

SUMMARY - MEETING NO. 280

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

February 4, 2004 - 9:00 a.m.

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

ATTENDANCE

Members Present: James Kometani; Michael Goshi; Theodore Liu; Katherine Thomason (for Russ Saito); Stanley Shiraki (for Georgina K. Kawamura); Mark Anderson (for Theodore Liu); Paul Kimura; Allan Los Banos; Patrick Kubota; Gary Kondo

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

I. ROLL CALL

The meeting of the Hawaii Community Development Authority was called to order on February 4, 2004 by Vice Chair James Kometani at 9:05 a.m. with the following roll call:

Member Kometani	Present
Member Goshi	Present
Member Liu	Present; left at 9:50 a.m.
Member Thomason	Present
Member Shiraki	Arrived at 9:10 a.m.
Member Anderson	Present; arrived at 9:50 a.m.
Member Kimura	Present
Member Kubota	Present
Member Kondo	Present
Member Los Banos	Present

MATERIALS DISTRIBUTED

1. Agenda for February 4, 2004 Meeting;
2. Summary Minutes of Regular Meeting of January 14, 2004;
3. Report of the Executive Director;
4. Action Item: Approval to Give the Executive Director the Discretion to Exercise the Buyback Option for Reserved Housing Units at 1133 Waimanu;
5. Information Item: Makai Area Parking Update;
6. Article from the New York Times entitled: Space-Age Garages That Save Space.

On behalf of the Authority, Vice Chair Kometani welcomed Dan Dinell as the new HCDA Executive Director. Vice Chair Kometani added that the Authority was very pleased that Mr. Dinell had joined the HCDA team and that the Authority was looking forward to working with Mr. Dinell.

II. APPROVAL OF MINUTES

1. Regular Meeting of January 14, 2004

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

There were none.

It was moved by Member Goshi and seconded by Member Kondo that the Minutes of the Regular Meeting of January 14, 2004 be approved, as written. The motion passed unanimously.

III. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Dinell expressed his appreciation to the Authority for its strong support and added that he was very pleased to be on board. Mr. Dinell also said that he felt particularly blessed with a very dedicated and professional staff.

Mr. Dinell noted that the Executive Director's report was enclosed in the packet distributed to the Authority Members, and that he would like to bring up two specific items.

Mr. Dinell stated that, at the last meeting, the Authority had requested an update on the KUD progress concerning the Aquarium project. Mr. Dinell told the Members that HCDA

staff had met with KUD, and as a result of this discussion, KUD informed HCDA that it felt it was making progress with plans for construction of a new Research Building for the Pacific Bio Medical Research Center. The Center is the sole remaining tenant on the site, and KUD will need to submit a relocation plan to the UH Board of Regents. KUD plans to submit its relocation plan to UH in the very near future. After the Board of Regents' review, KUD will be coming back to the Authority with its business plan. HCDA has made a point of emphasizing to KUD that it must present the Authority sufficient information and details for a decision to be made. Such presentation is expected to occur this summer.

Mr. Dinell also stated that the Public Hearing for the Improvement District 11 (ID-11) Project had been postponed so as to afford time for the Small Business Regulatory Review Board (SBRRB) to consider a HCDA request to hold a public hearing. The SBRRB issued a recommendation to the Governor last week that the public meeting could proceed. HCDA is now awaiting word from the Governor on the authorization to proceed with the Public Hearing on ID-11. Mr. Dinell commended Ms. Pfund and Mr. Miyamoto for their efforts in dealing with the Small Business Regulatory Review Board.

Mr. Dinell mentioned that he had attended the Legislative Session opening, and that he had already held various meetings with key lawmakers. Mr. Dinell added that he was planning to continue to meet with several more lawmakers in the next few weeks.

Vice Chair Kometani asked the members if there were any questions regarding the Executive Director's Report. There were none.

IV. ITEM FOR ACTION

2. Approval to Give the Executive Director the Discretion to Exercise the Buyback Option for the Reserved Housing Units at 1133 Waimanu.

