. Provide Open Space to maximize FAR area.
2. Transitional Height Setback Required.

■ **BMX-3** – Community Business Mixed Use District

- [Sec. 21-3.120-2(c)(2)(A)] Where a zoning lot adjoins a zoning lot in a residential, A-1 or AMX-1 district, the residential district height setback shall be applicable at the buildable area boundary line of the adjoining side of the BMX-3 zoning lot (see Fig 21-3.5)
- **Open Space Bonus** [Sec. 21-3-120-2(c)(6)] For each square foot of public *open space* provided, five square feet of floor area may be added, exclusive of required yards; for each square foot of *arcade* area provided, three square feet of floor area may be added, exclusive of required yards; and maximum density with open space bonuses shall not exceed the FAR as provided under Table 21-3.4.

■ **Parking**

- 1 stall per unit < 600 sf
- 2 stalls per unit > 800 sf
- 1.5 stalls per unit 600-800 sf
- 1 guest stall per 10 units



Zoning Development – HHFDC Option

HAWAII HOUSING FINANCE & DEVELOPMENT CORPORATION (HHFDC) SUMMARY

| | HHFDC |
|---|-------------------------|
| LUO Zoning Designation: | A-2/BMX-3 |
| Lot Area: | 50,903 SF |
| Maximum FAR: | 10.0¹ |
| Max Developable FAR Area ¹ : | 509,030 SF |
| Project Efficiency (Target): | 76% |
| Potential Saleable Area: | 386,863 SF |

| | |
|-------------------------|---------------------------|
| Potential Height Limit: | 400 FT¹ |
| Setbacks | |
| Front: | 5 FT¹ |
| Side & Rear: | 5 FT¹ |

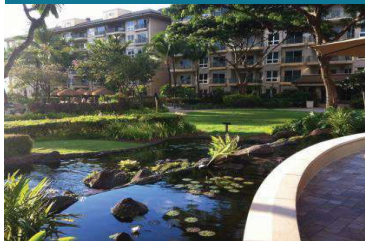
1. Developer Proposed

■ **HHFDC** – 201H Program

- The primary agency charged with overseeing affordable housing, finance and development in Hawaii.
- Tasked with financing and developing homes that are affordable to Hawaii residents, and also responsible for administering the State's residential leasehold and relocation programs.
- Hawaii statute authorizes HHFDC to assist in the development of housing projects which are exempt from certain statutes, ordinances, chapter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for development of land.
- **Affordable Housing Benefits**
 - » Affordable Housing allows eligible and qualified applicants to purchase at below market prices; gifting and co-signing provide opportunity for homeownership.
 - » Applicants must meet HHFDC Eligibility
- **Buyback & Shared Appreciation Equity (SAE)**
 - » Units shall be owner-occupied by the purchaser at all times during the initial 10 years
 - » HHFDC has the first-right-of-refusal to repurchase the property if the homeowner cannot be an owner occupant as required, wishes to sell and/or transfers the property as a non-permitted transfer
 - » In return for purchasing at below market value, the buyer agrees to share a percent of the property's future net appreciation with the State. The SAE Program restriction will continue to be in effect until the HHFDC is paid its net share of the appreciation for the property and releases the restriction.

