

SUMMARY - SPECIAL MEETING  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

October 10, 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; Mary Alice Evans; Michael Goshi; James Kometani; Gary Kondo; Randall Fujiki; Raynard Soon

Members Absent: Christine Camp; Patrick Kubota; Allan Los Banos; Brian Minaai; Seiji Naya; Stanley Shiraki

Others Present: Jan Yokota; Melvin Nishimoto; Teney Takahashi; Matthew Akamu; Miko Dargitz; Kristelle Ompad (also, see Meeting Attendance Record)

I. ROLL CALL

The special meeting of the Hawaii Community Development Authority was called to order on October 10, 2002 by Chair Lori Ann Lum at 9:10 a.m. with the following roll call:

Chair Lum	Present
Member Kondo	Present
Member Fujiki	Present
Member Kometani	Present
Member Evans	Present
Member Soon	Present
Member Goshi	Arrived at 9:30 a.m.
Member Camp	Absent
Member Kubota	Absent
Member Los Banos	Absent
Member Minaai	Absent
Member Naya	Absent
Member Shiraki	Absent
Member Timson	Absent

MATERIALS DISTRIBUTED

1. Kalaeloa Community Development District Map;
2. Table listing details of parcels located in the Kalaeloa Community Development District; and
3. October 2, 2002 Navy Report.

Member Fujiki announced that he was resigning from the City and County of Honolulu at the end of the month and returning to private practice. Since there are no other meetings this month, this would be his last Authority meeting.

Chair Lum said that Member Fujiki would be missed as he had contributed significantly during his short tenure on the Authority.

Chair Lum thanked all the agencies for taking the time to bring the Authority up to date regarding their plans for Kalaeloa.

III. ITEM FOR INFORMATION

- A. Presentations were made by the following agencies regarding their plans for the Kalaeloa Community Development District:

1. City and County of Honolulu Department of Facility Maintenance.

Larry Leopardi, Acting Director of the City Department of Facility Maintenance, was introduced to the Authority.

Mr. Leopardi thanked the Authority for the opportunity to share information on their involvement in Kalaeloa.

He noted that the Department of Facility Maintenance takes care of maintenance items, such as roadside landscape maintenance, litter pickup, mechanical sweeping of the roads, storm drainage system, injection wells, striping and signage.

Mr. Leopardi said that the City and County of Honolulu has accepted approximately 7 miles of roads at Kalaeloa. These roads are substandard and there are a number of issues to be resolved in order to bring them up to acceptable standards.

The City has also accepted and transferred the permitting for the injection wells pertaining to City-owned roads. They are now looking at what is necessary to maintain the injection wells and to

keep the roads as dry and free of storm water as possible. In addition, the City is in the process of looking at the other infrastructure items relating to the roads such as striping and signage.

Mr. Leopardi suggested that the Authority take a look at how the overall master plan for the infrastructure will fit with the redevelopment plans. Because of the large number of stakeholders at Kalaeloa, a coordinating body is needed. He asked that the Authority provide his department with as-builts or design drawings for the existing infrastructure.

Member Evans asked whether, in accepting the roads, commitments were made to bring them up to City standards.

Mr. Leopardi responded that this would require funding by the City Council which has not yet been accomplished. The City's goal is to bring the roads up to some level of standard particularly for the safety and welfare of the public.

Member Evans asked if the injection wells are up to City standards.

Mr. Leopardi responded that, at this point, they are marginally acceptable and that it is an issue that has to be reviewed.

Chair Lum thanked Mr. Leopardi for taking the time to provide the Authority with a presentation.

2. State Department of Hawaiian Home Lands (DHHL).

Michael McElroy and Member Soon, Chairman of the Hawaiian Home Lands Commission, were introduced to the Authority.

Member Soon thanked the Authority for the opportunity to make this presentation.

Member Soon thought that it was important to provide the Authority with a brief background on DHHL and its interest in Kalaeloa, as well as on what DHHL's plans are for Kalaeloa.

DHHL was created in 1920, 39 years before Hawaii became a state. Therefore, at that time, the department was under the jurisdiction of the federal government. In 1959, Hawaii became a state and the State of Hawaii assumed responsibility for the implementation of the

Hawaiian Homes Commission Act. However, because the federal government continues to have oversight responsibilities, any changes that may adversely impact the beneficiaries or any land changes must be approved by Congress. The primary focus of DHHL is to put Hawaiians back onto the land.