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

Vice Chair Kometani asked the Members if they had any questions or comments concerning this Action Item.

Member Kubota inquired about the current policy for the 1133 Waimanu property. He asked if an owner had wanted

to sell a unit a year ago, would HCDA staff had required Authority approval so the Executive Director could enter into a purchase option.

Mr. Uehara responded affirmatively.

Member Kubota wanted to clarify whether today's action item was for any future options, applicable to every unit in the 1133 Waimanu property.

Mr. Uehara responded affirmatively.

Vice Chair Kometani felt that the reason this item had not been presented to the Authority previously was that, up until recently, the real estate market prices had been at a lower level. Therefore, it would not have made sense for the Authority to buy the property back.

Member Kubota stated that he had assumed that, since HCDA had the first option to purchase, the Executive Director already had the authority to exercise the option without Authority approval.

Vice Chair asked if there were any additional discussion or questions on this item. There were none.

It was moved by Member Kubota and seconded by Member Los Banos to give the Executive Director the discretion to exercise the buyback option for reserved housing units at 1133 Waimanu and to use the reserved housing funds to fund such purchases.

Vice Chair Kometani called for a vote. The motion passed unanimously.

V. ITEM FOR INFORMATION

A. Makai Area Parking Update.

Executive Director Dinell stated that Mr. Takahashi would be handling the first portion of the presentation; the second portion of the presentation would be handed over to Ms. Pfund.

Mr. Takahashi summarized the Makai Area parking strategy, which was part of the Information Item report distributed to the Authority concerning this matter.

Mr. Takahashi stated that the overall parking strategy in the Makai Area were established in the Makai Area Plan

and had been adopted by the Authority in June 1998. Accordingly, each project was expected to provide its own parking as required by the Makai Area Rules. Mr. Takahashi stated that preference was for parking to be integrated into the development site, but the rules allow for off-site parking, either in joint use with another site, or on a separate site, provided that walking distance is no more than 1,200 feet.

Mr. Takahashi used a map to note that there were two exceptions to the current rules. The first exception was the two waterfront projects (Marine Research Center and Retail Component) which would require a centralized parking structure because of site constraints; some of these constraints include a shallow water table, a site that is too narrow to accommodate on-site parking, and the fact that on-site parking would be too prominent in these two projects.

Mr. Takahashi then pointed to the JABSOM project and stated that UH was initially only providing interim parking because of funding constraints. However, Mr. Takahashi referred to the JABSOM parking agreement, and stated that UH was required to provide the requisite number of parking stalls specified pursuant to the Makai Area Rules. Mr. Takahashi added that the UH Development Permit requires 369 stalls of permanent on-site parking, with the balance (639 stalls) located off-site on several possible locations, which are identified in the permit.

Mr. Takahashi asked the Members if they had any questions on this portion of the presentation so far. There were none.

Ms. Pfund summarized the off-site parking needs for JABSOM, also part of the Action Item report distributed to the Authority.

Ms. Pfund used a slide presentation to address the Authority's specific question regarding the possibility to delay the demolition of the CEM warehouse based on the current project schedule for UH. Ms. Pfund stated that UH had, in fact, accelerated its schedule and required the site immediately for construction staging and parking.

Ms. Pfund further commented on the potential replacement sites for relocation of the off-site parking so as to avoid the demolition of the CEM warehouse. One off-site option consists of the Kamehameha Schools (KS) car dealership lot, makai of the Gold Bond Building. Ms.

Pfund stated that the KS parking site would not be favorable from a financial and logistical standpoint. A second alternative would be on HCDA property and while possible, still would be less desirable from a logistical standpoint than the CEM warehouse site.

Ms. Pfund added that a key factor with the Kamehameha Schools site was the inability to commit to the 5-year term that is required under the rules. Additionally, this site could only accommodate the parking area, so HCDA would need to assist UH, possibly with construction staging area. Ms. Pfund identified a site located two to three blocks away from the main jobsite that HCDA could use to accommodate the construction staging area required by UH.

