



June 2007

# HAWAII DEVELOPERS' MONTHLY

*Dedicated to the promotion, protection and improvement of real estate development in Hawaii.*

**HAWAII DEVELOPERS' COUNCIL**

## Mid-Year Real Estate Forecast



**Moderator**  
**Fredric Berg**  
 Kalepa Kona Partners  
 Hawaii Developers' Council President

**Tuesday, July 10, 2007**  
**7:00 a.m. (Registration) - 11:05 a.m.**  
**Hale Koa Hotel**

### Residential Market



**Harvey A. Shapiro**  
 Research Economist  
 Honolulu Board of  
**REALTORS®**

### Office Market



**James M. Brown**  
 (B) CCIM, SIOR  
 President  
 Hawaii Commercial  
 Real Estate, LLC

### Retail Market



**Mark D. Bratton (R)**  
 CCIM  
 Vice President  
 Division Manager  
 Colliers Monroe  
 Friedlander

### Industrial Market



**C. Mark Ambard,**  
 CCIM (R) GRI  
 Principal Broker/  
 Owner  
 Ambard & Company  
 Commercial Real  
 Estate

### Government



**David Arakawa**  
 Executive Director  
 Land Use Research  
 Foundation

Tuesday, July 10, 2007  
 Mid-Year Real Estate  
 Forecast  
 Hale Koa Hotel

7:00 a.m.  
 Registration & Breakfast  
 8:00—11:05 a.m.  
 Program

Reservations &  
 Cancellations  
 Fax 847-6575

No shows will be billed.

### Construction Lending



**Lesley Love**  
 Fremont Investment  
 & Loan

### Banking/Economics



**Paul Brewbaker**  
 Chief Economist  
 Bank of Hawaii

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**DEADLINE FOR ADVANCED RESERVATIONS: June 26, 2007.**  
 Payment is required prior to the event or the "at-the-door" price will apply.  
 We will bill for "no shows" and cancellations after June 26, 2007.  
 Self-Parking available at the Hale Koa Hotel.

See enclosed flyer for reservations and tabletop application.



## PRESIDENT'S MESSAGE

**Frederic Berg**  
**Kalepa Kona Partners**

It seems like only yesterday we were working through the draught that defined the 1990's. Now we have experienced an enduring economic expansion even the best markets in the greater US are envious of and our experts tell us we are in for more good times ahead.

Let's not get too complacent. Now is the time to get involved in our local and state government process that allows for property development. These governments are under extreme pressure to curtail development activities for all the wrong reasons. We need to provide the input to help everyone understand that with out development, jobs will be lost, but more importantly, with out the proper development guidance that only we in the industry can provide, demand will inundate our fragile economy.

In May, Mr. Anthony Ching, Executive Director of the Land Use Commission spoke at our Luncheon of ongoing changes in classification of Two Million acres of State zoned agricultural lands to Important Agricultural Lands and "other" agricultural lands. When asked what will become of the approximately 1.5 Million acres of "other" agricultural lands, Mr. Ching responded that will be determined by all of us. Please make your interests known not only to Mr. Ching and the Land Use Commission, but also your State Legislature. Your input will provide the professional perspective lacking in today's legislative process when it comes to development in Hawaii.

Beginning this year we will be bringing you consistent Luncheons (co-chaired by Kenneth Chong and Pete Cooper)

and Boardroom Series (chaired by Shane Peters) by regularly scheduling each on alternative months. Luncheons are on the second Tuesday of odd numbered months and Boardroom Series are on the third Tuesday of even numbered months. In July we will have our annual Midyear event co-chaired by Pete Cooper and Catherine Camp. Look out for a flyer with specifics and please let the chairs and co-chairs know what you would like to hear in each of these venues.

With assistance from Candace Chase, Shane Peters and Communications Pacific, we will have a new and improved website in time for our Mid Year event. This website promises to be easily updated and full of important legislative activities and suggestion on how you can provide positive impact on the government's decision making process. Articles from speakers will be regularly posted for those members unable to attend a luncheon or Boardroom Series.

