

SUMMARY - MEETING NO. 258

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

January 9, 2002 - 9:25 a.m.

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

ATTENDANCE

Members Present: James Kometani; Douglas Won; Patrick Kubota; Michael Goshi; Christine Camp; Glenn Okimoto; Jadine Urasaki (for Brian Minaai); Lloyd Nekoba (for Neal Miyahira); Sharon Narimatsu (for Seiji Naya)

Members Absent: Lori Ann Lum; Allan Los Banos, Jr.

Others Present: Jan Yokota; Melvin Nishimoto; Teney Takahashi; Neal Imada; Matthew Akamu; Cal Machida; 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 January 9, 2002 by Vice Chair James Kometani at 9:25 a.m. with the following roll call:

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

MATERIALS DISTRIBUTED

1. Agenda for January 9, 2002 Meeting;
2. Summary Minutes of December 5, 2001;
3. Action Item: Approval of Amendments to the Improvement District Rules (Chapter 20), Title 15, Hawaii Administrative Rules, Relating to Kakaako Improvement District 10;
4. Action Item: Approval of Amendments to the Kakaako Community Development District Makai Area Rules (Chapter 23), Title 15, Hawaii Administrative Rules, to Incorporate the Makai Area Design Guidelines by Reference;
5. Action Item: Approval of the Early Termination of General Lease No. S-4405, as Amended, with Produce Center Development, Ltd. (TMK: 2-1-60: 09), and to Authorize the Executive Director to Negotiate and Enter into a Lease Termination Agreement with Produce Center Development, Ltd.;
6. Action Item: Approval to Retain Engineering Consultant(s) for Road Design and Site Preparation in Kakaako Makai;
7. Agenda for January 9, 2002 Public Hearing;
8. Information Item: Proposed Amendments to the Improvement District Rules (Chapter 20), Title 15, Hawaii Administrative Rules, Relating to Kakaako Improvement District 10; and
9. Information Item: Proposed Amendments to the Kakaako Community Development District Makai Area Rules (Chapter 23), Title 15, Hawaii Administrative Rules, to Incorporate the Makai Area Design Guidelines by Reference.

II. APPROVAL OF MINUTES

1. Regular Meeting of December 5, 2001.

Vice Chair Kometani asked if the Members had any corrections to the minutes.

There were none.

It was moved by Member Narimatsu and seconded by Member Camp that the Regular Minutes of December 5, 2001 be approved, as written. The motion passed unanimously.

III. REPORT OF THE EXECUTIVE DIRECTOR

- A. 2002 Legislature. Ms. Yokota reported that there are two items relating to HCDA that may be submitted to the Legislature. One is a bill that would give responsibility for Barbers Point to HCDA. This bill has been considered by the Legislature for the past 4 years. The second item is HCDA's capital improvements program budget request which is as follows: (1) \$20 million for infrastructure improvements and site preparation costs in Kakaako Makai; and (2) \$6.5 million for improvements to Queen Street.

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

IV. ITEMS FOR ACTION

2. Approval of Amendments to the Improvement District Rules (Chapter 20), Title 15, Hawaii Administrative Rules, Relating to Kakaako Improvement District 10.

Mr. Miyamoto summarized the Recommendation portion of the Action Item report distributed to the Authority concerning this matter.

For discussion purposes, it was moved by Member Camp and seconded by Member Won to: approve the undertaking of ID-10 and adopt the proposed amendments to Chapter 20, Title 15, Hawaii Administrative Rules of the HCDA, which proposes the construction of the ID-10 Project, creates the assessment area district, establishes the method of cost allocation and property assessment, and estimates the assessment amounts of each affected property; and to authorize the Executive Director to: advertise for construction bids and conditionally award a contract to the lowest responsible bidder; select and contract with a consultant for construction management services; enter into an agreement with Nauru Phosphates Royalties-Honolulu, Inc. for the reimbursement of all costs incurred by the HCDA for the Waimanu Street widening and related site work; and enter into agreements with the public utility companies, which relate to the sharing of ID-10 project costs and the granting of any necessary easements on HCDA property.

There being no discussion, Vice Chair Kometani called for a vote.

The motion passed unanimously.

3. Approval of Amendments to the Kakaako Community Development District Makai Area Rules (Chapter 23), Title 15, Hawaii Administrative Rules, to Incorporate the Makai Area Design Guidelines by Reference.

Ms. Tamura summarized the Action Item report distributed to the Authority concerning this matter.

For discussion purposes, it was moved by Member Narimatsu and seconded by Member Won to approve the proposed amendments to the Kakaako Community Development District Makai Area Rules (Chapter 23), Title 15, Hawaii Administrative Rules, that would incorporate the Makai Area Design Guidelines by reference as presented at the public hearing.

