

SUMMARY - MEETING NO. 266

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

October 2, 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; Christine Camp; Patrick Kubota; Michael Goshi; Gary Kondo; Lloyd Nekoba (for Stanley Shiraki); Brian Minaai

Members Absent: Allan Los Banos, Jr.; Mary Alice Evans; Seiji Naya

Kalaeloa Members Present: Randall Fujiki; Maeda Timson

Kalaeloa Member Absent: Raynard Soon

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

I. ROLL CALL

The meeting of the Hawaii Community Development Authority was called to order on October 2, 2002 by Chair Lori Ann Lum at 9:00 a.m. with the following roll call:

Member Camp	Present
Member Goshi	Present
Member Kometani	Present
Member Kondo	Present
Member Kubota	Present
Member Timson	Present
Member Nekoba	Present
Chair Lum	Present
Member Minaai	Arrived at 9:05 a.m.
Member Fujiki	Arrived at 9:10 a.m.
Member Los Banos	Absent
Member Evans	Absent
Member Naya	Absent
Member Soon	Absent

#### MATERIALS DISTRIBUTED

1. Agenda for October 2, 2002 Meeting;
2. Summary Minutes of September 4, 2002;
3. Information Item: Navy Report for Kalaeloa and HCDA Actions Required;
4. Action Item: Approval to Authorize the Executive Director to Initiate the Queen Street Improvements Project (Improvement District 11);
5. Action Item: Approval of the Waterfront Business Plan;
6. Action Item: Approval to Authorize the Executive Director to Execute an Amendment to General Lease Nos. S-4578 and S-4589 with Basin Project, Inc.;
7. Action Item: Approval to Allocate Additional Funds for the Forrest Avenue Realignment/Cargo Area Reconfiguration Project;
8. Action Item: Approval to Enter into Exclusive Negotiations with the University of Hawaii for the Leasing of Land on the Kakaako Waterfront;
9. Information Item: Presentation on Proposed Planned Development Project at 1288 Ala Moana Boulevard by M.K. Management, LLC; and
10. Information Item: Proposed Amendments to the Kakaako Community Development District Makai Area Plan and Rules (Chapter 23), Title 15, Hawaii Administrative Rules ("Plan and Rules Amendment"), Relating to the Realignment of Ohe Street.

#### II. APPROVAL OF MINUTES

1. Regular Meeting of September 4, 2002.

Chair Lum asked if the Members had any corrections to the minutes.  
There were none.

It was moved by Member Camp and seconded by Member Kubota that the Regular Minutes of September 4, 2002 be approved, as written. The motion passed unanimously.

III. REPORT OF THE EXECUTIVE DIRECTOR

Ms. Yokota highlighted portions of the Executive Director's report.

A. Kalaeloa - Wastewater Licenses.

The City Council has approved a resolution authorizing the City Department of Environmental Services to enter into a license agreement with the Navy to operate, maintain and repair the Kalaeloa wastewater system.

B. Kalaeloa - October 10 Informational Meeting.

As requested by the Authority, the Kalaeloa landowners will give presentations regarding plans for their respective properties at a special meeting to be held on Thursday, October 10, at 9:00 a.m., at the HCDA office.

C. Kalaeloa - October 30 Public Informational Meeting.

A Public Informational Meeting has been scheduled for Wednesday, October 30, at 7:00 p.m., at the James Campbell Building in Kapolei regarding the proposed land use change for the sewage lift station in Kalaeloa.

D. Kakaako - UH JABSOM/Biomedical Research Center.

Both the Produce Center mauka building and the Department of Agriculture building have been demolished. Groundbreaking for the new JABSOM complex has been scheduled for October 24, at 10:00 a.m.

E. November Authority Meeting.

The November meeting will be postponed from the 6<sup>th</sup> to the 13<sup>th</sup>. Included on the agenda are: (1) a public hearing on proposed rule amendments to the Makai Area Plan; and (2) approval of the development permit for the Hokua project to be built by M.K. Management, LLC.

