

SUMMARY - MEETING NO. 275

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

September 3, 2003 - 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; Theodore Liu; Gary Kondo; Bruce Matsui (for Rodney Haraga); Michael Goshi; Stanley Shiraki; Paul Kimura; Allan Los Banos

Kalaeloa Members: Eric Crispin; Micah Kane; Maeda Timson; Evelyn Souza
(Kalaeloa Members)

Members Absent: Katherine Thomason; William J. Aila, Jr.

Others Present: Sandy Pfund; Melvin Nishimoto; Mark Anderson; Matthew Akamu; Cal Machida; Susan Tamura; Teney Takahashi; Gayle Ito; Irene Iha; Neal Imada; Marvin Uehara; Miko Dargitz-Hallett; Francine Champoux (also, see Meeting Attendance Record)

I. ROLL CALL

The meeting of the Hawaii Community Development Authority was called to order on September 3, 2003, 2003 by Chair Lori Ann Lum at 9:05 a.m. with the following roll call:

Chair Lum	Present
Member Kometani	Present
Member Goshi	Present
Member Kimura	Present
Member Kondo	Present
Member Kubota	Present
Member Liu	Present
Member Matsui	Present
Member Shiraki	Present
Member Los Banos	Present
Member Crispin	Arrived at 10:10 a.m.
Member Kane	Present
Member Timson	Present

Member Souza

Present

MATERIALS DISTRIBUTED

1. Agenda for September 3, 2003 Meeting;
2. Summary Minutes of Regular Meeting of August 6, 2003;
3. Information Item: Navy Report for Kalaeloa and Required HCDA Actions;
4. Action Item: Approval to Authorize the Interim Executive Director to Expend Funds to Continue the Maintenance Program for the Kakaako Waterfront and Makai Gateway Parks.

II. APPROVAL OF MINUTES

1. Regular Meeting of August 6, 2003

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

There were none.

It was moved by Member Los Banos and seconded by Member Kondo that the Minutes of the Regular Meeting of August 6, 2003 be approved, as written. The motion passed unanimously.

III. REPORT OF THE EXECUTIVE DIRECTOR

Ms. Pfund noted that the Executive Director's report was enclosed in the packet distributed to the Authority Members. Highlights of the report included:

HCDA's Forrest Avenue Project in the Fort Armstrong area (which involves the realignment of Forrest Avenue with South Street and some cargo area reconfiguration) is on schedule, and is targeted to be completed at the end of September.

All the steps necessary to dedicate Ward Avenue Extension to the City and County have been accomplished, and this matter will be scheduled for City Council approval this month. Once approved by the Council, it will go to the Mayor for signature.

On September 19, 20, and 21, 2003, the first Annual Plate Lunch Festival is scheduled for the Makai Gateway Park. This event will feature 50 to 100 local plate lunch booths competing for the best plate lunch in different

categories. The event is to celebrate and promote Hawaii's unique plate lunch culture.

Ms. Pfund said that she would be happy to answer any questions regarding her report.

Chair Lum asked the Members if there were any questions regarding the Executive Director's report.

Member Kometani inquired about the Honuakaha leaking problem, and asked for clarification concerning the opposition from the AOA.

Melvin Nishimoto, Esq., Deputy Attorney General, mentioned that there was potential litigation with this issue, but he felt that Member Kometani's question could be answered.

Mr. Takahashi addressed the issue. He explained that the Honuakaha Board was on the verge of signing a release to permit HCDA to expend up to \$3 million to repair leaking structures, however, in the interest of communicating to the membership, the matter was posted for review by the membership. One or two AOA members opposed the idea of putting a \$3 million cap on the project because of the belief that HCDA should be obligated to put in the landscaping as well. The landscaping was not included in the scope of work approved by the Authority for mitigation of the leaks. The scope of work was simply to seal up the building so that it would not leak anymore. At the same time, legal remedies would be pursued against the contractors and the other parties involved. Mr. Takahashi added that the controversy had caused enough concern on the part of the Honuakaha Board President that the Board did not sign the release, and is now consulting with their attorneys again. Mr. Takahashi added that these developments have all occurred over the past month, and that HCDA staff would be meeting again soon with the Honuakaha Board to discuss the status of the situation.