There being no discussion, Vice Chair Kometani called for a vote.

The motion passed unanimously.

V. EXECUTIVE SESSION

Regarding Legal Issues Relating to the Early Termination of the Lease with Produce Center Development, Ltd.

It was moved by Member Camp and seconded by Member Urasaki to go into Executive Session to discuss Legal Issues Relating to the Early Termination of the Lease with Produce Center Development, Ltd. The motion passed unanimously. Note: There were nine (9) affirmative votes.

Ms. Yokota, Mr. Nishimoto and Ms Pfund were requested to be present at the Executive Session.

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The Hawaii Community Development Authority convened in Executive Session at 9:35 a.m.

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It was moved by Member Kubota and seconded by Member Nekoba to reconvene the regular meeting at 10:15 a.m. The motion passed unanimously.

IV. ITEMS FOR ACTION (continuation)

4. Approval of the Early Termination of General Lease No. S-4405, as Amended, with Produce Center Development, Ltd. (TMK: 2-1-60: 09), and to Authorize the Executive Director to Negotiate and Enter into a Lease Termination Agreement with Produce Center Development, Ltd.

Ms. Pfund summarized the Action Item report distributed to the Authority concerning this matter.

The following individuals were introduced to the Authority: Mark Teruya, President of Produce Center Development, Ltd. and Armstrong Produce, one of the subtenants; Kristen Masuda of Imanaka Kudo & Fujimoto, attorney for Produce Center; Neal Otani, President of Fukunaga Products and chair of the subtenant group; Michael Bird of Watanabe Ing & Kawashima, attorney for the subtenants; and Ronald Yamauchi of S. Yamauchi Produce, Inc.

For discussion purposes, it was moved by Member Kubota and seconded by Member Won to approve the early termination of General Lease No. S-4405, as amended, to Produce Center Development, Ltd. for a total settlement amount not to exceed \$7,075,537.17 and to authorize the Executive Director to negotiate and execute a Lease Termination Agreement, which would set forth terms and conditions for the lease termination and compensation package.

Vice Chair Kometani opened the floor for discussion.

It was moved by Member Camp and seconded by Member Kubota to amend the motion to include a provision that the University of Hawaii provide an acknowledgement that funding is available to cover the settlement amount.

The motion passed unanimously.

Vice Chair Kometani restated the motion, as amended, as follows: Approve the early termination of General Lease No S-4405, as amended, to Produce Center Development, Ltd. for a total settlement amount not to exceed \$7,075,537.17; and authorize the Executive Director to negotiate and execute a Lease Termination Agreement, which sets forth the terms and conditions for the lease termination and compensation package, with the provision that the University of Hawaii

provide an acknowledgment that the funding is available to cover the settlement amount.

There being no further discussion, Vice Chair Kometani called for a vote.

The motion, as amended, passed unanimously.

Ms. Yokota thanked the subcommittee members (Members Camp, Goshi and Kubota and Vice Chair Kometani) and Ms. Pfund for the time and effort expended in bringing this matter to a conclusion. She also thanked the Produce Center shareholders and subtenants for their cooperation and patience.

5. Approval to Retain Engineering Consultant(s) for Road Design and Site Preparation in Kakaako Makai.

Ms. Pfund summarized the Action Item report distributed to the Authority concerning this matter.

For discussion purposes, it was moved by Member Camp and seconded by Member Narimatsu to retain engineering consultant(s) for road design and site preparation in Kakaako Makai, subject to the availability of appropriated funds and approval by the Governor.

There being no discussion, Vice Chair Kometani called for a vote.

The motion passed unanimously.

VI. EXECUTIVE SESSION

Regarding Legal Issues Relating to Honuakaha Defects.

It was moved by Member Kubota and seconded by Member Goshi that the Authority go into Executive Session to discuss Legal Issues Relating to Honuakaha Defects. The motion passed unanimously. Note: There were nine (9) affirmative votes.

Ms. Yokota, Mr. Nishimoto and Mr. Takahashi were requested to be present at the Executive Session.

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The Hawaii Community Development Authority convened in Executive Session at 10:30 a.m.

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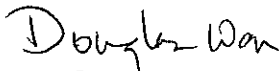
It was moved by Member Camp and seconded by Member Goshi to reconvene the regular meeting at 10:55 a.m. The motion passed unanimously.

Vice Chair Kometani asked whether there were any other matters that should be brought up at this time. There were none.

VII. ADJOURNMENT

There being no other business, it was moved by Member Kubota and seconded by Member Goshi to adjourn the meeting at 10:55 a.m. The motion passed unanimously.

Respectfully submitted,


Douglas Won
Secretary