IV. ITEM FOR INFORMATION

2. Navy Report for Kalaeloa and HCDA Actions Required.

Mr. Roger Au, the Navy liaison for Kalaeloa, summarized the Navy Report for the former Barbers Point Naval Air Station, copies of which were distributed to the Authority. A copy of his report is attached as Exhibit A.

Mr. Au reported that the "akoko parcel" is encumbered not only by the endangered akoko plant but also by certain archaeological features. He said that the Navy is requesting that a land use be designated for the parcel in order to initiate a study of the potential environmental impact of the disposal of the property by the Navy. He added that there are some other endemic species on the parcel.

Member Fujiki asked whether these endemic species were an issue in terms of potential development.

Mr. Au said that the endemic species imposed no restrictions or limitations on development.

Ms. Yokota noted that the City Department of Planning and Permitting is currently processing a rezoning application for Kalaeloa. One alternative being studied is to rezone only the downtown portion of Kalaeloa. This will allow building permits to be issued for developments in this area, while providing some zoning flexibility for the parcels that have not yet been conveyed.

Member Timson wanted to know whether adequate infrastructure would be required by the City and how it would be provided.

Ms. Yokota said that, in order for the City to issue a building permit, the appropriate zoning must be in place and the infrastructure must be determined to be adequate to support the proposed development. If the downtown area is rezoned, the proper zoning will be in place. With respect to the infrastructure, Ms. Yokota said that staff has proposed that the downtown area be the first priority for infrastructure improvements.

Member Minaai asked why only the downtown area is being proposed for rezoning, when there are parcels within the airport area as well that would require building permits.

Ms. Yokota clarified that rezoning would be recommended for the airport, as well as for the downtown area.

Member Minaai wanted to know where staff was proposing that infrastructure improvements be focused.

Ms. Yokota said that it was proposed that the improvements be focused on Enterprise Road, which leads south from the intersection of Fort Barrette and Roosevelt Roads, and possibly on Midway Road.

Member Timson inquired as to which agency presently has liability for the roadways.

Ms. Yokota said that all of the roadways in Kalaeloa had been conveyed to either the State or the City. Therefore, the respective agencies would bear liability for the roads. Member Minaai added that the State Department of Transportation (DOT) has assumed responsibility for four of the roads in Kalaeloa, with the City Department of Transportation Services (DTS) assuming responsibility for the balance of the roadways.

Member Timson asked whether the former U.S. Fish and Wildlife Service parcel had to remain in one piece or whether it could be split up, given the fact that portions of it are believed to be unencumbered by archaeological sites or endangered species.

Ms. Yokota said that staff is looking into that possibility. In order to determine which areas could be unencumbered, however, a botanist will have to be contracted to establish exactly where the akoko plants are located. She added that this study must be conducted after an extended rainy period because, during the dry periods, the plants are indistinguishable from the surrounding brush. Ms. Yokota said that HCDA would request a legislative appropriation to fund this botanical study, as well as drainage and traffic studies for the area.

Mr. Au said that the Navy is also requesting advice from HCDA as to whether the current passive park use designation should remain for the 'State Park-3' parcel originally requested by DLNR. Any land use changes would require the Navy to initiate a new study to determine any potential environmental impacts resulting from the disposal of property by the Navy.

Member Timson asked Mr. Au about the status of the negotiations with Fluor Hawaii. She said that the community has heard that Fluor is planning to sell the land retained by the Navy in Kalaeloa, but that they

have not been informed as to what the ultimate plans for the property entail.

Mr. Au said that the Navy is still in negotiations with Fluor and details are not yet available for public dissemination.

Chair Lum thanked Mr. Au for his report.

Chair Lum requested that the record reflect that Members Minaai and Fujiki had joined the meeting.

The meeting was recessed at 9:30 a.m.

The meeting resumed at 9:35 a.m.

V. ITEMS FOR ACTION

3. Approval to Authorize the Executive Director to Initiate the Queen Street Improvements Project (Improvement District 11).

Mr. Miyamoto used a Power Point presentation to summarize the Action Item report distributed to the Authority concerning this matter.