Ms. Pfund stated that, in the event that the Kamehameha Schools site was not feasible, staff had looked at a second alternative. This alternate site, under the Master Plan, would be the central parking structure. Ms. Pfund added that, this Legislative Session, HCDA would be requesting \$20 million in revenue bond authorization to build the first of the structures. Under that plan, the parking for the first structure would probably be constructed on the makai end of the site, and the Phase II parking structure would be addressed at a later date. Realistically, the Phase II site could be committed for a five-year term for on-grade parking.

Ms. Pfund noted that Ahui Street was ready to be developed for roadway improvements, along with Olemehani Street; also, Ohe Street, which currently runs Mauka to Makai, would be redesigned as a curvilinear road to run behind the Children's Discovery Center, opening up the area. Ms. Pfund stated that this project was scheduled to start July 2004.

Ms. Pfund also noted that the off-site parking lot in this area would require users to cross the Gateway Park and therefore was not as desirable from a security standpoint as the adjacent CEM Warehouse property location.

Ms. Pfund asked the Members if they had any questions on any of the points that she raised.

Member Shiraki requested clarification as to who was responsible to provide parking for UH, and if that parking would be free of charge.

Ms. Pfund responded that HCDA was responsible to provide temporary parking to UH for a period of 5 years, with net revenues to HCDA.

Member Shiraki asked whether HCDA had a lease with UH.

Ms. Pfund responded that there was no lease involved; she added that the agreement with UH was a conditional use agreement and that no land rights were granted to UH.

Member Shiraki asked what would the requirements be after the 5-year agreement.

Ms. Pfund responded that, after the 5-year agreement, UH was to have their permanent parking in place.

Member Shiraki inquired whether the 150 stalls behind the construction barrier would be open and flat.

Ms. Pfund responded that the site would be an on-grade site for 150 stalls.

Member Kometani inquired whether HCDA's commitment to provide parking for UH was only valid for 5 years.

Ms. Pfund responded affirmatively. She added that after 5 years, UH must have a permanent parking solution.

Member Shiraki asked what would be different five years from now.

Mr. Takahashi responded that there were three sites to be considered: the first one was the Kamehameha Schools lot behind the Gold Bond Building; the second was adjacent to the Sewer Pump Station; the third was the "Adtech" site or the "CRC" site.

Ms. Pfund added that those three sites were identified in the development permit.

Member Liu inquired whether UH was responsible for the one-thousand-stall requirement, with 369 permanent on-site stalls, in addition to 639 off-site stalls.

Mr. Takahashi responded affirmatively, and stated that UH current parking agreement with HCDA would expire in 5 years.

Ms. Pfund added that the 1,008-stall requirement was for both Phase I and Phase II of the JABSOM development.

Member Liu said that this entire parking scenario was based on Phase II, a phase that may or may not materialize.

Ms. Pfund stated that the current temporary parking was dedicated to Phase I and that 618 stalls were required for Phase I; a total of 1,008 stalls would be required for Phase I and Phase II. Ms. Pfund added that currently, HCDA is only satisfying temporary parking for Phase I: 221 stalls on-site and 397 stalls off-site equal a total of 618 stalls.

Member Liu wanted to know if Phase II did not proceed, would UH only need 600 parking stalls, of which 369 UH has to satisfy on-site, and the balance off-site.

Ms. Pfund responded negatively. She said that if Phase II did not proceed, there were two parking areas currently on-site, 221 parking stalls on-grade; the 369 on-site stalls that Mr. Takahashi mentioned would come in on Phase II, which was the parking structure.

Member Shiraki inquired whether Phase II parking requirements could be satisfied off-site.

Mr. Takahashi responded that 618 parking stalls were required by rules for Phase I, and referred to a table relating to the Waterfront Parking Needs, located on page 3 of the Information Item to the Members.

Member Liu asked whether the 618 parking stall requirement included parking for students.

Mr. Takahashi responded affirmatively, and added that most of the parking stalls would be required for the administrative and research staff. He added that the student component would be relatively small.