IV. ITEMS FOR INFORMATION

- A. Chair Lum mentioned that today's only Information Item was the Navy Report for Kalaeloa and Required HCDA Actions. Ms. Pfund noted that an updated report of HCDA actions was enclosed in the Members packets. Ms. Pfund also highlighted a few items from the report, noting that the "shaded" areas were items that had occurred during the past month.

Ms. Pfund mentioned that the stakeholder meetings that have been facilitated by HCDA to discuss the Kalaeloa community development plan have been put on hold over

the past several months due to the possible stationing of the aircraft carrier at Pearl Harbor and the support wing at Kalaeloa. Staff has checked with various sources, including Senator Inouye's Office. We have been informed that a final decision is not expected until the summer of 2004.

Ms. Pfund stated that, as such, HCDA staff is planning to schedule a stakeholder meeting to continue communication amongst the parties and to discuss any new matters. A Public Informational Meeting is scheduled for Tuesday, September 30, 2003, at 7:00 p.m. at the James Campbell Building in Kapolei. At this meeting, the Navy and Fluor Hawaii will give a presentation for their plans in the area.

Staff is also pursuing a Federal grant of approximately \$300,000 from the U.S. Department of Commerce Economic Development Administration; this money could be used for planning or architectural and engineering design.

Chair Lum asked the Members if they had any questions.

Member Timson asked how long it would take to get the Federal grant money.

Ms. Pfund responded that HCDA would have to coordinate receipt of the grant money with the Department of Hawaiian Home Lands (DHHL) which originally received the grant, but does not plan to use the full amount. Ms. Pfund added that HCDA hoped to see the process for obtaining the funds clarified within one month.

Member Timson then asked what would happen at Kalaeloa between now and the summer of 2004 while awaiting the decision concerning the carrier relocation and its impact on Kalaeloa.

Ms. Pfund responded that HCDA will be conducting meetings to discuss the options available. She added that one of the reasons why HCDA is pursuing the grant is to be able to begin some initial planning or some kind of architectural/engineering design at Kalaeloa.

Member Timson said that she was concerned that the Community would be left out of that process and encouraged more communication and dissemination of information.

Member Timson asked the Members if they knew about a big event planned for December 13 and 14, 2003 at Kalaeloa. She explained that the event would be a large aviation weekend at the airport, to commemorate

the 100th year of aviation in the nation and 93 years in Hawaii. Member Timson felt that this event would be a good opportunity for the Authority to get involved and build awareness at Kalaeloa.

Member Timson expressed concerns that, after serving on the Authority on behalf of Kalaeloa for over one year, she has not felt any tangible progress in the area. She questioned whether any Member had been to Kalaeloa.

Member Goshi stated that he had been to Kalaeloa several times. He added that he personally knew people who grew up in the area, that he had seen the facilities, and agreed that Kalaeloa was a very large area. Member Goshi felt that a short-term goal could be to preserve the good buildings that may otherwise fall apart for lack of maintenance. However, Member Goshi noted that without funding, it is difficult to do anything. He cited the need for HCDA to work out a long-term vision for Kalaeloa with the Community.

Member Kane added that HCDA was given the responsibility of redeveloping Kalaeloa without sufficient resources to manage the area, so it should be the responsibility of the Kalaeloa Members to take a more proactive approach to keeping HCDA's staff informed of activities in Kalaeloa. Member Kane stated that DHHL, being one of the primary landowners at Kalaeloa, would work to provide HCDA with more information and suggested that that may be a good place to start for the other Kalaeloa members as well

Member Goshi pointed out that there are several good examples for short-term uses for Kalaeloa, noting that it has one of the only Olympic-size swimming pools, and a gymnasium facility. He added, however, that these facilities are still owned by the Navy.

Member Timson said that the Navy had shut off the water to a number of facilities; she added that there are playing fields that the community used to use but that are no longer useable because of the lack of water. Even private businesses like the Subway Restaurant are suffering. She felt that the Authority seemed to be focusing on City, State and Federal property, but is ignoring the very basis of economic development.

