

FOR THE EXCLUSIVE USE OF TRACY@CBPACIFIC.COM

From the Pacific Business News:

<https://www.bizjournals.com/pacific/news/2017/03/10/how-the-1b-condohotel-near-hawaii-convention.html>

How the \$1B condo hotel near Hawaii Convention Center came about

Mar 10, 2017, 2:29pm HST

When Salem Partners first inquired about building a condominium-hotel tower across from the Hawaii Convention Center in Honolulu, little did the Los Angeles-based investment bank and wealth management firm know that several other towers would be joining its project along Kapiolani Boulevard.

The area that looks to become home to the next condo boom that follows Kakaako.

Jim Ratkovich, managing partner of Salem Partners, who was a panelist at Thursday's 14th Annual NAIOP Hawaii Real Estate Symposium held at the Hawaii Convention Center, revealed details of how its 232-unit, \$1 billion Manaolana Place project that will fly the Mandarin Oriental Hotel Group flag, came about.

He said that Salem Partners didn't fully realize when it purchased the site of Manaolana Place that the project was the start of the city's discussions regarding transit-oriented development along the Kapiolani-Ala Moana area, the last stop of the city's elevated rail transit project.

Because the 36-story Manaolana Place project, which includes 125 hotel rooms and 107 luxury residences, was sort of a catalyst project, Ratkovich said that it took a little longer to get regulatory approvals.

He also noted that there was concern by some that Salem Partners wasn't providing enough affordable housing. In the end, the city agreed that the developer should give \$3 million to



COURTESY MANDARIN ORIENTAL HONOLULU

The 36-story Manaolana Place project will include 125 hotel rooms and 107 luxury residences.

the city to help increase the stock of affordable rental housing within one mile of the Ala Moana transit station.

The 36-story Manaolana Place may help push forward the development of up to 1,000 affordable rental housing units at a proposed nearby project.

Ratkovich said that regulators shouldn't impose more restrictions on developers to provide more affordable housing. He said that would lead to developments not getting off the ground.

Ratkovich contended that the development of its 400-foot-high mixed-use project already will provide many economic benefits to the city.

During construction, up to 900 jobs will be created by the project. Upon completion in 2020, up to 620 net permanent jobs will be generated by Manaolana Place. It is also expected to contribute \$4.4 million annually in tax and fee revenue to the city.

The project is also contributing more than \$7 million in community benefits including public space, bike racks, traffic improvements and affordable housing.

The same developer plans to develop a parcel occupied by the Heald College Building next to Walgreens' flagship Hawaii store in Honolulu into another high-rise condominium-hotel tower, as first reported by PBN.

Duane Shimogawa

Reporter

Pacific Business News