Member Kimura suggested using the Makai Gateway Park to build a parking structure.

Member Liu said that the Makai Gateway Park was part of the Kakaako Waterfront Park, therefore he did not think the idea would be well received. However, he reiterated that the Kakaako Waterfront Park featured a large parking lot, which was free to the public.

Member Shiraki wanted to know why a parking structure could not be built on the Makai Gateway Park land.

Ms. Pfund explained that the Makai Gateway Park had been established to provide a view corridor from Ala Moana Boulevard to the Kakaako Waterfront Park.

Member Kubota added that the Authority had approved the construction of the Makai Gateway Park a few years ago.

Mr. Dinell also felt that the Makai Gateway Park had been built to create a vertical connection inland, therefore Mr. Dinell did not believe that this corridor should be obstructed by a parking structure. He added that, in the conceptual plan, the parking would be moved off to the side, in front of the makai side of the Medical School. Mr. Dinell stated that the idea was to move the amphitheater to create more of a great lawn. He also added that this was the conceptual plan that the Authority had approved in 2002.

Member Kubota had a question concerning the JABSOM Phase I parking requirements. He said that he understood those requirements to be 618 stalls, of which 221 were on-site, and 397 stalls were off-site, within the temporary 5-year Conditional Use Permit. Member Kubota wanted to know what would happen after the 5 years.

Mr. Takahashi responded that after the 5-year period, UH had to provide all the parking, one way or another, but not necessarily on or off-site. In the scenario that Member Liu described earlier, it could be conceivable then, that if Phase II was not built, the space could be used for multi-deck parking, perhaps as much as three decks of parking. Mr. Takahashi added that the current thinking was that Phase II would go ahead, so UH would not have all its parking requirements met on-site, and therefore had been looking at outside locations which were identified earlier.

Member Kubota asked whether it would be UH responsibility to provide its own parking requirements at the expiration of the 5-year Conditional Use Permit.

Mr. Takahashi responded affirmatively.

Member Shiraki asked about the location of the Japan Cancer Research Center.

Mr. Takahashi responded that the center would be located on the land that was set aside for Phase II.

Member Kometani inquired whether the Japan Cancer Research Center would be a for-profit entity.

Mr. Takahashi responded that it was his understanding that the Japan Cancer Research Center would be a for-profit entity. He added that HCDA had not had formal communication with UH on the consortium, but from the informal discussions that had already taken place, Mr. Takahashi believed that the consortium was a for-profit organization.

Member Kometani asked whether the UH lease allowed HCDA to charge rent if a for-profit entity was housed within Phase II.

Mr. Takahashi responded affirmatively. He added that it was anticipated and reserved in the current lease, and that the rent issue might be one of the reasons for the hesitation for the consortium to go ahead with its plans.

Member Goshi stated that he was fine with the current strategy, but he was concerned about the fact that UH could be going vertical with a parking structure. Member Goshi felt that the Master Plan could still be preserved. He felt that the Authority should be looking for a long-term solution for everyone. He added that, right now, the strategy was on a case-by-case basis.

Member Goshi also believed that HCDA should be looking at the bigger picture, and although centralized parking might seem like a good idea, it should serve the Medical School, the Aquarium and the future retail component. Member Goshi felt that the bigger picture was the conceptual vision, and that not doing anything now might hurt the entire area down the road. Member Goshi added that he felt comfortable with the 5-year temporary plan but that he did not think it would be a good idea if all the vacant lots were turned into on-grade parking lots.

Member Goshi asked the Members what they felt could be done now to prevent that from happening.

Ms. Pfund responded that this issue would be addressed by Mr. Takahashi's portion that would conclude the presentation.

Mr. Takahashi stated that the first problem that he anticipated was the fact that someone would have to build and operate the centralized parking facility. It would be common parking, and Mr. Takahashi noted that parking was not a lucrative business. He said that there was a 1.5 debt-to-revenue ratio, which would probably be used by the bond issuers.