■ **Parking** – Developer Proposed

1700 & 1722 Kalakaua Ave Project



Concept Feasibility Studies

JULY 2017



**DESIGN PARTNERS
INCORPORATED**

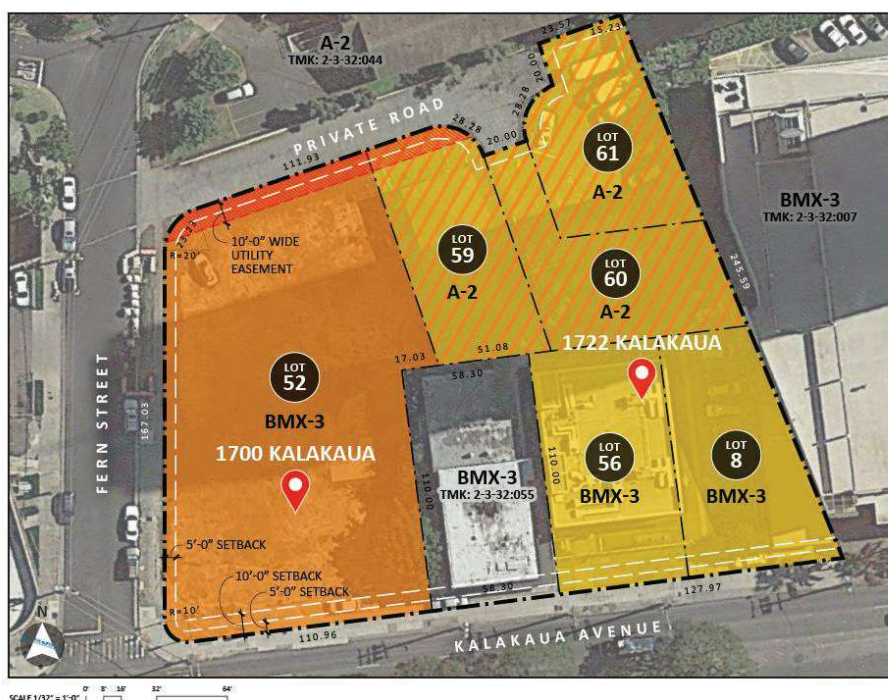
ARCHITECTURE • PLANNING • INTERIORS
CIVIL • CONSTRUCTION MANAGEMENT

Site Analysis – Site Overview

DESIGN PARTNERS
INCORPORATED

July 2017

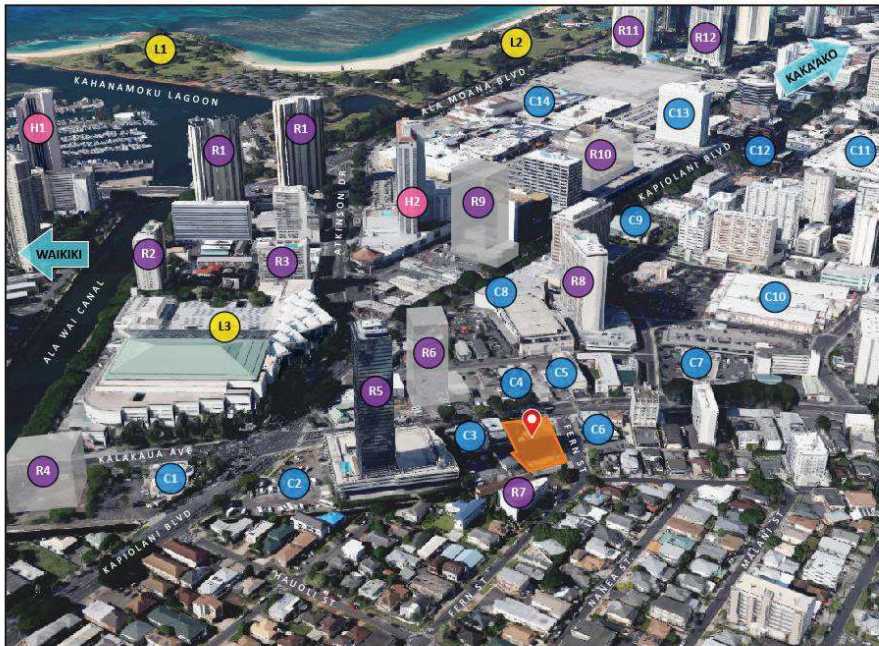
2



| Address: | 1700 KALAKAUA AVENUE |
|---------------------|---------------------------------|
| TMK: | 2-3-32:052 |
| Lot Area: | 22,664 SF (0.52 acres) |
| Devel. Plan Area: | Primary Urban Center |
| Flood Zones: | X – Beyond 500 Year Flood Plain |
| State Land Use: | Urban District |
| Street Setback: | Front: 5'-10', Side: 0'-10' |
| Property Tax Class: | Commercial |

| Address: | 1722 KALAKAUA AVENUE |
|---------------------|---------------------------------|
| TMK: | 2-3-32:008, 056, 059, 060, 061 |
| Lot Area: | 28,239 SF (0.65 acres) |
| Devel. Plan Area: | Primary Urban Center |
| Flood Zones: | X – Beyond 500 Year Flood Plain |
| State Land Use: | Urban District |
| Street Setback: | Front: 5'-10', Side: 0'-10' |
| Property Tax Class: | Commercial |