I want to take this opportunity to say a special thank you to Barbie Rosario. She has been quietly assisting the board in executing many of the day to day and month to month details that make the board of directors jobs so much easier. Mahalo.

I look forward to seeing each and every one of you at the many Hawaii Developer's Council events throughout this year.

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### 2007 OFFICERS

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**Mel Tanaka**  
 Pacific Rim Bank



## Seismic Risk in Hawaii

by Steve Baldrige

Baldrige & Associates Structural Engineers

The recent earthquake was a reminder of the risks from natural hazards that we face living in Hawaii. Earthquakes are caused by movement of the earth's crust deep beneath the surface, for Hawaii the most susceptible areas lay below the Big Island. This movement results in ground shaking radiating away from the epicenter of the originating source. When they reach a building its foundation can be shaken violently while the structure above wants to remain in its original location. Internal forces are created when the remainder of the building, and its components, are disturbed to catch up with this movement. All of these can combine for one wild ride and unfortunately, property damage and potential injury.

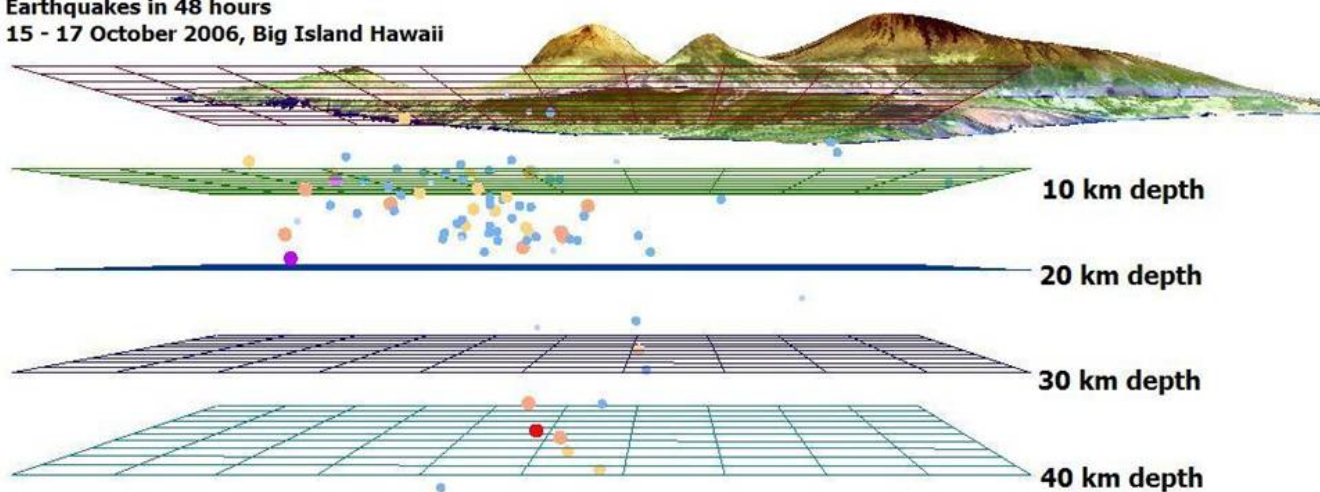
There are many issues to consider in both evaluating and minimizing potential losses for owners of existing buildings and the developers of new properties. One method of determining potential damage is by performing an industry standard "probable loss" study. The seismic risk is based on many factors, some of which include:

- ◆ The potential shaking is different for each of our islands
  - \* The Big Island is considered an area of high risk comparable to California.
  - \* Maui, Lanai, Molokai and Oahu are considered areas of moderate risk.
  - \* Kauai is considered to be an area of low risk
- ◆ The soil under a building site can substantially influence the effects of an earthquake
  - \* Building sites located on fill materials or old stream beds can be subjected to amplified ground movement and liquefaction of the supporting soil
  - \* Building sites located on basaltic rock are at the lowest risk to amplified seismic damage.
- ◆ The age of a building and the Building Code used for its design can impact its risk to seismic damage
  - \* Older buildings that are not anchored to their foundations or are constructed of lightly or un-reinforced masonry can experience heavy damage.
  - \* Prior to 1990 the seismic risk and corresponding design requirements had been underestimated in the islands, older buildings will typically have a lower level of seismic resistance in their design.
  - \* The Building Code design forces and construction detailing have become more stringent in the 1997 and 2003 editions of national model building codes.