In 1990, the department reached a settlement with the State of Hawaii regarding a cash flow of income, as well as the transfer of 16,518 acres from the public trust to the Hawaiian Home Lands Trust. The lands at Kalaeloa were lands that were transferred to DHHL by the federal government under the Hawaiian Home Lands Recovery Act. The combination of the settlement with the state and federal governments has allowed the department to triple the amount of homestead development on Hawaiian Home Lands in the last eight years. In addition, approximately \$260 million has been earned from the investment of funds. In 11 years, the cash flow from the settlement will end. Therefore, DHHL is very focused on creating sufficient cash flow to continue the pace of construction.

Kalaeloa is the department's largest jewel within its inventory of properties. DHHL does not plan to build homesteads on the Kalaeloa lands, but rather create income from this property to build homes elsewhere. DHHL has contracted with a consultant to evaluate the feasibility of and market opportunities for the development of their lands to generate income. The goal is to create a quality development with long-term sustained cash flow.

At this point Member Soon turned the presentation over to Mr. McElroy. Mr. McElroy provided a handout to Authority members outlining his presentation. The following is a brief summary of his presentation.

The Department of Hawaiian Home Lands received 13 parcels at Kalaeloa totaling 546.1 acres of land. The department's goal is to maximize the value of the Kalaeloa lands for the benefit of native Hawaiian trust beneficiaries, the leeward Oahu area and the State's economy as a whole. The department's redevelopment strategy for the Kalaeloa properties is to manage the lands for long-term trust income, develop and carry out a plan with vision, enhance land values and build partnerships with government funders and private investors. Some of the development challenges for Kalaeloa include: run-down and neglected

buildings; substandard roads and utilities; uncertainty regarding federal retained lands; and limited private investment opportunities.

The theme for the development at Kalaeloa is a Hawaii Research and Technology Park that would build on Hawaii's unique cultural and ecological resources and would also serve as: (1) a center for research and exchange of information on health and wellness, new technologies and cultural diversity; and (2) a business park for commercial manufacture of pharmaceuticals, nutraceuticals, alternative energy and other innovative products.

3. State Department of Transportation-Airports Division (DOT-Airports).

Steven Takashima, of the Department of Transportation-Airports Division, was introduced to the Authority.

Mr. Takashima used a Power Point presentation to illustrate his presentation. The following is a brief summary of his presentation.

The Navy conveyed the Kalaeloa Airport to DOT-Airports in July 1999. As part of the conveyance, Airports received three runways, the airport tower building, Hangar 110, the fire station and a maintenance building.

The Kalaeloa Airport is the general aviation reliever airport for Honolulu International Airport. Primary traffic consists of small aircraft training and Coast Guard turbo/propeller aircraft and helicopters. There were 183,000 air operations conducted at Kalaeloa Airport in 2001, primarily training "touch and go" operations. Mr. Takashima noted that the air traffic control tower will soon become an FAA contract tower. He also noted that the airport rescue and fire fighting station is manned on a 24-hour basis to support the Coast Guard.

Mr. Takashima said that a preliminary engineering study regarding the extension of Coral Sea Road with possible FAA funds has been completed in coordination with DOT-Highways.

In conclusion, Mr. Takashima said that the Airports Division of DOT urges the adoption of rural standards and rapid rezoning in Kalaeloa to allow economic development to proceed.

Mr. Roger Au, Navy Caretaker for Barbers Point applauded the DOT-Airports Division for all of its work prior to the closure of Barbers Point. He said that the Kalaeloa Airport represented the first and only conveyance at the time of operational closure in the entire nation.

4. U. S. Coast Guard.

Lt. Susan Papuga, of the Fourteenth Coast Guard District Office, was introduced to the Authority.

Lt. Papuga thanked the Authority for the opportunity to make the presentation.

Lt. Papuga provided a handout to Authority members outlining her presentation. The following is a brief summary of her presentation.