Site Analysis – Vicinity Map



PROJECT LOCATION 1700 & 1722 KALAKAUA AVE

LANDMARKS

| | | | |
|----|-------------------------|----|--------------------------|
| L1 | Magic Island | L3 | Hawaii Convention Center |
| L2 | Ala Moana Regional Park | | |

COMMERCIAL SPACES

| | | | |
|----|---------------------------------|-----|---------------------------|
| C1 | Honolulu Coffee Experience | C8 | 24 Hour Fitness |
| C2 | District Parking Service | C9 | First Hawaiian Bank |
| C3 | R & C Hawaii Tours | C10 | Don Quiote |
| C4 | Varsity Top Shop | C11 | Walmart |
| C5 | Home Bar & Grill / Local Design | C12 | Pacific Guardian Tower |
| C6 | Restaurants | C13 | Ala Moana Building |
| C7 | Palama Super Market | C14 | Ala Moana Shopping Center |

RESIDENTIAL BUILDINGS

| | | | |
|----|----------------------------|-----|----------------------|
| R1 | Yacht Harbor Towers | R7 | Fern Gardens |
| R2 | Summer Palace | R8 | Kapiolani Manor |
| R3 | Atkinson Plaza | R9 | Kapiolani Residence |
| R4 | The Plaza at Waikiki | R10 | One Ala Moana |
| R5 | Century Center Condominium | R11 | 1350 Ala Moana Condo |
| R6 | Kalakaua Gardens | R12 | Hawaiki Tower |

HOTELS

| | | | |
|----|----------------|----|-----------------|
| H1 | Prince Waikiki | H2 | Ala Moana Hotel |
|----|----------------|----|-----------------|

Site Analysis – Views from Site

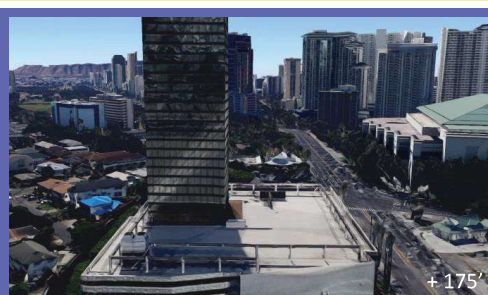


VIEW A – Fern Street

+ 205'

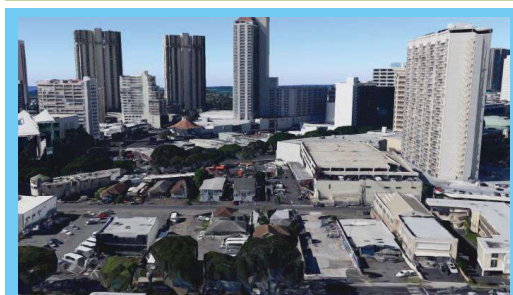


VIEW B – Mauka (Mountains) + 220'



VIEW C – Waikiki/Diamond Head

+ 175'



VIEW D – Kalakaua Avenue

+ 145'

Zoning Development - LUO Option

BASE LAND-USE ORDINANCE (LUO) SUMMARY

| | LUO |
|---|----------------------------|
| LUO Zoning Designation: | A-2/BMX-3 |
| Lot Area: | 50,903 SF |
| Floor to Area Ratio (FAR): | 2.5-3.5¹ |
| Max Developable FAR Area ¹ : | 178,161 SF |
| Project Efficiency (Target): | 78% |
| Potential Saleable Area: | 138,965 SF |

| | |
|----------------------------|---------------|
| Height Limit: | 250 FT |
| Setbacks | |
| Front: | 10 FT |
| Side & Rear ² : | 10 FT |

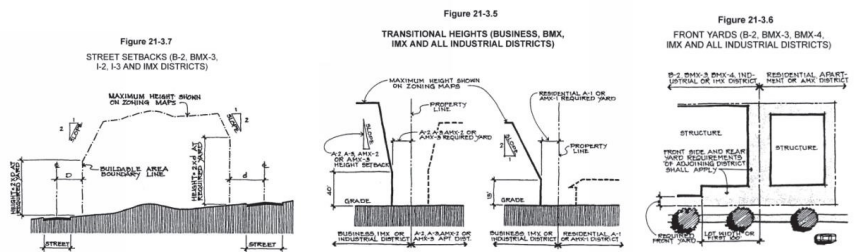
1. Provide Open Space to maximize FAR area.
2. Transitional Height Setback Required.