What may seem surprising is that the Building Code design philosophy for earthquake design is not minimizing damage; it is typically only the prevention of building collapse. The reason for this is that forces that a seismic event can impart on a building are often significantly higher than buildings can economically be built for. Damage is therefore expected in typical buildings as long as it is not significant enough to put lives at risk. Buildings important to the emergency response of a community however are required to be designed to higher standard such that they can remain fully operational after an earthquake.

It is important, therefore, to keep in mind that the damage that can be caused by an earthquake goes beyond the structure. An unfortunate example of this was the Kona Hospital. While there was no structural damage to the building during the recent earthquake the ground shaking knocked loose ceiling tiles and other non-structural building components that handicapped its ability to serve the community during a time of disaster. All building owners and developers should use this as an example of the importance of determining what building functions are essential to minimize business disruption resulting from natural disasters.

**Earthquakes in 48 hours**  
15 - 17 October 2006, Big Island Hawaii





## Seismic Risk in Hawaii (continued from page 3)

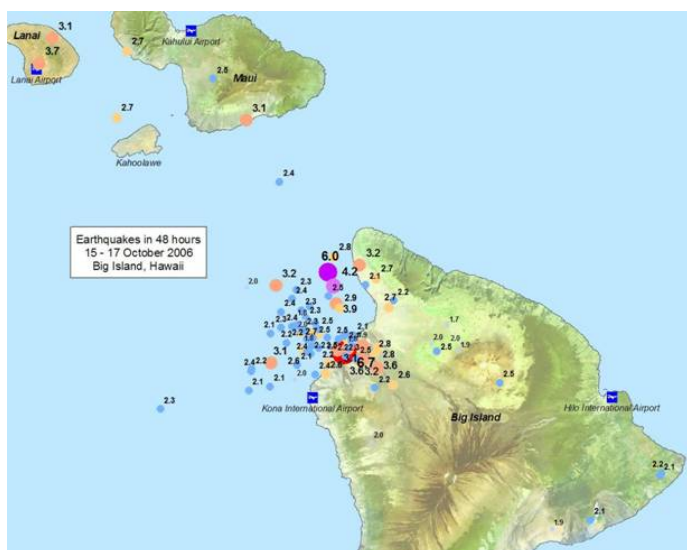
by Steve Baldridge  
Baldridge & Associates Structural Engineers

Lessons have been learned from each earthquake resulting in many advances in the design and construction of buildings to help make them more resistant to the earthquakes. Some examples include;

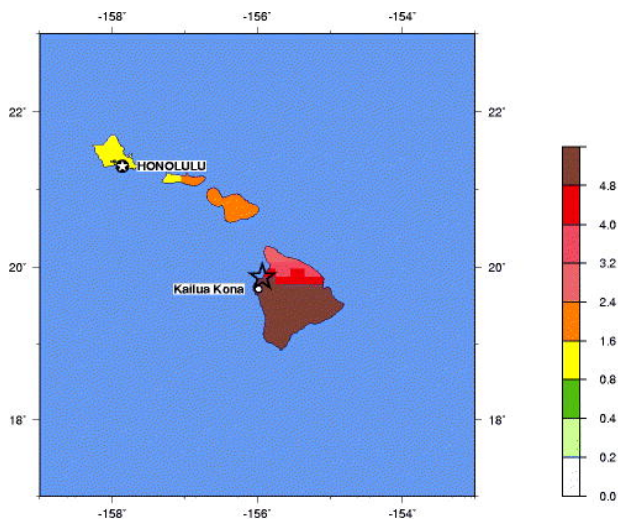
- ◆ Older buildings are being reinforced using carbon fiber materials that are applied like wall paper to strengthen supporting floors, columns and walls.
- ◆ New construction technologies such as dampers, composite braces and intentionally weakened fuse elements are being introduced into buildings to help absorb and dissipate the energy of the earthquake.