Member Kubota inquired as to which property owners on Queen Street would be affected by the land acquisition.

Mr. Miyamoto said that General Growth Properties, which has acquired Victoria Ward, Limited, owns a substantial portion of the properties. Some of the smaller property owners include: Hawaiian Hardwoods; Tropical Lamp and Shade; and U. Okada Co.

Member Kubota asked Mr. Miyamoto about the nature of concerns of the affected businesses and tenants.

Mr. Miyamoto said that staff has not yet contacted any of the businesses or tenants, since the project has not been initiated, but will do so after the project is approved.

Member Kometani asked whether the property owner who is currently renovating the warehouse on the corner of Ward Avenue and Queen Street is aware of the proposed land acquisitions.

Ms. Yokota said that the property owner is aware of the proposed acquisitions and added that the new building will not be affected by the expanded right-of-way. She also noted that the proposed widening is consistent with the Mauka Area Plan.

Member Minaai inquired about the existing sidewalks on the makai side of Queen Street near Kamakee Street where Nordstrom is located, because he thought that these sidewalks were constructed when Nordstrom was built.

Mr. Miyamoto clarified that the sidewalks existed prior to the construction of Nordstrom and Office Depot, and that construction never extended into the Queen Street right-of-way. He added that these sidewalks are substandard and noted that they will be reconstructed with the right-of-way widening.

It was moved by Member Kondo and seconded by Member Minaai to authorize the Executive Director to initiate the Queen Street Improvements Project (ID-11), subject to the availability of appropriated funds and the approval of the Governor.

There being no further questions, Chair Lum called for a vote.

The motion passed unanimously.

4. Approval of the Waterfront Business Plan.

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

It was moved by Member Minaai and seconded by Member Goshi to approve the Waterfront Business Plan.

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

The motion passed unanimously.

5. Approval to Authorize the Executive Director to Execute an Amendment to General Lease Nos. S-4578 and S-4589 with Basin Project, Inc.

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

It was moved by Member Kometani and seconded by Member Kubota to authorize the Executive Director to execute amendments to General Lease Nos. S-4578 and S-4589 with Basin Project, Inc., substantially in the forms attached to the Action Item as Exhibits C-1 and C-2, to: (1) change the lease rent payment schedule from a quarterly to a monthly basis; (2) waive the surety bond requirement; and (3) add provisions regarding a lease rent grace period and a late payment fee.

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

The motion passed unanimously.

6. Approval to Allocate Additional Funds for the Forrest Avenue Realignment/Cargo Area Reconfiguration Project.

Ms. Pfund used a Power Point presentation to summarize the Action Item report distributed to the Authority concerning this matter.

Member Kubota asked whether staff could ascertain why the bids for this project came in higher than estimated.

Ms. Pfund responded that staff believed that it could be attributed to two factors:

- (1) The field conditions are unknown since there has been no construction in the immediate area for some time. In addition, indications from the ID-9 (Ilalo Street) construction are that trenching for sewer and waterlines will be challenging due to high groundwater levels that require dewatering and stabilization. Finally, utility systems are not well documented in the area.
- (2) Staff has stressed in the specifications and pre-bid meetings that, because the construction is taking place in a working harbor area, harbor operations must be kept operational at all times, even if this resulted in temporary construction shutdowns on extremely busy harbor days. Additional time was factored into the project duration to consider downtime, which would have added to the contractor's overhead costs.

Member Camp asked whether value engineering was considered to bring the cost down.

Mr. Imada stated that value engineering was not possible because of the nature of the infrastructure work, wherein the utility specifications cannot be reduced in scope.

Member Kometani wanted to know whether the businesses that will be affected were notified.

Ms. Yokota stated that the work will only affect harbor-related businesses and that there are no retail businesses on the makai side of Ala Moana Boulevard in the construction area. Staff has been meeting regularly with the harbor-related businesses in the area and has established a working group composed of representatives of these businesses.

Member Minaai asked whether staff has consulted with the ILWU members. He felt that, because the workers are affected on a day-to-day basis, it is a key requirement in working on a project in the harbor area.

