

The State of the City

2014 was a big year for Kapolei

To explain what is spurring the phenomenal growth in Kapolei, Mayor Kirk Caldwell and Steve Kelly, vice president of development for Kapolei Properties LLC (KP) were featured speakers at the Kapolei Chamber of Commerce’s luncheon on December 3, 2014. The Mayor opened with an overview of the City & County of Honolulu’s role in supporting sound development, providing services to residents and in building much-needed infrastructure. Kelly followed with a wide ranging talk focused on the new wave of investments that have been flooding into Kapolei — both from government and from private investors.



Kapolei Chamber of Commerce Board of Directors and the Mayor. L-R: Todd Hedrick (Kapolei Commons), Peter Kwan (Delta Construction), Theresia McMurdo, Rockne Freitas (UH West O’ahu), Mayor Kirk Caldwell, Patty Murray (HMSA), Martha Camacho (First Hawaiian Bank), and Steve Kelly (Kapolei Properties).

completed the first 1.25 miles of its elevated guideway in Kapolei, and the City and County of Honolulu’s recent completion of the Kapolei Parkway which is a major connector within Kapolei’s urban core.

City services are also playing a key role in economic development. One program highlighted at the luncheon is the City’s **Oahu WorkLinks** Business Services, which helps companies with recruitment and employee training. Of particular interest to businesses is the on-the-job training program that provides employers money to cover a portion of the costs of hiring and training new employees, and even training existing employees for promotion within the company. Another major employment program, **Hire Leeward**, is led by City Councilmember Kymberly Pine.

The State drives large-scale transportation improvement

Getting in and out of the city, as well as facilitating transportation flow to the rest of the island is key to Kapolei’s growth. Currently, the State of Hawaii’s Department of Transportation (DOT) is constructing the mainly federally funded Kapolei Interchange which is a critical lifeline for the region. This major interchange is a public-private partnership with KP, and is expected to cost \$140 million for all four phases of this massive nine-year project. It is scheduled for completion in 2018. The State DOT’s Harbors Division is also expanding facilities at Kalaeloa Harbor, the state’s second largest harbor.

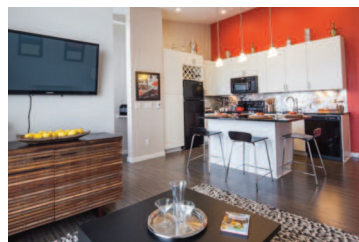
L-R: State Representative Sharon Har, Senator Mike Gabbard, and Kahu Kordell Kekoa listen to Bob Bruhl, D.R. Horton Hawaii president, speaking at the ground-breaking of OlinO at Mehana.

Kapolei sees new wave of investments

The City is abuzz with the prospect of expanded retail and housing options in the urban core.

For example,

- Forest City’s Kapolei Lofts is constructing the first rental apartment complex in the urban core, where 60 percent of the 500 units will be affordable. The complex will have resort-style amenities.



Kapolei Lofts

- California developer R.D. Olson Development has plans to build a 150-room Marriott Residence Inn on a site near the Kapolei Judiciary Complex. It will be Kapolei’s first hotel.

- Kapolei Commons’ newest phase — an entertainment center — will be anchored by Regal Cinemas. The theater will feature its “Regal experience” of cutting edge technology and king size leather reclining seats for patrons. The center will also include restaurant, cafes and retail stores.

- Atlanta’s The Gathering Place promises a new retail concept with its lifestyle center opening in spring 2016 at the corner of Kapolei Parkway and Fort Barrette Road. It will feature first-to-market retailers and one-of-a-kind shops.

- D.R. Horton broke ground on OlinO at Mehana, the sixth neighborhood within the master-planned, mixed-use community of Mehana at Kapolei. The neighborhood will have 40 single-family and 132 multi-family homes.

- Kisco Senior Living is building its assisted living facility, Ilima at Leihano in this senior living community. The campus will also include C.S. Wo, First Hawaiian Bank, and a Catholic church.

Filling the Industrial Space Void

One of the biggest stories of the year was the acquisition of 177 acres of prime industrial land by Avalon Development Company and Chicago-based Walton Street Capital, L.L.C. The partnership will subdivide and bring lots to market starting in early 2015, which is good news to a starved industrial real estate market. The lots are in Kapolei Business Park Phase 2 and Kapolei Business Park West.

continued on page 2



Mayor Caldwell gave an overview of the City & County of Honolulu’s role in supporting sound development, providing services to residents and in building much-needed infrastructure in Kapolei.

To get some perspective, it helps to know how Kapolei compares with other successful master planned cities. According to Kelly, Kapolei is on track to outstrip Columbia, MD and Irvine, CA in the rate of population, jobs and housing growth by huge margins over the next 20 years. For example, Kapolei’s growth rate will be more than 260 percent in population, nearly 125 percent in jobs and over 90 percent in housing as compared to their growth rates ranging from 20 to 70 percent in the three categories.

The City is providing essential government services and infrastructure

Mayor Caldwell gave an overview of commercial, residential and, in particular, infrastructure development projects that are currently on track to further the expansion of Kapolei. For example, the HART’s rail transit project which just



State of the City

continued from page 1



"2015 will be a huge year for Kapolei."

— Steve Kelly

Kapolei Region is booming

With all of this activity in the urban core, and the development of other major projects in the broader region, Kapolei is set to see \$6.5 billion in upcoming construction activity over the next few years. This includes the construction related to the Honolulu Rail Transit Project centered in East Kapolei, the planned Ka Makana Ali'i project by the DeBartolo Group, Haseko Hawaii's Hoakalei Resort in Ewa Beach, D.R. Horton's Kahiwelo and Ho'opili master planned communities, and The Resort Group's planned Four Seasons at Ko Olina Resort. The recent issue of Kapolei Magazine cited data that says Kapolei's total economic activity over the next 20 years is projected to exceed \$110 billion.

"2015 will be a huge year for Kapolei," said Kelly, as he wrapped up his talk to the business, government and community leaders present. "But cities still don't happen overnight. It will take everyone in this room to make it happen."

For more information about Kapolei and its many opportunities, go to www.kapolei.com.

It's messy fun!

Billed as "the happiest 5K on the planet," The Color Run is a unique paint race that's all about having fun while promoting "healthiness" and happiness. Started in 2012, The Color Run has been run in major venues around the world, and recently came to Kapolei where an estimated 5,000 to 7,000 runners were drenched in different color powders along the race route. Kapolei was one of more than 110 cities in more than 50 countries that hosted The Color Run in 2014. One enthusiastic 6th grader from Mid-Pacific Institute said, "I really enjoyed the color run! It was my first time but I had such a great experience I would definitely do it again."

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KAPOLEI PROPERTIES LLC

Kapolei Properties LLC is an affiliate of the James Campbell Company with a focus on the development of the City of Kapolei, and on economic development and job creation in the Kapolei region.

FOR MORE INFORMATION ON KAPOLEI, PLEASE VISIT:
www.kapolei.com or contact Steve Kelly at stevek@kapolei.com

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