BMX-3 – Community Business Mixed Use District

- [Sec. 21-3.120-2(c)(2)(A)] Where a zoning lot adjoins a zoning lot in a residential, A-1 or AMX-1 district, the residential district height setback shall be applicable at the buildable area boundary line of the adjoining side of the BMX-3 zoning lot (see Fig 21-3.5)
- Open Space Bonus** [Sec. 21-3.120-2(c)(6)] For each square foot of public open space provided, five square feet of floor area may be added, exclusive of required yards; for each square foot of arcade area provided, three square feet of floor area may be added, exclusive of required yards; and maximum density with open space bonuses shall not exceed the FAR as provided under Table 21-3.4.

Parking

- 1 stall per unit < 600 sf
- 2 stalls per unit > 800 sf
- 1.5 stalls per unit 600-800 sf
- 1 guest stall per 10 units



Zoning Development – TOD/IPD-T Option

TRANSIT-ORIENTED DEVELOPMENT (TOD)/IPD-T SUMMARY

| | TOD |
|---|-------------------------|
| LUO Zoning Designation: | BMX-3B |
| Lot Area: | 50,903 SF |
| Floor to Area Ratio (FAR): | 10.0¹ |
| Max Developable FAR Area ¹ : | 509,030 SF |
| Project Efficiency (Target): | 76% |
| Potential Saleable Area ² : | 386,860 SF |

| | |
|-----------------------|---------------------------|
| Height Limit: | 400 FT¹ |
| Setbacks | |
| Kalakaua Ave Setback: | 10 FT |
| Side Yard: | -- |
| Height Setback > 60': | 20 FT |
| Rear Yard: | 10 FT |

1. Maximum with Community Benefits.
2. If project is not limited to Tall Building Guidelines
3. 1' setback for every 10' in height after 40' tall

BMX-3B – Kapiolani Mixed Use

- Within Ala Moana Special District Boundary and TOD Precinct/TIZ Precinct Boundary
- Federal Aviation Administration must be notified of proposed structures over 200' in height (per Section 77.13 of 14 CFR Part 77).
- Lot Coverage Minimum:** 90%
- Street-Level Transparency Percentage:** 75%

Parking

- [5.4.2. Parking Ratios] It is recommended that existing parking requirements (LUO standards) are reduced by at least 50%, or eliminated for certain uses. In addition, it also recommends that residential and some commercial uses consider unbundling parking to encourage use of alternative transportation modes.

Bicycle Parking Requirement: 1 per 1,600 sf (Dwellings, Multifamily)

Affordable Housing

- [5.7.2. Existing & New Standards] New standards of the TOD Special District should require that all developments providing more than 10 residential units provide a percentage of affordable housing, with an emphasis on rental housing, for at least 30 year affordability period.

Tall Building Guidelines (buildings 150' in height)

- [5.9.4 Provide Proper Setbacks for Towers] 50' Highrise Setback
- [5.9.5 Orient Towers in Mauka-Makai Direction]

Commercial Requirement

Zoning Development – HHFDC Option

HAWAII HOUSING FINANCE & DEVELOPMENT CORPORATION (HHFDC) SUMMARY

| | HHFDC |
|---|-------------------|
| LUO Zoning Designation: | A-2/BMX-3 |
| Lot Area: | 50,903 SF |
| Maximum FAR: | 10.0 ¹ |
| Max Developable FAR Area ¹ : | 509,030 SF |
| Project Efficiency (Target): | 76% |
| Potential Saleable Area: | 386,863 SF |

| | |
|-------------------------|---------------------|
| Potential Height Limit: | 400 FT ¹ |
| Setbacks | |
| Front: | 5 FT ¹ |
| Side & Rear: | 5 FT ¹ |

1. Developer Proposed

HHFDC – 201H Program

- The primary agency charged with overseeing affordable housing, finance and development in Hawaii.
- Tasked with financing and developing homes that are affordable to Hawaii residents, and also responsible for administering the State's residential leasehold and relocation programs.
- Hawaii statute authorizes HHFDC to assist in the development of housing projects which are exempt from certain statutes, ordinances, chapter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for development of land.
- Affordable Housing Benefits**
 - Affordable Housing allows eligible and qualified applicants to purchase at below market prices; gifting and co-signing provide opportunity for homeownership.
 - Applicants must meet HHFDC Eligibility
- Buyback & Shared Appreciation Equity (SAE)**
 - Units shall be owner-occupied by the purchaser at all times during the initial 10 years
 - HHFDC has the first-right of refusal to repurchase the property if the homeowner cannot be an owner occupant as required, wishes to sell and/or transfers the property as a non-permitted transfer
 - In return for purchasing at below market value, the buyer agrees to share a percent of the property's future net appreciation with the State. The SAE Program restriction will continue to be in effect until the HHFDC is paid its net share of the appreciation for the property and releases the restriction.