- ◆ New and existing buildings are even being “isolated” from the movement of their foundations by supporting them on large bearings or rubber pads that allow the foundations to move with little disturbance to the remainder of the building.
- ◆ As noted it is important to remember that restraining non-structural components that can be dislodged or damaged during an earthquake is essential to minimizing potential damage and business disruption.

Excellent resources can be found online through FEMA and through professionals in design, construction and building management to help you address the specific needs of your project.

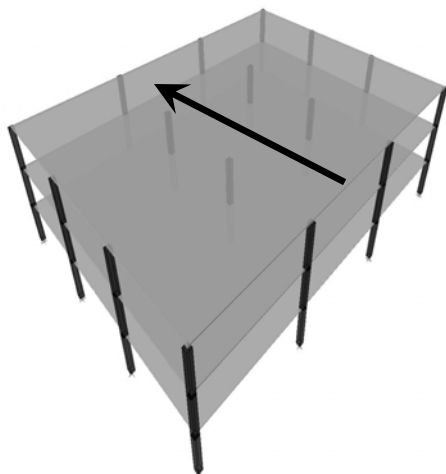


## Seismic Hazard Map



ISLAND OF HAWAII, HAWAII  
2006 10 15 17:07:49 UTC 19.87N 155.93W Depth: 39 km, Magnitude: 6.7  
Peak Ground Acceleration (m/s<sup>2</sup>) with 10% Probability of Exceedance in 50 Years

### DESIGN “SHEAR” AT BASE OF BUILDING



	Earthquake Force (Thousands of Pounds)
<b>1988 UBC</b>	<b>134</b>
<b>1997 UBC</b>	<b>389</b>
<b>2003 IBC</b>	<b>406</b>

## **Is There A New Wave In Hawaii Real Estate Sales and Development? The Sky is Falling, The Sky is Falling!!! Fractions are Coming to Hawaii!**

by Steven R. Lee, Attorney at Law

A major concern of every real estate developer in Hawaii is how to anticipate the direction of the current real estate market in Hawaii. The current market can charitably be called "sluggish" or "uneven" or some other term that describes what some have found to be difficult to plan for even the near future. With the stock market at all-time highs and the construction industry mired firmly on the ground we need options. There is no sure formula in the current market, and every option comes with risks. Recently the tide has brought in a number of "fractional interest" products, from single-family homes to condominium units to built-to-purpose condo projects and hotel conversions. What it may mean to the future of Hawaii's resort-oriented real estate development industry will only be revealed with the passage of time, but a growing number of individuals and development companies are looking at "fractions" as both an exit strategy and investment opportunity.

About once a generation something new arrives on the horizon of Hawaii real estate development. Since the "discovery" of Hawaii in the middle of the last century we have seen the arrival of high-rise Waikiki Hotels, the dramatic increases in air travel, the arrival of condominiums, then timeshares. Each brought its own share of issues, problems, regulation of over zealous developers and salesmen by both State and Federal regulators and substantial markets for investment. Each of these trends and developments found its roots in traditional principles of real estate law and development, and each responded to a common issue: more people want to own property in Hawaii than there is space and properly priced product. Fractions arrive in the same situation, but with the added component of a struggling market.

In the boom years there are more buyers than product, and any salesperson that can tell the difference between a DROA and a deed can drive around in a BMW or a Mercedes. Then the market retreats, developers go bankrupt, lenders foreclose and the salespeople go back to selling used cars and teaching school if they haven't already fled to the security and anonymity of the mainland. In the current uncertain market conditions a recurrent name has been appearing as often as the next south swell of the ocean: Fractional Interests, Interval Ownership, Shared Equity and any number of other terms to describe cutting up of ownership into time periods rather than chunks of land (houses and lots) or air space (condominiums).

