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\$250M Honolulu Seawater A/C project signs downtown office condo building

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[Duane Shimogawa](#)

Reporter- *Pacific Business News*

[Email](#) | [Google+](#) | [Twitter](#) | [LinkedIn](#)

The long-planned \$250 million **Honolulu Seawater Air Conditioning** project, one of the largest energy efficiency projects in Hawaii's history, has signed on a Downtown Honolulu office condominium building to utilize its system that will cool office buildings and condominium towers with cold water from the ocean, a spokesman for the project confirmed to PBN.

The Alakea Corporate Tower, a condominium office building located at 1100 Alakea St., at the corner of Alakea and Hotel streets, through its board chairman, told PBN that it exercised an abundance of caution before deciding on joining the Honolulu Seawater A/C system.

"In the end, it was a triple bottom line decision," said [Jim Cavanah](#), chairman of the board for the tower, in an email to PBN. "The use of the HSWAC system not only makes sense from a financial and system reliability standpoint, but also allows our owners and tenants — most of whom are locally-based businesses — to be part of an effort that, from an environmental standpoint, will also significantly contribute to the broader well-being of our island community."

Alakea Corporate Tower, [was acquired](#) in 2003 by **Alexander & Baldwin Inc.** (NYSE: ALEX), which sold the units as office condominiums to such owners as Stanford Carr Development, [Jeff Stone's The Resort Group](#), **Barnwell Industries** (NYSE: BRN), Hawaii BioEnergy, Cutter Management, Mid-Pac Petroleum, **Queen Liliuokalani Trust**, **Hawaii State Bar Association** and **Hawaii Employers Mutual Insurance Co.**, or HEMIC.

About a month ago, The Queen's Medical Center, Hawaii's largest private hospital, inked a deal with Honolulu Seawater A/C, [as first reported by PBN](#).

Others which have signed on include the Prince Kuhio Federal Building, Remington College, First

Hawaiian Center, Hawaiian Electric Co., One Waterfront Towers and Finance Factors.

"We are very excited to welcome Alakea Corporate Tower to our growing roster of customers," [Eric Masutomi](#), president and CEO of Honolulu Seawater A/C told PBN in an email. "This latest signing reflects the growing appreciation among downtown Honolulu building owners and tenants of the tremendous long-term advantages offered by HSWAC."

He noted that when the company first began actively marketing its services five years ago, potential customers were understandably wary of the concept.

"Deepwater district cooling systems have been in place throughout the world, but because the technology is new to Hawaii, it has taken local businesses a while to embrace the idea," Masutomi said.

Honolulu Seawater A/C recently got a new majority owner in **eBay** founder [Pierre Omidyar](#)'s Hawaii-based investment firm, Ulupono Initiative, with the Sweden-based deep-water cooling company, Capital Cooling, which has been serving as a management consultant as well as a \$500,000 co-investor with Ulupono Initiative on the project.

The system is designed to cool water to provide air conditioning to buildings in Downtown Honolulu by pumping deep ocean water through a pipeline more than four miles offshore to a cooling station in Kakaako.

The project is slated to start construction by Aug. 1, and be operational by the first quarter of 2017.

Duane Shimogawa covers energy, real estate and economic development for Pacific Business News.