Chair Lum responded that the Authority is committed to fulfill its responsibility of redeveloping Kalaeloa, but may need to look at trying to put a better plan together to achieve the goals, given the limited resources available. Chair Lum agreed that better communication was needed.

Ms. Pfund then introduced Mr. Randy Hoffman, Navy Representative.

Member Timson made one additional comment before Mr. Hoffman's presentation. She mentioned that the Aviation Festival promoters would like to be put on next month's agenda to make a presentation to the Authority. Additionally, there is a party interested in further expanding an Aircraft Museum at Kalaeloa who also would like to be put on next month's agenda.

Chair Lum asked Member Timson to provide the Authority with the necessary information in order to include the above items on the agenda.

Mr. Hoffman greeted the Authority Members and introduced himself to the new Members. He mentioned that there were 9 parcels left to dispose of at Kalaeloa, as well as the utility systems (water, wastewater and electrical systems). There are two parcels, the fuel farm and the airport wetland, whose packages are being finalized to send out to the Assistant Secretary of the Navy at the end of this month.

Mr. Hoffman added that he did not know what the Navy's decision will be concerning the home porting and the carrier airwing. He said that, while he knows HCDA is interested in pursuing economic development conveyances for a couple of parcels, he understands that it may not be prudent to expend the funds to put together an economic development plan until the Navy has made a final decision regarding whether it will retain the property or not.

Mr. Hoffman said that the Navy understands the situation, and that the Navy is in the same position. He said that he has been instructed not to spend any additional funding until a decision is made. Therefore, the Navy's disposal schedule is also being pushed back, except for the two parcels for which monies have already been allocated and expended. Those packages will go forward and it will be up to the Assistant Secretary of the Navy to make a decision.

Mr. Hoffman also noted that the Fluor contracts were out of his scope of work, but that he would be helping to coordinate the presentations at the September 30th meeting, and that he would be present as well. He added that the Fluor representatives would also be at that meeting to give their presentation and answer questions.

Conveyance of water and wastewater systems will not be delayed by the Navy's pending decision on the airwing. The schedule for the conveyance of the wastewater system, however, may be pushed back by a month or two.

Mr. Hoffman noted that if anybody knew of someone whose utility service is disrupted during this time, to contact him so that he can make sure that all utility customers at Kalaeloa are satisfied.

Chair Lum asked whether there were any questions.

There were none.

V. EXECUTIVE SESSION

Relating to the Status of the Executive Director Search and to Discuss the Terms of Employment for the Interim Executive Director.

It was moved by Member Kane and seconded by Member Los Banos to go into Executive Session Regarding: (2) the Status of the Executive Director Search; and (3) to Discuss the Terms of Employment for the Interim Executive Director. The motion passed unanimously. Note: There were thirteen (13) affirmative votes.

Mr. Nishimoto was requested to be present at the Executive Session.

The Hawaii Community Development Authority convened in Executive Session at 9:25 a.m.

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

Members Kane, Timson and Souza left at 9:45 a.m. Member Crispin joined the meeting at 10:10 a.m.

VI. ITEM FOR ACTION

4. Approval to Authorize the Interim Executive Director to Expend Funds to Continue the Maintenance Program for the Kakaako Waterfront and Makai Gateway Parks

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

Ms. Ito introduced Mr. Troy Ogasawara of Hawaiian Fertilizer Sales, Inc. Mr. Ogasawara used a series of photographs to give a visual presentation highlighting the progression of the parks' maintenance program.

Mr. Ogasawara stated that his company initially evaluated the parks a couple of years ago. They discovered that irrigation and related issues accounted for 90% of the park's problems. More specifically, the problems included: lack of system pressure, poor coverage of the irrigation heads, poor patterning, broken or malfunctioning irrigation heads, and faulty or worn valves. In addition, many of the broken or malfunctioning parts were replaced with the wrong parts or incompatible parts. This combination of factors resulted in poor vegetative cover due to water stress.