The Coast Guard is located adjacent to the southern border of Kalaeloa Airport on approximately 45 acres. There are approximately 210 permanently assigned personnel at this location. Their missions include: search and rescue; homeland security; enforcement of laws and treaties; long and short-range aids to navigation; and marine environmental response. Since base closure, the Coast Guard has completed the installation of a fuel farm, a ready crew berthing building and security system upgrades and has also demolished the old barracks. There are no near-term plans for significant construction projects. The Coast Guard's concerns at Kalaeloa generally relate to: the final disposition of the utility systems; potential encroachment on the Kalaeloa airfield lands; development plan/timeline for the adjacent parcels; and interim plans for security.

5. City Department of Parks and Recreation.

Donald Griffin, of the City Department of Design and Construction, Planning Division, was introduced to the Authority.

The Department of Parks and Recreation (DPR) has been awarded almost 500 acres of lands at Kalaeloa. DPR has licensed 29 acres along the shoreline, and conveyance of the remaining lands is pending completion. DPR has hired PBR Hawaii as its master planner for this project.

The beach and downtown areas are the only developable park lands because these are fully serviced by utilities. The utilities for the

remainder of the park areas will not be available until 2005.

At this point, Mr. Griffin turned the presentation over to Mr. Scott Abrigo of PBR Hawaii. Mr. Abrigo used charts from the DPR Master Plan to illustrate his presentation. The following is a brief summary of his presentation.

The City will receive 484.9 acres, primarily in five different parcels throughout Kalaheo. The five parcels are: the 225-acre Mauka Community Park; 20-acre Central Park; 200-acre Shoreline Park; 5-acre Fishing Area; and a 6-acre Downtown Park.

The planning process began in 1999 and, throughout the process, there were six community meetings. An advisory task force was also created to review the alternatives and come up with preferred plans for each site. PBR is currently finalizing the plan for submission to the Mayor and the City Managing Director. The final report should be completed in 2 to 3 months.

The 6-acre Downtown Park can be developed easily because the infrastructure is in place. The theme is an urban park with some play fields, baseball fields, recreation center, racquetball courts, skate rink, comfort station and parking in the center of the park. The estimated cost to develop this site is \$4.3 million.

The theme of the Shoreline Park is a linear park similar to Ala Moana Beach Park. The concept for this park is to continue the beach park use along the shoreline, with individual camping sites, group camping sites, play fields, fishing areas and a maintenance area. The estimated cost to develop this site is \$31.3 million. Development costs for this park are high, in large part because of the need to upgrade infrastructure.

The theme of the 200-acre Coral Pit site is a festival or cultural type park such as Kapiolani Beach Park. This area can be used for more active uses such as softball quads, play fields, amphitheater, tennis center, go-cart use, parking and walking trails. The estimated cost to develop this site is \$52 million.

The City had not determined a use for a 19-acre site located next to the airfield as it is separated from the rest of the park parcels. A community group suggested that, in the interim, it

be used for paintball. The long-term plan is to add a comfort station and divide the 19 acres into four paintball quads. The intent is to use the area as is with minimal development of the site.

The theme of the 17-acre Western Shoreline Park is fishing. The area will be used for fishing, individual camping, play fields, parking, pavilion use and a comfort station. The estimated cost to develop this site is \$3.4 million.

All of the cost estimates for the parks include irrigation, landscape, maintenance, and some contingency, as well as civil engineering services.

Member Fujiki emphasized that the park plan is primarily a conceptual plan. This plan is driven by the vision team in the area and he felt that it was essential that it be integrated with the City parks plan. More dialogue with the community and additional changes will be needed. Finally, the park plan for Kalaeloa needs to be evaluated within the context of our island-wide resources.

Ralph Hiatt, from the Honolulu Community College, asked whether the City has use of the three ball fields.

Mr. Abrigo responded that the City has a lease agreement with the Navy for use of the ball fields.

Member Soon asked if the City still intends to follow up on one of its earlier ideas of creating a sports training facility center that would serve an educational purpose, as well as become an economic development stimulus.

Mr. Abrigo responded that the idea was never presented to them as consultants. However, he said that there is an existing building that could be evaluated for that use.

Roger Au, the Navy liaison for Kalaeloa, commented that the City is applying for its properties under a public benefit conveyance, which comes with limitations on the types of land uses permitted. Because these properties have been designated for public recreation uses, the City Parks Department must be cautious as to the uses allowed on the property.