The immediate response of many brokers, lenders and

homeowners' associations is to pick up the "sky is falling" approach of our old friend Chicken Little: "Oh no, just another name for timeshares!!! Stop them, stop them now!" There has been a rush to amend homeowner documents, subdivision covenants and even State Law as legislators organize study groups to see if we need to stem the tide of fractions even before it arrives.

As one of many attorneys engaged in the general practice of real estate law in the State of Hawaii, I have heard about "fractional interests" for a number of years. As it has become a multi-billion dollar industry in the mainland and elsewhere, it was only a matter of time before it arrived in Hawaii, perhaps the most desired exotic location in the world. Thousands of people are now asking: What is it? How does it work? Is it timeshare? Will it destroy my neighborhood, my condo association, my tranquil exclusive subdivision, my quiet life?

"Fractional Ownership" is entirely normal cotenancy ownership of property. It differs from traditional cotenancy by identifying a specific period of time for occupancy by each owners, then gives a deed to that period of time, usually two months per year or longer. It applies to condo projects, fancy golf course homes, hotel rooms and the house around the corner. It is also used for jet planes, boats and as many other kinds of property as can be used by multiple owners who only need them part of the time and can be used by others the rest of the time. If it is property that cannot be rented, then using fractions does not change that. All restrictions on property remain the same when fractions are applied.

Some basic questions and answers:

**What is fractional ownership in Hawaii?** As it sounds, a fraction is a percentage of anything; for land or buildings in Hawaii, it is an ownership of between one-half and one-sixth in any improved property. It is accompanied by the exclusive right to use the property for no less than sixty days per year. Anything less is a "timeshare" as defined in Hawaii Revised Statutes, Chapter 514E. Fractional ownership is simply "cotenancy," meaning the owner is one of two or more total owners. This form of ownership has been around longer than our country has existed. Historically, cotenants either operated under a "cotenancy agreement" or just shared the right to occupy, use, rent, harvest, dig and build on the property in proportion to the various "fractions" that others owned.

**Is There A New Wave In Hawaii Real Estate Sales and Development?**(continued from page 5)  
**The Sky is Falling, The Sky is Falling!!! Fractions are Coming to Hawaii!**  
 by Steven R. Lee, Attorney at Law

**How is fractional ownership different from condominium ownership?** Condominiums are a different form of cotenancy with rules set up by developers and controlled by the condominium law (either Chapter 514A or 514B, Hawaii Revised Statutes). This special kind of cotenancy was created so multiple people could share a usually small piece of land or one of many boxes of air stacked up along beaches, rivers, canyons or ski mountains where more people wanted to be than could fit on the land in any other way. It allows people to deed, finance and use their interests almost like fee-simple ownership. People can own condominiums in fractions just as they can own fractions of houses, jet planes and boats.

**Is Fractional Ownership the same as timeshare?** NO, NO, NO. Timeshare is a special kind of use that may or may not include ownership of land (sometimes it is just club membership, "points," or as little as a 1/102<sup>nd</sup> cotenancy interest in land). Most often it is one week per year. The law in Hawaii says that if you use a property for less than sixty days, then it IS a timeshare. **TIMESHARE IS THE EXCEPTION TO TRADITIONAL COTENANCY** and does not apply to proper fractional projects. If they sell less than a sixty-day period of use, they are selling a timeshare and can go to jail and pay substantial fines.

**Why are some subdivisions and condo projects amending their project documents to stop fractions?** It is a typical response to anything new. Most people, understandably, don't trust timeshares and their questionable value as an investment. Add to that the negative publicity they used to get. One reasonable fear is that when fifty-two different families with no real investment in the project show up every year they trash the furniture, wear out the common areas, and don't really care about the project that, for them, is no more than a hotel room for a week. The people who own fractions actually own from eight to twenty-five times more interest in the property than a weekly timeshare owner. Typical demographics reveal the following average statistics for owners of fractions in America:

Age: 45-60  
 Income: \$250,000-\$750,000 per year  
 Occupancy: 6-8 weeks per year (the same as if they owned a second home by themselves and left it empty or rented it.  
 Acquisition: Half pay cash, half finance the purchase.

