

SUMMARY - MEETING NO. 260

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

April 3, 2002 - 9:00 a.m.

Hawaii Community Development Authority
677 Ala Moana Boulevard, Suite 1000, Conference Room
Honolulu, Hawaii 96813

ATTENDANCE

Members Present: Lori Ann Lum; James Kometani; Patrick Kubota; Allan Los Banos, Jr.; Lloyd Nekoba (for Neal Miyahira); Sharon Narimatsu (for Sei-ji Naya)

Members Absent: Douglas Won; Michael Goshi; Christine Camp; Brian Minaai; Glenn Okimoto

Others Present: Jan Yokota; Melvin Nishimoto; Teney Takahashi; Neal Imada; Matthew Akamu; Cal Machida; Arnold Imaoka; Steve Miyamoto; Susan Tamura; Sandy Pfund; Marvin Uehara; Miko Dargitz; Aileen Fukunaga (also, see Meeting Attendance Record)

I. ROLL CALL

The meeting of the Hawaii Community Development Authority was called to order on April 3, 2002 by Chair Lori Ann Lum at 9:00 a.m. with the following roll call:

Member Kometani	Present
Member Nekoba	Present
Member Los Banos	Present
Member Narimatsu	Present
Member Kubota	Present
Chair Lum	Present
Member Won	Absent
Member Goshi	Absent
Member Camp	Absent
Member Minaai	Absent
Member Okimoto	Absent

MATERIALS DISTRIBUTED

1. Agenda for April 3, 2002 Meeting;
2. Summary Minutes of March 6, 2002; and
3. Information Item: Status Report: University of Hawaii John A. Burns School of Medicine (JABSOM)/Biomedical Research Center Project in Kakaako.

II. APPROVAL OF MINUTES

1. Regular Meeting of March 6, 2002.

Chair Lum asked if the Members had any corrections to the minutes.

There were none.

It was moved by Member Kometani and seconded by Member Kubota that the Regular Minutes of March 6, 2002 be approved, as written. The motion passed unanimously.

Note: The Agenda items were taken out of order.

IV. ITEM FOR INFORMATION

- A. Status Report: University of Hawaii John A. Burns School of Medicine (JABSOM)/Medical Research Center Project in Kakaako.

Rex Johnson, Director of Physical Facilities for the University of Hawaii Medical School's Development Office, was introduced to the Authority. Mr. Johnson introduced Francis Blanco, Director of Project Planning at JABSOM, and Art Lucio from Architects Hawaii Ltd.

Mr. Johnson used a Power Point presentation.

Mr. Johnson said that the University of Hawaii Health and Wellness Center in Kakaako will be built in four phases at an overall cost of about \$300 million. The first phase, the John A. Burns School of Medicine and Biomedical Research Facility, is planned on the makai side of Ilalo Street adjacent to the Kakaako Waterfront Park at a cost of about \$150 million. The Cancer Research Center, which is the second phase, will occupy about 120,000 square feet at a cost of \$80 million. The third phase will consist of the renovation of the current medical school facility at the U.H. Phase 4

will be the Biotech Business Park at a cost of about \$10 million.

The U.H. received \$875,000 in general obligation (GO) bonds at the 2000 legislative session, which was used for planning. In 2001, it received \$13 million in GO bonds, which was used for architectural services and tenant relocation. At the 2001 special session, U.H. received a \$150 million revenue bond authorization for construction of the medical school/biomedical research center, to be financed by tobacco settlement funds.

The project is expected to break ground in September 2002 with a mid-2004 completion date for the education/administration building and a June 2005 completion date for the research building.

The University Administration wanted to get the contractor on board as early as possible to assist in the design of the projects, so a Design/Assist Process was approved on December 14, 2001 to bypass the typical design/bid/build process. Notice to bidders was sent out on December 17, 2001 with a January 4, 2002 deadline for response. A Medical School Development Advisory Board was appointed by President Dobelle. By January 18, three joint ventures remained on the short list of general contractors: A.C. Kobayashi/McCarthy, Kiewit/DPR, and Hawaiian Dredging/Kajima Joint Venture. Hawaiian Dredging/Kajima Joint Venture was ultimately selected as the contractor.

The contractors were judged on the following: project experience; pre-construction design/assist experience; personnel/organization; cost control; bonding capacity; references; and any pending litigation against the contractors. Another qualification that the selection committee relied on heavily was previous joint venture experience, which Hawaiian Dredging/Kajima possessed.