Jerrett Kamaka, Director of Marketing for the Pacific Carting Club, asked if the City had

obtained the parcel that had been proposed for the go-cart use.

Mr. Griffin responded that the City has not yet received the parcel and has no license to use that parcel. The go-cart use for the park is a conceptual idea at this point and has yet to be approved by the Mayor.

6. U. S. Department of Veterans Affairs.

Rick Velasquez, of the U.S. Department of Veterans Affairs (VA), was introduced to the Authority. Mr. Velasquez introduced Holly Holowach of the United States Veterans Initiative (U.S. Vets).

Ms. Holowach provided handouts to Authority members outlining the VA program. The following is a brief summary of the program.

The VA parcel is located on 5.6 acres in the downtown area and includes three buildings. Building 34 opened last month. It is called Hale Hanohano and is an affordable transitional housing project for homeless veterans which is operated by U.S. Vets. The rental rate is \$400 per month for single room occupancy. The building can accommodate up to 44 tenants; current occupancy is 14 veterans. The housing is not intended to be permanent; veterans can remain in the transitional housing for up to two years.

Member Evans asked if the services include transportation.

Mr. Velasquez responded that, at this time, transportation is not provided. U.S. Vets has applied for a grant from the VA; however, a match of \$19,000 is required. The VA is hoping that, as the area becomes more developed, bus service will be more readily available.

7. State Housing and Community Development Corporation of Hawaii.

Sandi Miyoshi, of the Housing and Community Development Corporation of Hawaii (HCDCH), was introduced to the Authority.

Ms. Miyoshi thanked the Authority for the opportunity to provide an update on their projects in Kalaeloa.

HCDCH received 13 acres at Kalaeloa, including 4 buildings to house the homeless population. In

December 2001, Building 48, which is now known as Onemalu, opened as a transitional shelter for homeless couples, singles and families.

Buildings 39 and 32 are slated to be transitional housing for the homeless who are mentally ill. Building 32 will also serve as a clubhouse facility for job training and independent living. Building 39 will house 71 single units and will be operated by Steadfast Housing. It is currently being renovated with completion scheduled for June 2003.

Building 50 is slated to be used for job training, child care, case management and other support services. The U.S. Vets has a strong interest in assuming control of Building 50 for additional facilities for the veteran homeless population. Currently, the building is being used by the National Guard's Youth Challenge program.

8. University of Hawaii - Honolulu Community College.

Ralph Hiatt, Director of the Pacific Aerospace Training Center (PATC) at the Honolulu Community College, was introduced to the Authority.

Mr. Hiatt used a Power Point presentation to update the Authority. The following is a brief summary of his presentation.

Mr. Hiatt thanked the Authority for the opportunity to provide a presentation.

Mr. Hiatt first provided the Authority members with a sample of water from the PATC building at Kalaeloa to underscore his point that the water at Kalaeloa is not safe to drink. He expressed concern about the lack of adequate infrastructure at Kalaeloa.

Mr. Hiatt said that the PATC mission is to establish an aviation training center, with modern well-equipped facilities, for the community, State and Pacific and Asian customers. Their commitment is to: optimize and enhance the Kalaeloa airport facilities; create economic opportunities for residents and the State; attract industry, commercial, federal and international partners and fiscal support; and be an active partner in developing the Kalaeloa and West Oahu communities.

The aeronautics maintenance program was established in 1949 and is FAA-certified. It has an excellent reputation within the aviation

community. There are currently 75 students from the State and Pacific region.

The commercial flight training program started in 1988 in affiliation with the University of North Dakota. It offers instruction from the private pilot through commercial pilot license levels. Currently, there are more than 100 active students.

Mr. Hiatt stated that Kalaeloa needs investment, rather than redevelopment, to attract business relationships. He also stated that there needs to be a resolution of infrastructure issues and that the Authority should consider an equitable cost sharing system among all users.

9. Barbers Point Elementary School.

Claudia Nakachi, Principal of the Barbers Point Elementary School, was introduced to the Authority.

Ms. Nakachi provided handouts to Authority members outlining her presentation. The following is a brief summary of her presentation.