The occupants of fractions are expected to spend more than the average hotel visitor. Fractions should multiply visitor expenditures because the homes and condos will have higher occupancy than second homes that often sit empty.

**Why would I want to build a fractional project?** The first reason is higher sales volume. A typical fraction is sold for 125% to 140% more than the fractional value of the period. So if a house is worth \$600,000.00 as a whole, each fraction would be worth \$125,000.00 to \$140,000.00. Lenders finance on an assumed 40% premium until actual market values are established by multiple sales. The second reason is that your market expands dramatically when you are selling a resort house or condo for say, \$500,000.00 to \$750,000.00 per fraction when the property itself would sell for over \$2-3 Million as a single-owner property. Six families will occupy the same property for the average annual stay of all second home owners (six to eight weeks per year), yet pay only one sixth of taxes, insurance and maintenance.

**If I build it, can I finance it and can my buyers get financing?** Until the last 24 months purchaser financing was not generally available. With the advent of substantial fractional development in Tahoe, Colorado, Florida and more recently Mexico and Southern California, a number of major financing options have arrived. At the current time a national bank in Kansas City, national fractional lenders centered in Colorado and even Pacific Rim Bank in Honolulu are underwriting fractional loans (CANDACE DO YOU INSERT YOURSELVES HERE?) that can be placed with various mortgage brokers and developers. There are a number of non-bank financing options are available, with rates one to three points higher than bank loans, with more players entering the market on an almost weekly basis. These loans are available for everything from high-rise buildings to single homes and condominiums, either new construction, rehab and conversions and existing single-family and multi-family projects.

**What does fractionalizing do to the value of fractionalized units?** What does it do to the value of units that are not fractionalized? Any time real estate is broken into smaller pieces, the value per piece usually goes up. That has been the experience in all of the United States where fractions are actively developed and sold. A rough rule of thumb is that a property broken into fractions is worth from thirty to forty percent more than in whole ownership. Commonly, a buyer will pay perhaps one-fourth to one-fifth of the

**Is There A New Wave In Hawaii Real Estate Sales and Development?** (continued from page 6)  
**The Sky is Falling, The Sky is Falling!!! Fractions are Coming to Hawaii!**  
 by Steven R. Lee, Attorney at Law

whole value to purchase a one-sixth interest in the land or buildings.

**What happens to the value of property when it has been fractionalized?** The history in the industry is that fraction values follow the trend in values of unfractionalized property, though perhaps not at the same rate. One project that has been on Maui for nearly ten years has had this experience, according to the title company that tracked the resale values. As for taxes, current laws will allow counties to assess the fractional properties according to the prices of fractions sold but usually cannot raise taxes on the unfractionalized properties.

As an option we have multiple individuals and companies

now developing fractional projects statewide. We believe it will be a significant part of the Hawaii market within thirty-six months, but only time will tell.

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*Homeshare Hawaii<sup>SM</sup> projects have been reviewed by a qualified attorney at law and are listed with real estate brokers familiar with interval ownership concepts to insure you are looking at a property you can own with confidence.*

Innovative Financing  
 of  
**FRACTIONAL INTERESTS**  
 in  
 Hawaiian Resort Properties

The solution to high-priced second homes that are used occasionally but require year-round maintenance is solved by the deeded purchase of fractional interests in those properties. Owners benefit from the same vacation experience for their family and friends at a small portion of the cost.