Parking – Developer Proposed

Zoning – Development Comparison

| | Base LUO | TOD / IPD-T | HHFDC |
|--------------------------|---|---|--|
| Maximum FAR: | 178,161 SF | 509,030 SF | Developer to Propose |
| Height Limit: | 250 ft | 400 ft | Developer to Propose |
| Entitlement Process: | None | IPD-T Application (10-18 months) | HHFDC 201H Program (12-14 months) |
| Additional Requirements: | <ul style="list-style-type: none"> Open space bonus requirements to maximize FAR | <ul style="list-style-type: none"> Need to propose and satisfy "community benefits" requirement Bike parking required Provide Open Space Affordable Housing Requirement Commercial space at ground level requirement 50' setback at 150' height | <ul style="list-style-type: none"> Propose development package for HHFDC approval Requires EA Affordable Housing Eligibility Requirements |

Concept 1: Two-Residential Towers with Mechanical Parking



SITE PLAN

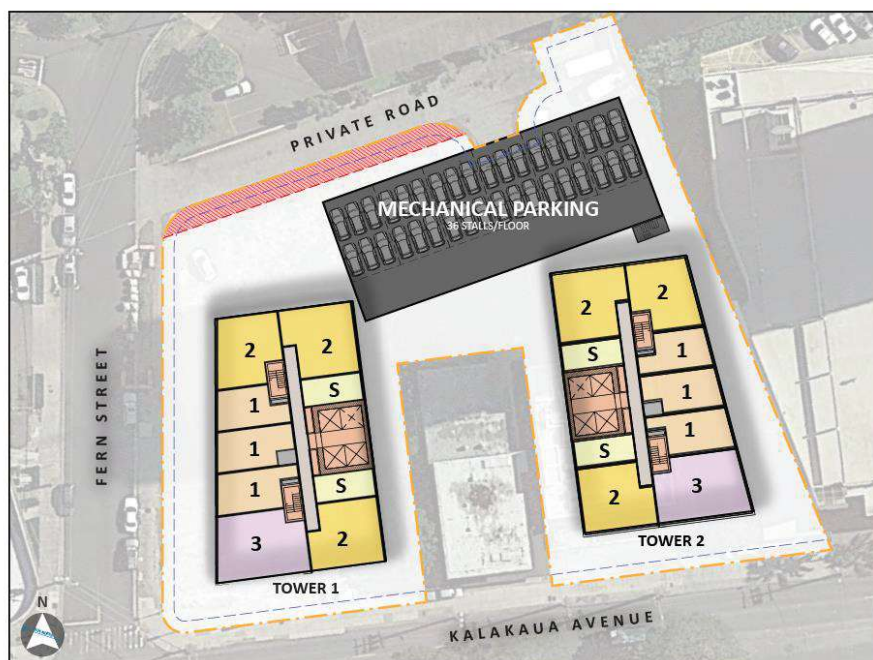
SITE PLAN

AREA= 50,903 GSF (LOT 8, 52, 56, 59, 60, 61))

| OPEN AREA | | STREET |
|-----------|-----------------|--------|
| TOWER | RECREATION DECK | |

| Building | Area (per/floor) | Floors |
|-----------------|------------------|--------|
| Tower 1 | 8,750 GSF | TBD |
| Tower 2 | 8,750 GSF | TBD |
| Recreation Deck | 8,300 GSF | 1 |

Concept 1: Two-Residential Towers with Mechanical Parking



FLOOR PLAN

TYPICAL RESIDENTIAL FLOOR PLAN

AREA= 8,750 GSF (RESIDENTIAL)

| CORE | UTILITY SPACES |
|-------------------|----------------|
| RESIDENTIAL UNITS | PARKING |
| RESIDENTIAL UNITS | CIRCULATION |

| Units/ Floor | Area | Count |
|-----------------------------|--------------|-----------------|
| Studios | 350 – 400 SF | 2 units |
| 1-Bed | 550 – 650 SF | 3 units |
| 2-Bed | 825 – 950 SF | 3 units |
| 3-Bed | 1,100 SF | 1 unit |
| Parking Stalls (Mechanical) | 8,300 GSF | 36 stalls/floor |