The President's Health and Wellness Center Development Advisory Committee was chaired by Dr. Ed Cadman, Dean of the Medical School. The other members of the committee were: Bruce Coppa; Mitch D'Olier; Linda Fernandez; Randy Fujiki; Kalowena Komeiji; Richard Lim; Duncan MacNaughton; Hamilton McCubbin; Jim Freeman, President of the AIA Honolulu Chapter; Dr. Carl-Wilhelm Vogel of the Cancer Research Center of Hawaii; Donna Tanoue of Bank of Hawaii; Norma Wong; and Dr. Raymond Yeh, Dean of the U.H. School of Architecture.

Two design review committees have been established to assist in the design review process. These are: the

University's Advisory Subcommittee, which is composed of Mark Hastert, Jim Freeman and Raymond Yeh; and HCDA's Design Review Committee. An independent consultant, Alex Cooper of Cooper Robertson of New York City, has been contracted by Kamehameha Schools and Victoria Ward, Limited to do some overall planning for the Kakaako area and is also providing input to the U.H. President regarding project design.

The following recommendations have been made by the design review committees:

- critical identity icon should be located at the corner of Cooke and Ilalo Streets, rather than at Coral Street as initially proposed;
- the central plant building should either be relocated to the Ewa-makai corner of the property or integrated into the buildings;
- the Coral Street view plane should be enhanced by moving some at grade parking to the existing central plant area; and
- the Ilalo Street edge should include an enlivened streetscape.

The central plant in Phase 1 was shifted to provide sufficient space for a parking garage in Phase 2. Connected to the central plant will be a day care center and fitness center.

In Phase 2, the Cancer Research Center building will be built on the site of the Phase 1 at-grade parking.

The Education/Administration Building will house the administration offices, informatics operation, educational classrooms, an auditorium, a café, and a bookstore. The 202,000 square foot Research Building will house research labs, mechanical spaces, and administrative support offices.

Mr. Johnson said that the HCDA staff has been very supportive throughout the process and that the project is on schedule at this point.

Ms. Yokota noted that the development permit will be issued administratively because the project FAR is less than 1.5. Staff will ensure that it conforms to the general development standards (densities, heights, etc.) of the Makai Area Rules. The HCDA design review committee will also be monitoring the project design

until this fall. Although the building footprints will be set, the design process will take much longer.

Ms. Yokota said that it is anticipated that the permit will be issued by April 30, so that it can be included in the SMA permit application for the project. In early June, conveyance documents for the site will be presented to the Authority for approval.

Member Kubota wanted to know when the public will have an opportunity to comment on the design.

Ms. Yokota noted that two design committees have been reviewing the project design. HCDA's design committee is composed of: Teney Takahashi of the HCDA staff; Mike Goshi, who is an Authority Member and an architect; Juli Kimura Walters, a landscape architect; and architect John Hara. The U.H. committee includes Mark Hastert, a planner, and Raymond Yeh, Dean of the U.H. School of Architecture.

Member Kubota wanted to know whether the neighborhood boards and the Kakaako Improvement Association (KIA) have been involved in the process.

Mr. Johnson said that Dr. Cadman, Mr. Blanco and HCDA staff have been working with the neighborhood boards, the KIA, and the Legislature for the past year and a half to keep them informed regarding the project.

Ms. Yokota added that, as the design of the building is developed and becomes more finalized, staff will be presenting the project design to the neighborhood boards and the KIA.

Member Narimatsu asked whether the U.H. will need more land.

Mr. Johnson said that the President wrote to the Governor requesting an additional 15 acres for the project, but that he does not know the outcome of the President's request.

Ms. Yokota said that she understood that the University was asked to focus on the initial site at this point in time. When uses are determined for the other properties Ewa of the current site, another request could be submitted.

Member Nekoba wanted to know how large the child care center will be.

Mr. Lucio said that it will accommodate approximately 30 children.

Member Nekoba asked whether it would be limited to U.H. personnel.

Mr. Johnson said that it would be operated mainly to accommodate Medical School personnel with daycare age children and that enrollment would be extended to the public if there are any openings.

Member Narimatsu wanted to know, when the President submitted his request to the Governor for additional property, whether the plans included an incubator to attract businesses.

Mr. Johnson said that the President discussed the possibility of a Center for Native Hawaiian research, additional parking, and additional research space. He said that no incubator was discussed and that it was contemplated that an incubator would be constructed primarily on privately owned lands.

There were no additional questions.

Chair Lum thanked Messrs. Johnson, Blanco and Lucio for their presentation.