Ms. Pfund stated that staff has been in consultation with ILWU representatives on an ongoing basis. They have provided constructive input on construction coordination matters.

It was moved by Member Camp and seconded by Member Goshi to authorize the Executive Director to expend an additional \$450,000 in contingency costs for the Forrest Avenue/Cargo Area Reconfiguration project, subject to the availability of appropriated funds and approval by the Governor.

There being no further questions, Chair Lum called for a vote.

The motion passed unanimously.

7. Approval to Enter into Exclusive Negotiations with the University of Hawaii for the Leasing of Land on the Kakaako Waterfront.

Ms. Pfund used a Power Point presentation to summarize the Action Item report distributed to the Authority concerning this matter.

Mr. Allan Ah San, Associate Vice President for Administration, University of Hawaii (U.H.), was introduced to the Authority.

Mr. Ah San said that the University supports the staff recommendation that HCDA enter into exclusive negotiations with the U.H. only for Lot 2. He said that the new, comprehensive Cancer Center of Hawaii will unite physicians, faculty and professional staff in this proposed clinical and research facility. It will be a multi-disciplinary facility dedicated to providing world-class basic science, translational science and clinical service. The laboratory facilities within the Cancer Center will enhance the University's traditions of excellence in basic research, which can be directly translated to patient diagnosis, treatment, screening and prevention.

The proposed project will be approximately 231,000 gross square feet and is expected to cost about \$110 million, with design and construction taking about three years.

Mr. Ah San concluded by saying that the University is appreciative of HCDA's support.

It was moved by Member Minaai and seconded by Member Goshi to: (1) enter into exclusive negotiations with the University of Hawaii for the proposed lease of Lot 2 for a cancer research center; and (2) authorize the Executive Director to execute an Agreement for Exclusive Negotiations ("Agreement") for an exclusive negotiation period of six (6) months from the execution date of the Agreement, substantially in the form attached to the Action Item as Exhibit D.

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

The motion passed unanimously.

#### IV. ITEMS FOR INFORMATION (continuation)

##### B. Presentation on Proposed Planned Development Project at 1288 Ala Moana Boulevard by M.K. Management, LLC.

Kathy Inouye and Duncan MacNaughton, representing the developer, M.K. Management, LLC, provided an overview of the proposed project.

The project, located at the corner of Ala Moana Boulevard and Auahi Street, will be a residential and commercial planned development. It will have a residential tower oriented toward the ocean and some low-rise commercial and retail uses that will be oriented towards the street frontages. An open space

plaza will be located along Auahi Street to provide a physical linkage with the adjacent Queen Street Makai Park.

The residential tower will have 7 units per floor up to the 34<sup>th</sup> floor, 5 units per floor from the 35<sup>th</sup> to 39<sup>th</sup> floor, and penthouses on the 40<sup>th</sup> floor. The average unit size for the two-bedroom units is 1,500 square feet. The average unit size for the three-bedroom units is 2,500 square feet. Unit prices are estimated between \$600,000 to \$1,200,000 for units below the 35<sup>th</sup> floor and prices will start at \$1,400,000 for units on the 35<sup>th</sup> floor.

The retail and commercial uses in the project are designed to complement the existing uses along Auahi Street, where there is an emphasis on street front shopping and dining. The open space plaza will encourage pedestrians to patronize the project's commercial spaces as well as allow them to enter the Makai Park directly from the project.

Chair Lum thanked them for their presentation.

- C. Proposed Amendments to the Kakaako Community Development District Makai Area Plan and Rules (Chapter 23), Title 15, Hawaii Administrative Rules ("Plan and Rules Amendment"), Relating to the Realignment of Ohe Street.

Ms. Tamura used a Power Point presentation to summarize the Information Item report distributed to the Authority concerning this matter.

There were no questions.

V. ADJOURNMENT

There being no other business, it was moved by Member Camp and seconded by Member Minaai to adjourn the meeting at 10:20 a.m. The motion passed unanimously.

Respectfully submitted,

/s/

Christine Camp  
Secretary