

SUMMARY - MEETING NO. 262

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

June 12, 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; Michael Goshi; Allan Los Banos, Jr.; Mary Alice Evans (for Glenn Okimoto); Lloyd Nekoba (for Stanley Shiraki); Brian Minaai; Sharon Narimatsu (for Seiji Naya)

Members Absent: Douglas Won; Christine Camp

Others Present: Jan Yokota; Melvin Nishimoto; Teney Takahashi; Matthew Akamu; Cal Machida; Marvin Uehara; Miko Dargitz; Kristelle Batino; Aileen Fukunaga (also, see Meeting Attendance Record)

I. ROLL CALL

The meeting of the Hawaii Community Development Authority was called to order on June 12, 2002 by Chair Lori Ann Lum at 9:00 a.m. with the following roll call:

Member Kometani	Present
Member Minaai	Present
Member Los Banos	Present
Member Goshi	Present
Member Narimatsu	Present
Member Kubota	Present
Chair Lum	Present
Member Evans	Arrived at 9:05 a.m.
Member Nekoba	Arrived at 9:25 a.m.
Member Won	Absent
Member Camp	Absent

MATERIALS DISTRIBUTED

1. Agenda for June 12, 2002 Meeting;
2. Summary Minutes of May 1, 2002;
3. Summary Special Minutes of May 8, 2002;
4. Action Item: Approval to Expend Funds for Improvements and Repairs to the Honuakaha Complex; and
5. Action Item: Approval to Authorize the Executive Director to Enter into the Lease, Development Agreement, and the Declaration of Covenants, Conditions and Restrictions ("DCCR") with the University of Hawaii for a Site in Kakaako.

II. APPROVAL OF MINUTES

1. Regular Meeting of May 1, 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 Los Banos that the Regular Minutes of May 1, 2002 be approved, as written. The motion passed unanimously.

2. Special Meeting of May 8, 2002.

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

There were none.

It was moved by Member Narimatsu and seconded by Member Minaai that the Special Minutes of May 8, 2002 be approved as written. The motion passed unanimously.

III. REPORT OF THE EXECUTIVE DIRECTOR

Ms. Yokota reported that she and staff have been researching and gathering background information on the work necessary for the transition of Kalaeloa to HCDA. Meetings have been scheduled with the various stakeholders, including the U.S. Navy and the Department of Transportation. She said that a detailed report would be made at the next Authority meeting.

Kristelle Batino, the secretary for the Barbers Point Naval Air Station Redevelopment Commission, was introduced to the Authority. She will be assisting HCDA with the transition.

Ms. Yokota noted that, technically, as of July 2nd, the Directors of the State Department of Hawaiian Home Lands (DHHL) and the City Department of Planning and Permitting (DPP) could be sitting on the Authority with respect to Kalaeloa matters. The other three Kalaeloa representatives have not yet been appointed. She noted that a field tour of the area could be organized for interested Authority Members.

Member Evans wanted to know whether any funds would transfer to HCDA with the transition.

Ms. Yokota said that about \$50,000 will be transferred and the balance of funds to cover operating costs will be collected from assessments from the various stakeholders.

Member Evans wanted to know whether staffing recommendations would be addressed. She noted that Bill Bass' half-time position would be terminating on June 30th.

Ms. Yokota said that staffing recommendations would be included in her report but that it has not yet been determined whether a full-time person would be needed beyond the current support staff.

Member Evans wanted to know whether HCDA staff would be considered.

Ms. Yokota said that several staff members are currently assisting with the transition but noted that HCDA staff is funded with CIP appropriations designated for Kakaako. These funds cannot be used to hire full-time staff for Kalaeloa.

Member Evans asked whether the appointment of the directors of DHHL and DPP is set by the Legislature or whether it is based on the fact that these are the two largest landowners.

Ms. Yokota said that those appointments are set by law. She noted that, in addition to these appointments, the Governor and the Mayor will each nominate one community representative. The fifth representative for Kalaeloa will be a Hawaiian cultural resource specialist. These five members will be voting only on issues relating to Kalaeloa, whereas the present Authority Members will be voting on issues relating to both Kakaako and Kalaeloa.