Barbers Point is one of four elementary schools in the Kapolei complex, which feeds into Kapolei Middle and High schools. The elementary school has been located at Barbers Point for 47 years since post-World War II.

Member Evans asked what the current enrollment is for the school.

Ms. Nakachi responded that they currently have more than 400 students. The facility is built to accommodate 750 students.

Ms. Nakaichi added that Barbers Point Elementary is a school grounded in the foundation created by many dedicated and committed individuals. It has the distinction of becoming the first public elementary school in the State accredited by the Western Association of Schools and Colleges.

In 2001, the District Superintendent was faced with the problem of relieving the overcrowded conditions at Maukalani and Makakilo Elementary Schools. After reviewing concerns from the community, a two-year redistricting plan was implemented. Because the student enrollment at Barbers Point Elementary had decreased due to base closure in 1999, Barbers Point Elementary was

proposed as the solution to alleviate the overcrowding problem at the other schools. Phase One of the redistricting plan included the community of Starz Edge; enrollment increased by 100 students. Phase Two includes Honokai Hale, Ko'Olina and families from Onemalu.

The State, businesses and parents have supported the school with campus projects and have improved the facility to address safety concerns as well as create classrooms more conducive to learning and teaching.

10. City Board of Water Supply (BWS).

Mike Matsuo, of the Water Resources Water Systems Planning Section of the Board of Water Supply (BWS), was introduced to the Authority.

Mr. Matsuo provided handouts to Authority members outlining his presentation. The following is a brief summary of his presentation.

Mr. Matsuo thanked the Authority for the opportunity to make this presentation. He said that today's meeting had been very informative. It was helpful to learn about the water problems at Kalaeloa, as he had not been aware of the seriousness of the problem.

Mr. Matsuo said that the BWS had executed a license with the Navy for the period from September 1, 2001 to December 31, 2003. Under this license agreement, BWS is responsible for operating, maintaining and repairing the water system serving Kalaeloa, which is composed of the released areas of the former Barbers Point Naval Air Station (BPNAS). During this period, the Navy will retain ownership of the Kalaeloa system. In addition to operating the system, BWS is responsible for water quality sampling and end-user billing. BWS will provide service to Navy-retained facilities, as all water is to be provided by the Navy's Barbers Point shaft.

Mr. Matsuo said that letters were sent to the current end-users in early September asking them to establish an account with BWS to facilitate billing. End-users will be charged prevailing BWS water rates. The same quality of service as provided previously will be provided by BWS. BWS will not require installation of meters as a condition of water service. End-users without meters will be billed based on estimated usage.

BWS plans to acquire the water system infrastructure serving Kalaeloa, but not the Navy's source, storage reservoirs, transmission pipelines and water system serving the retained areas of the former BPNAS. Once the BWS acquires the Kalaeloa water system, all end-users will have to be metered and will have to abide by the conditions of a quality of service agreement that will be drafted by BWS.

BWS was conveyed 20 acres of land in the southwest corner of Kalaeloa and is working with the Navy to purchase the remaining 10 acres of the parcel. BWS is currently designing a Desalination Plant on the 20 acres and expects that the plant will be on line by 2004. For the additional 10 acres of land that will be purchased from the Navy, BWS is preparing a feasibility study and environmental impact statement for a facility that would focus on deep ocean water technologies.

Note: The presentation was taken out of order and the City Department of Planning and Permitting was taken up next.

13. City Department of Planning and Permitting.

Bob McGraw, of the City Department of Planning and Permitting (DPP) was introduced to the Authority.

Mr. McGraw noted that the Director of Planning and Permitting had been a member of the BPNAS Redevelopment Commission that was established in 1994. The Commission was established as an advisory body to the Governor and was tasked with preparation of the BPNAS Community Redevelopment Plan. At the same time, the City was in the process of updating the Ewa Development Plan which was approved in August 1997. The Ewa Development Plan specified the need for a more detailed plan such as a Special Area Plan (SAP). The City Council approved the BPNAS Redevelopment Commission's SAP in 2001 which identified zoning districts and some design guidelines.