Mr. Ogasawara also explained that one of the major improvements they have implemented has been the installation of a new, more powerful pumping system; subsequently, new heads were installed and realigned, weed control programs were implemented, and new plant materials were installed in 2002.

He stated that additional improvements can be attributed to fertilization, pruning, and selective herbicide treatment to remove the undesirable plant species.

Mr. Ogasawara then showed planter boxes that had been redesigned and re-landscaped with higher quality material. He also mentioned that Landscape Hawaii Inc. had to manually replant some bare areas. It was not possible to use seeds to grow missing vegetation because of the weed-killing program that was in place to stop the re-infestation of noxious weeds.

Mr. Ogasawara said that insects can also be a problem and that it was important to keep monitoring the area regularly.

Chair Lum asked the Members if they had any questions. There were none.

Ms. Ito thanked Mr. Ogasawara and told the Members that both Derek Makishi and Ross Shiroma, representing Landscape Hawaii Inc. were present and available to answer any questions. There were none.

For discussion purposes it was moved by Member Los Banos and seconded by Member Kubota to authorize the Interim Executive Director to extend the Agreement with Landscape Hawaii Inc. until November 30, 2004, and to expend HCDA revolving funds in an amount not to exceed \$275,000 to continue the maintenance program for the Kakaako Waterfront and Makai Gateway Parks.

Chair Lum opened the floor for discussion. Member Shiraki inquired about the long range plans for the area.

Ms. Pfund stated that, when the park was originally built, the initial idea was to turn it over to the Department of Land and Natural Resources (DLNR), State Parks Division, for the required maintenance; however, over the years, DLNR has resisted turnover of the park, citing a lack of adequate funding.

Ms. Pfund added that, another reason that HCDA is not pursuing the turnover of the park to DLNR is because HCDA may want to develop other improvements in the park. For example, moving the parking lot and relocating the amphitheater, are possible future projects.

Ms. Pfund agreed that the Kakaako Waterfront and Makai Gateway Parks require a very costly maintenance program, but in order to keep those parks at the current level, it is necessary to supplement State Parks work. However, Ms. Pfund felt hopeful that the maintenance expenses would start to decrease now that the parks are up to par.

Ms. Pfund indicated that one of the solutions that was being considered to offset the costs of maintaining the parks is to implement a common area maintenance (CAM) system, and assess the owners of the different parcels as more development occurs in the area.

Member Liu informed the Members that the Trust for Public Lands was sending some representatives to Honolulu to discuss what to do with potential open spaces in the Aloha Tower area. One item for discussion will be the possibility of removing the power plant and turning the area into a green space.

Member Liu said that the Trust for Public Lands has a number of strategies that have been implemented in other urban areas, in which urban parks are converted into various not-for-profit parks, and managed and funded through a particular vehicle.

Member Liu suggested that Ms. Pfund contact the Trust for Public Lands representatives while they were in Honolulu and discuss what suggestions they may have with regards to our parks.

Member Liu then asked whether HCDA had four (4) contracts for maintenance of the parks. Ms. Ito responded in the affirmative and outlined the contracts as follows: HCDA has two (2) contracts with State Parks: \$100,000 and \$88,000 respectively. HCDA also has a contract with Landscape Hawaii Inc. who takes care of both Kakaako Waterfront and the Makai Gateway Parks; she explained that the contract with Landscape Hawaii Inc. covers items that State Parks will not or cannot do to keep the parks at an acceptable level. The fourth contract is with Hawaiian Fertilizer Sales, Inc., consultant, and includes evaluation and recommendations regarding the parks' maintenance program, assistance with the different types of herbicides, corrective action when needed for specific problems, etc.

Member Liu asked whether the current arrangement was the most efficient way of accomplishing the desired results.

Member Goshi stated that it is important to remember that the Authority wished to keep a high standard at the Waterfront Park and must be careful not to reduce the maintenance of the parks to the level that DLNR is currently able to provide.

Member Liu asked if, since HCDA was unable to turn the park over to DLNR, there would be a way to totally privatize it and to get the State out of it completely.