Mr. Nishimoto added that, if the Authority Members were voting on an item related to Kakaako, the present Authority membership would determine the quorum (6) and the five new Kalaeloa members would not vote.

Member Minaai asked whether the Authority could proceed on Kalaeloa issues with the required quorum but without the five Kalaeloa members present.

Mr. Nishimoto replied affirmatively.

Member Minaai noted that, with a total of 16 members, 9 would constitute a quorum for Kalaeloa issues, so a quorum could be achieved without the 5 new Kalaeloa members.

Ms. Yokota commented that the legislation was drafted with the opposite concern: that, if the bill was not worded correctly, the addition of the five new members could increase the quorum needed for Kakaako issues from six to nine. For this reason, the legislation limits Kalaeloa members to voting only on Kalaeloa issues and establishes a quorum of six members for Kakaako issues.

IV. EXECUTIVE SESSION

Regarding Legal Issues Relating to Improvements and Repairs to the Honuakaha Complex.

It was moved by Member Kubota and seconded by Member Los Banos to go into Executive Session to discuss Legal Issues Relating to Improvements and Repairs to the Honuakaha Complex. The motion passed unanimously. Note: There were eight (8) affirmative votes.

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

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The Hawaii Community Development Authority convened in Executive Session at 9:10 a.m.

Member Nekoba arrived at 9:25 a.m.

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It was moved by Member Kubota and seconded by Member Minaai to reconvene the regular meeting at 9:45 a.m. The motion passed unanimously.

V. ITEMS FOR ACTION

3. Approval to Expend Funds for Improvements and Repairs to the Honuakaha Complex.

Mr. Takahashi summarized the Action Item report distributed to the Authority concerning this matter.

Messrs. Tom Schnell, President of the Board of Directors of the Association of Apartment Owners of the Honuakaha complex, and Tom Buchanan, resident manager of the Honuakaha complex, were introduced to the Authority.

It was moved by Member Evans and seconded by Member Minaai to:

(1) expend funds not to exceed \$3.0 million (\$1.4 million in general obligation funds and \$1.6 million in revolving funds) for all costs to repair the entire waterproofing membrane for Honuakaha and to ensure that the complex is watertight, with the following provisions:

(a) if a more detailed estimated cost should exceed current preliminary estimates, this matter will be brought back to the Authority; and

(b) expenditure of these funds is subject to the availability of appropriated funds and approval of the Governor; and

(2) aggressively pursue reimbursement of these costs and costs for other defects from the contractors (including the architects), suppliers or insurers associated with the defective project waterproofing.

There being no discussion, Chair Lum called for a vote.

The motion passed unanimously.

4. Approval to Authorize the Executive Director to Enter into the Lease, Development Agreement, and the Declaration of Covenants, Conditions and Restrictions ("DCCR") with the University of Hawaii for a Site in Kakaako.

Mr. Takahashi summarized the Action Item report distributed to the Authority concerning this matter.

Note: A replacement Exhibit B to the DCCR was distributed to the Members that deleted the DOT container yard, the former AAFES building, the Children's Discovery Center and the Kamehameha Schools parcels from the area covered by the DCCR.

Mr. Takahashi noted that Page 2 of the Action Item, Item 3, requires that the subdivision, clear title and easement documents be prepared as conditions precedent to the issuance of a lease. He amended the Action Item by stating that these requirements would be completed prior to the effective date of the lease.

It was moved by Member Kometani and seconded by Member Evans to authorize the Executive Director to enter into, with the University of Hawaii, a Development Agreement, Lease and DCCR, substantially in the forms attached as Attachments B, C and D to the Action Item.

There being no discussion, Chair Lum called for a vote.

The motion passed unanimously.

VI. MISCELLANEOUS

Chair Lum said that, at the May Authority meeting, staff was requested to prepare a plan for regional parking for the Kakaako Waterfront area. Staff had indicated that a draft business plan for the waterfront area has been prepared and that the draft plan addresses regional parking. Chair Lum appointed the following members to a subcommittee to review the plan with staff and report back to the Authority: Members Camp, Goshi, Kubota and Kometani.

Chair Lum 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 Minaai to adjourn the meeting at 10:00 a.m. The motion passed unanimously.

Respectfully submitted,

Lori Ann Lum

Lori Ann Lum
Chair