Financing for these interests has been scarce or unavailable until now.  
 TransPacific Mortgage Group has taken the lead in creating financing for the

DEVELOPMENT OF FRACTIONALIZED PROJECTS OR HOMES  
 and  
 FINANCING INDIVIDUAL FRACTIONAL INTERESTS



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## Transit Design & Mixed Use Development: A True Urban Planning Solution

by Philip J. Camp, Principal, NGA Hawaii LLP

### THE NEED FOR TRANSIT:

Does the City & County of Honolulu need a Mass Transit line? Without a doubt. Will the transit development be hotly contested and embroiled in politics from beginning to end? Certainly. Can we afford to pass on this opportunity yet again? Absolutely Not! The need for a true transit solution that takes cars off the roads and allows for sensible urban development is at an all time high, with the certainty that a 30% increase in the island's population by 2030 will only magnify that need. Mass Transit is far from a new idea, and while our current Mayor should be lauded for his efforts in moving the project forward, it should be understood that mass transit has been a hot topic for decades in Honolulu. Former Mayor Frank Fasi attempted to stimulate sensible urban growth and prevent urban sprawl from his initial championing of mass transit in the 70's. In '82 Fasi's vision was stopped when Eileen Anderson's campaign questioned ridership, and millions of dollars were wasted on what would have been at that point a 1 billion dollar mass transit system. Again in '92 when Fasi was re-elected, a light rail system that was estimated to cost 1.7 billion was abandoned by the City Council leaving over 700 million dollars of Federal Transit funds on the table. As we move forward with what is being considered our 3<sup>rd</sup> swing at a full fledged mass transit system, it is paramount to understand that a third strike will certainly place the City "out" of any Federal Funding for future transit efforts. With that being said; it is now or never, and while the costs of the current proposal are certainly daunting, it can only be guaranteed to increase the longer we wait.

As an urban growth strategy, mass transit makes sense. The only way to centralize growth and even attempt to support Oahu's General Plan which will ideally "keep country...country" is to create a system that supports the movement of people along the increased density identified by the Oahu General Plan for the areas of Central and West Oahu. Without the strengthened spine of mass transit, developers; *and more importantly their consumers*; will have no reason to focus their efforts along a centralized spine, and thus urban sprawl will continue to envelope the currently undeveloped areas that make Hawaii such a special place to live. This reason alone should be the paramount rationale that the entire community...*not just those that will be able to ride the transit daily*; should get behind the effort. By default, if we as a community get behind a system that promotes smart, centralized urban growth, we automatically relieve the need for urban sprawl that will eventually encapsulate the entire West side and eventually work its way over the Ko'olaus to capitalize on under utilized parcels in Kaneohe, Kailua and beyond. With a developed transit system; there will be a *raison d'etre* for smart centralized urban development. People will have an opportunity to leave their cars, and developers and planners will have a reason *and a commodity* to plan their communities around as opposed to a clogged vehicular

artery to try to avoid.

### THE NEED FOR MIXED USE DEVELOPMENT:

In conjunction with the development of an actual mass transit system, will be the need to promote smart development along the spine of the system. In the same way that mass transit is nothing new, so is the reality that sensible mixed use design has been a keystone of successful urban growth. Recently, marketers have jumped on the bandwagon of flashy new monikers such as "lifestyle centers", and while the names may have changed the principle is the same. Rather than the knee jerk reaction of throwing a few housing units into an open air strip mall, the success of true mixed use development will be dependant upon a balance and synergy of different uses. The logic being that successful mixed use development allows people to live, work, and play in a locale that does not require the individual to spend large amounts of time moving between each activity. When realized in an overall Transit Oriented Development (TOD); successful mixed use development will allow nodes of opportunity along the transit corridor.

One need only to look at the great city centers of the world to see the success of mixed use development in urban areas. While we are in no way trying to re-locate Trafalgar Square to downtown Waipahu, or the Galleria in Milan to the center of Kapolei, the principles of bringing urban needs together to a well integrated urban center ring true in any urban growth strategy. In much the same way that a well developed transit corridor will be a marketable commodity for developers to attract buyers to a new development along the transit spine, so too will the benefits of a well designed mixed use development be an attractive commodity to buyers anxious to recapture part of their income currently dedicated to maintaining an automobile and fueling it to get to and from shopping centers, their offices, or the nearest park. Sensible mixed use development will bring those items together for the consumer; rather than forcing them to commute to experience it.