Concept 1:

Two-Residential Towers with Mechanical Parking



VIEW TOWARDS OCEAN



VIEW TOWARDS DIAMONDHEAD

Concept 2:

One-Residential Tower and One-Commercial Building with Standard Parking



SITE PLAN

AREA= 50,903 GSF (LOT 8, 52, 56, 59, 60, 61))

OPEN AREA

STREET

TOWER

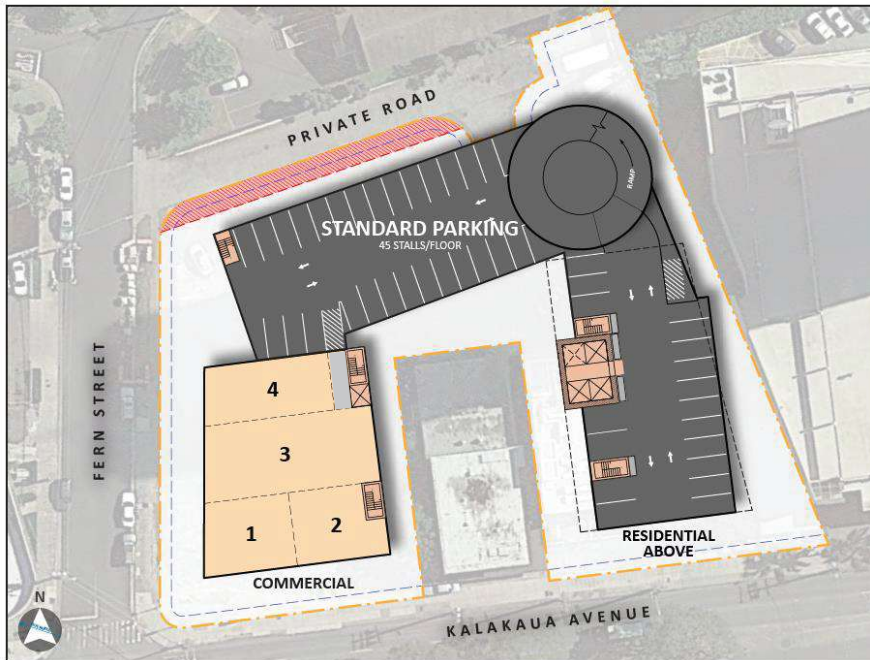
RECREATION DECK

| Building | Area (per/floor) | Floors |
|-------------------|------------------|--------|
| Commercial | 8,025 GSF | TBD |
| Residential Tower | 8,750 GSF | TBD |
| Recreation Deck | 12,500 GSF | 1 |

SITE PLAN

Concept 2:

One-Residential Tower and One-Commercial Building with Standard Parking



LOWER FLOOR PLAN

TYPICAL LOWER FLOOR PLAN

AREA= 29,275 GSF (COMMERCIAL & GARAGE)

| | |
|------------------|----------------|
| CORE | UTILITY SPACES |
| COMMERCIAL SPACE | PARKING |
| CIRCULATION | |

| Building | Area | Count |
|---------------------------|------------|-----------------|
| Commercial | 8,025 GSF | TBD |
| Parking Stalls (Standard) | 21,250 GSF | 45 stalls/floor |

Concept 2:

One-Residential Tower and One-Commercial Building with Standard Parking



UPPER FLOOR PLAN

TYPICAL UPPER FLOOR PLAN

AREA= 8,750 GSF (RESIDENTIAL)

| | |
|-------------------|----------------|
| CORE | UTILITY SPACES |
| RESIDENTIAL UNITS | PARKING |
| COMMERCIAL SPACE | CIRCULATION |

| Units/ Floor | Area | Count |
|-----------------|--------------|---------|
| Studios | 350 – 400 SF | 2 units |
| 1-Bed | 550 – 650 SF | 3 units |
| 2-Bed | 825 – 950 SF | 3 units |
| 3-Bed | 1,100 SF | 1 unit |
| Recreation Deck | 12,500 GSF | 1 |



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