Ms. Ito responded that staff has looked into the cost of privatizing every year. However, there has been a large gap between the cost of total privatization and the current arrangement. Ms. Ito said that the \$100,000 we pay to State Parks for mowing, custodial maintenance and utilities at Kakaako Waterfront Park and Kewalo Basin Park would barely cover the utility costs under a full privatization scenario.

Mr. Ogasawara further explained that utilities and water bills are fixed costs that are currently paid for by DLNR. Under full privatization, added to these costs would be costs for other services, including lawn mowing, maintenance and custodial services. It is Mr. Ogasawara's opinion that a private contract may exceed the current costs.

Chair Lum informed Member Liu that staff had actually looked into total privatization and it was decided that the current arrangement was the most cost efficient solution for the time being.

Member Shiraki inquired whether the Kakaako parks had been enforcing current watering restrictions.

Mr. Ogasawara responded affirmatively, adding that there were some areas that were not as green as they were prior to the watering restrictions. Mr. Ogasawara added that any less watering at this time would set the parks back, bare areas would reappear, and the weeds would come back.

Mr. Shiroma of Landscape Hawaii Inc. added that, currently the watering is done every other day. If the watering was to be cut back to abide by the Tuesday, Thursday, Sunday suggested by the Board of Water Supply, there would be areas in the park that would not receive any water for four consecutive days.

Ms. Ito stated that HCDA had contacted the Board of Water Supply to explain our park's unique watering needs due to the current pattern which takes two days to water the entire park: one half of the park is watered on one day; the other half is watered the next day.

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

The motion passed unanimously.

Member Liu wanted to further comment on the team of consultants who will be coming to the islands to discuss Aloha Tower and who will be available to offer their expertise with waterfront activities. The team includes parking consultants, urban transit consultants, and consultants specializing in parks and open spaces. Member Liu would like to see HCDA and ATDC communicate more closely. Member Liu also suggested that Ms. Pfund contact ATDC to take part in those meetings. The goal is to get better coordination for the whole waterfront.

Member Crispin wished to bring up a new topic to the Authority. He asked that his staff at the City Department of Planning and Permitting (DPP) be allowed to make a brief presentation regarding the Primary Urban Center (PUC) Development Plan. This Plan has been in the works for approximately eight (8) years and numerous different versions have been drafted; Member Crispin would like to see the latest version adopted. He also felt that

this was a great opportunity for HCDA staff and the Authority to look at how Kakaako fits into the whole area of the Primary Urban Center in Honolulu. Member Crispin would like to share the Plan with the Authority so that the Members could see the direction in which the City is heading, and the kinds of values and objectives that the Plan calls for.

Member Liu asked what the presentation would involve and to clarify what the development plan does.

Member Crispin responded that the PUC was defined from the Ewa side of Pearl City to Kahala, and from the Ocean to the Mountains. There are basically eight (8) plans within the island of Oahu. There is an Oahu General Plan which sets the tone for development for growth to happen in Ewa and the PUC; then the other six (6) plans call for some development plans that are called sustainable communities plans.

These plans were developed by each community, i.e. the North Shore, Central Oahu, etc.; what each Sustainable Communities Plan has done is to develop urban growth boundaries within which development can occur. The general plan calls for the PUC to be, along with Ewa, one of the areas that will absorb the growth for the coming 50 years on Oahu.

The PUC development plan lays out strategies for accommodating that growth. Since Kakaako is in the heart of the PUC, the City would like to work more closely with HCDA. That is the intent of showing the latest version of the plan.

Member Liu asked how long the presentation would take.

Member Crispin responded that a condensed version would take approximately 15 minutes; the normal version takes about 40 minutes. Member Crispin added that a condensed version would leave some time for questions and answers for the Authority's benefit; therefore, a total of 30 minutes could be allocated.

Member Goshi felt that this would be a very valid presentation.

Member Crispin added that the City has done a lot of community outreach. The goal is to get the PUC development plan to the City Council by the end of the year. He added that as much support as they can gather would be beneficial.

V. ADJOURNMENT

Chair Lum asked whether there were any other matters to be brought to the attention of the Authority Members.

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

Respectfully submitted,

Michael Goshi
Secretary