III. REPORT OF THE EXECUTIVE DIRECTOR

Ms. Yokota said that, at the previous Authority meeting, Member Goshi had requested that staff do a quick analysis of the feasibility of constructing a parking garage under the Mauka and Makai Parks located along the Queen Street Extension. In accordance with his request, Mr. Uehara presented the following analysis.

If a half-basement parking structure were built under the park, the level of usage would depend in part on whether parking fees would be assessed. If fees are assessed, the new parking structure would probably be minimally used, except during peak periods, because there is ample free parking during off-peak hours in more centrally located areas. If no parking fees are assessed, the structure would be used more intensively, but HCDA could be subject to possible criticism for using public funds to provide parking for patrons of the surrounding private establishments.

To further address the question of need, staff analyzed the 698-stall parking structure that HCDA presently owns and operates on Halekauwila Street, which is a short walking

distance to some of the retail and eating establishments on Auahi Street. In 2001, a net cash flow was realized after expenses of \$146,000, amounting to \$17.44 per stall per month. This illustrates that demand for parking, and particularly for paid parking, is not very strong.

The Queen Street parks are intended to be neighborhood parks and are not expected to generate much need for parking. The parking situation should improve when the Queen Street extension is built because it will create about 35 on-street parking stalls.

Some of the issues we would face in building a parking structure are design issues and construction costs. It is estimated that a parking structure in that location would contain approximately 100 stalls. The water table there is about 4 or 5 feet below grade. So a half-basement parking structure would encounter water. If the park is built on top of the parking structure, the park design would have to be amended because it presently calls for the planting of trees that would eventually grow to be very large. These would have to be eliminated or downsized. Also, Phase 2 of the park, to be built in the future, could not be integrated with Phase 1, since Phase 1 would be at a higher elevation.

There are other potential design and security issues. Park usage would probably be affected because of the low visibility from the street, which also increases security concerns. In addition, the Queen Street parks are planned as neighborhood parks, intended for use by the surrounding residents; an integrated garage would have the opposite effect of attracting people attending nearby events. The proposed shade and tree spacing in the park would also be compromised to a great extent with underground parking. Finally, with a park 4 or 5 feet above ground level, ramps for the handicapped would have to be built and the City would request ramps for trucks to unload their equipment.

The underground parking structure could be very expensive. Because the land parcel is small, the parking area would also be small and the ramps, aisles and stairwells would take up a disproportionately large amount of floor area. The irregular shape of the land would contribute to the inefficiency of the parking structure. The high water table would necessitate waterproofing of the sub-grade slab and walls, and pumping during construction, and the garage would need to be mechanically vented.

The inclusion of a parking structure could add another 2 to 2-1/2 years to the schedule. In addition, the Mauka Area Plan may have to be amended because that parcel is presently designated for a park at grade.

In summary, the disadvantages of building a half-basement parking structure appear to be very significant ranging from high construction costs, delays in park construction, and limited additional parking stalls to a reduction in the design attractiveness of the park. Further, parking that would primarily benefit private sector customers in the area raises a policy issue. If there is a problem with insufficient parking in the area, a better solution may be for HCDA to initiate a private-public venture. In that case, HCDA could provide the development funds and the private sector the land, operating management and debt service.

Ms. Yokota added that, although the design for the parks was approved at the previous meeting, some of the design work has been suspended pending the Authority's request to staff to review the feasibility of constructing an underground parking structure. She asked whether staff should continue to pursue the parking issue.

The Members decided that staff should not pursue that route and should resume work based on the original park design.

Ms. Yokota then summarized portions of the Executive Director's report.

A. Produce Center Development, Ltd. The termination agreement was signed on March 13. Month-to-month leases will be entered into with the tenants until August 31, 2002.

B. 2002 Legislature.

1. Barbers Point. This bill has passed through two committees and will very likely be enacted. The basic issue at this point is sufficient funding for operations.

2. Revolving Funds. A number of revolving funds are being tapped to balance the budget. HCDA is being tapped for about \$3-\$4 million. Staff is attempting to reduce that amount.

Ms. Yokota said she would be happy to answer any questions pertaining to the items in the Report of the Executive Director. There were no questions.

V. ADJOURNMENT

There being no other business, it was moved by Member Narimatsu and seconded by Member Los Banos to adjourn the meeting at 9:45 a.m. The motion passed unanimously.

Respectfully submitted,

Chri Ann L. Kim

fw Douglas Won
Secretary