The City Council then passed a Resolution requesting that the DPP commence a zoning amendment process for all the conveyed areas in Kalaeloa. DPP is presently in the phase of accepting comments regarding the zone changes from the various public agencies as well as members of the public. In its request for comments, DPP indicated that, in addition to considering the rezoning of all the lands at Kalaeloa, as requested by the City Council, it is also exploring the possibility of rezoning only the

downtown area and the airport. The rationale for doing so is that this would make the task more manageable. The final deadline for comments is October 31, 2002. DPP anticipates transmitting its recommendation to the Planning Commission in mid-December.

11. City Department of Environmental Services.

Tim Houghton, of the City Department of Environmental Services (ENV), was introduced to the Authority.

Mr. Houghton said that the City wastewater system has been serving the area since the early 1980s. ENV is currently pursuing a public benefit conveyance for the wastewater system. It is an old system, which is not up to City standards. This poses a problem because the main gravity line goes under the runway and then pumps back up to the Honouliuli Wastewater Treatment Plant.

ENV has been working with the Navy on a license agreement to take over the major gravity lines and force mains. The City Council has just approved the agreement, which will allow ENV to accept the license. However, there are still some issues with the existing Navy service contract that are being discussed. Mr. Houghton anticipated that everything will be in place at the end of the month, after which ENV will assume the maintenance and billing responsibilities. End-users will be charged the normal rates.

Once the public benefit conveyance is approved, ENV will accept the entire system that is not located within private property. The property owners will be responsible for the portions of the wastewater system from the structure to the main. Because the system is 40 years old and has not received the appropriate maintenance, ENV will institute a surcharge of a \$1.78 per kgal for a period of 20 years for users in the Kalaeloa Community Development District. Mr. Houghton said that, while it is a challenging system, ENV looked forward to providing the full range of services to the Kalaeloa community.

Member Goshi asked if there was a timeline to renew the sewer system.

Mr. Houghton responded that their timeframe is over a 20-year period.

Member Goshi asked if, in the interim, they had considered building a smaller sewage treatment plant.

Mr. Houghton responded that building a treatment plant would be more expensive and create more difficulties.

Member Evans asked if the public benefit conveyance conveys the utility easements.

Mr. Houghton responded that it does include the utility easements.

12. State Department of Transportation - Highways Division (DOT-Highways).

Ronald Tsuzuki, of the Department of Transportation-Highways Division was introduced to the Authority.

Mr. Tsuzuki provided the Authority members with copies of the Memorandum of Understanding (MOU) between the BPNAS Redevelopment Commission, City and County of Honolulu and the State Department of Transportation.

The MOU specifies which roads the State DOT will oversee. It also states that, at some time in the future, DOT will transfer ownership of these roads to the City.

To date, the Legislature has appropriated \$500,000 to DOT for the upgrade of the roads. The Legislature intended that DOT match the money with federal funds. Therefore, DOT will apply to the Federal Highway Administration for a classification that will allow the roads to qualify for federal funds for improvements. DOT is currently going through a functional classification process. Initially, it appears Enterprise and Roosevelt Roads are the most likely to qualify for the federal funding.

Member Evans asked if Bill 52 currently before the City Council will include this area with respect to the assessment of impact fees for development.

Mr. Tsuzuki responded that Bill 52 includes this area.

Member Evans further asked if Fluor Hawaii and any other private developers would be assessed this fee.

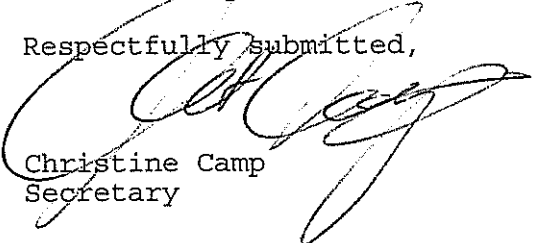
Mr. Tsuzuki responded that anyone applying for a City building permit would be assessed the impact fees. However, the Director of Transportation has written a letter to State agencies advising them that DOT would pay the impact fees for State agencies.

Chair Lum thanked all the presenters for taking the time to brief the Authority and noted that the information they provided will help the Authority as it moves forward with planning and decision making for Kalaeloa.

III. ADJOURNMENT

There being no other business, it was moved by Member Kondo and seconded by Member Kometani to adjourn the special meeting at 11:45 a.m. The motion passed unanimously.

Respectfully submitted,

  
Christine Camp  
Secretary