Our recent efforts with the re-development of the Kahului Shopping Center in Maui, strive to embody the principles of effective mixed use design. And while the development is obviously not on the proposed path of Oahu's Mass Transit System; the development does hope to benefit from the node of transportation that will develop from the intersection between the future Super Ferry, as well as local traffic leaving the adjacent Kahului Airport. As a development, we created a vision that will embody a wide range of housing types including flats, townhomes, as well as larger small family units. In conjunction with our joint venture retail design partner, the overall campus will ultimately incorporate retail shops, restaurants, as well as a local market that will allow future tenants to live, work, and play in one locale. The center of the development has also been planned to incorporate a scaled down square



**Transit Design & Mixed Use Development: A True Urban Planning Solution** (continued from page 8)  
by Philip J. Camp

which will initiate community interaction and provide open space for performances and retail spill over. The plantation vernacular that was illustrated in our recent Transit Presentation to the HDC further illustrates an important element of mixed use design; the need to tie back to the community roots. As the transit effort develops here locally, it will be important to also develop designs that speak to the community and their individuality. As one of the 10 Principles of Intelligent Urbanism, regional integration is paramount to not only being successful, but having the community embody the development as their own. Ideally, the transit development on Oahu will not only allow for development growth and opportunities, but also provide for nodes of identity that will come to define each neighborhood as the transit line works to connect one community to the next.

**EMBRACING TRANSIT ORIENTED DEVELOPMENT:**

Successful Transit Oriented Development will require more than thoughtful design and competent construction know how. For Honolulu to realize a truly successful transit corridor, it will require all involved parties to embrace the logic of TOD. This will mean more than experienced architects and developers working together, but rather the entire community working towards a common goal. Everyone from new local residents to longtime kama'aina; local representatives to the mayor; the planning reviewers to the head of the planning department will need to understand what the transit corridor *can* be as opposed to rallying around what it might *not* be. As developers, the HDC members will need to work with local agencies having jurisdiction to assess the impact of TOD. Parking requirements will need to be lightened to promote rail oriented development. Allowable Floor Area Ratios (FAR)s will need to be studied to facilitate the increase of densities in the General Plan along the transit corridor. Mixed use zoning

will need to be promoted at/and around transit stops to promote smart growth and allow the integration of urban needs.

In short we all need to begin to envision the success of the project; rather than its possible shortcomings, and the only way the vision will have a chance of becoming a reality will be "breaking ground" rather than continuing to apply the brakes on the future of transit development.

**BIOS:**

Phillip J Camp is currently principal of NGA Hawaii LLP; a local architectural design firm specializing in high-density urban residential, land planning, retail/mixed-use, and commercial projects in California, Nevada, Arizona and Hawaii. The firm's philosophy is based on a strong Principal commitment to each project. NGA currently has several mixed use multifamily projects under construction across Southern California, Arizona & Nevada. NGA Hawaii's first local multifamily mixed use effort in Kahului is currently in early schematic design phases. Phillip recently spoke to the HDC during a Boardroom Presentation on March 21<sup>st</sup>; in which he discussed mixed used development and presented several case study examples. In conjunction with the mixed use development discussion, Phillip's guest speakers; Frank & William Villalobos of Barrio Planners Inc discussed the strategies and pitfalls of rail design. Frank Villalobos is an AIA Fellow and has over 25 years of transit design experience. Barrio Planners are currently heading the architectural effort for the Eastside LRT Partners and their construction of the Metro Gold Line Eastside Extension. The Eastside Extension is currently under construction in Los Angeles and the project closely emulates the effort being proposed for Honolulu.

**Mahalo to Our "Early Bird" Mid-Year Review Tabletop Displayers**



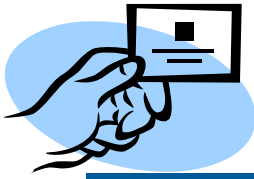
Steve Colon  
Hunt Development  
Group



**AMERICAN ELECTRIC** CO., LLC



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