Mr. Takahashi also said that lease rents, as opposed to parking fees, may be the only way to go with the parking structure that HCDA is proposing to build. Mr. Takahashi added that, otherwise, whoever would be operating the parking structure would be at risk. Mr. Takahashi felt that this would be a major policy decision that the Authority would be facing, whether HCDA should be in the parking business or not.

Member Goshi said that he was not suggesting that HCDA run the parking structure, but that HCDA could facilitate a parking solution. He added that centralized parking would have advantages over allowing everybody to provide their own parking.

Mr. Takahashi responded that it could be entirely possible that someone would take the risk position on the parking structure but Mr. Takahashi did not see it happening at the present time, mostly because the financials were so marginal.

Mr. Takahashi used the Gold Bond parking operation to give the Members an example of parking revenues. He noted that the average monthly fee was approximately \$95 per stall. Mr. Takahashi said that, in order to pay for HCDA's proposed parking structure, a monthly fee of \$100 to \$120 per stall would have to be charged to cover the debt service. Mr. Takahashi felt that the disparity was just too great.

Member Goshi stated that, from a planning perspective, he favored a centralized solution to the parking problem.

Mr. Takahashi asked Member Goshi if he meant that, rather than putting parking on-site, as was the current policy, HCDA should encourage parking to be centralized.

Member Goshi responded affirmatively. He felt that it would make sense to approach UH, Kamehameha Schools and the Aquarium people, discuss the possibility to have centralized parking and all share in the cost; then, everybody would win.

Mr. Takahashi stated that HCDA had already scheduled a meeting with Kamehameha Schools the following week to discuss this suggestion. Mr. Takahashi added that Kamehameha Schools was aware that UH had parking needs, and Kamehameha Schools has its own parking needs, therefore, Kamehameha Schools seemed open to the concept.

Mr. Takahashi did say though, that there was always going to be a need for a certain amount of on-site parking, for example, V.I.P. parking, but it could be limited to a minimal number of stalls.

Member Goshi stated that he was OK with the short-term solution as long as the greater vision was there. Member Goshi added that, if the greater vision was not in place, the short-term solution would become permanent.

Mr. Takahashi wanted to clarify Member Goshi's statement, whether he felt it would be better planning and aesthetically more acceptable to have a centralized structure as opposed to on-site parking structures.

Member Goshi responded that, in most major cities, walking was not a problem. He added that the UH JABSOM site was a very unique site. He said that although, historically speaking, Honolulu had a tendency to operate in a certain way, Member Goshi felt that this site represented a different situation.

Member Kometani inquired about the 1,200 feet distance to the property.

Mr. Takahashi responded that it was an HCDA Makai Area Rule and that it was a generous radius, stating that the City required 400 feet. Mr. Takahashi added that HCDA's Mauka Rules were consistent with the City's, but that HCDA's rules provided for a more generous setback in the Makai Area.

Member Kometani noted that he did not think a short walk should be a problem, should centralized parking be adopted.

Member Goshi stated that the University of Hawaii at Manoa had nice parking and that people did not have a problem walking on campus.

Member Kometani noted that perhaps the Authority should be looking at changing the maximum distance requirement as part of the Parking Master Plan.

Mr. Takahashi responded that parking would always be a "balancing act". He referred to Ms. Pfund's earlier comments relating to security concerns directly associated with more distance.

Member Kubota referred to comments made earlier by Member Liu that HCDA should include the Aloha Tower Development

agency in any joint development parking project with the different area landowners.

Mr. Takahashi agreed.

Mr. Takahashi also responded to an earlier inquiry from the Members as to the parking usage at the Kakaako Waterfront Parking lot. HCDA conducted an informal survey that indicated an approximate usage of 15% in the morning, to 80-90% in the evening hours.

Mr. Takahashi added that, before using those figures as a basis for policy decision, he felt that a professional analysis should be conducted. Mr. Takahashi also noted that the parking lot usage was gradually increasing as more people were becoming aware of the park, and the park was becoming more popular as a result of the Capital Improvements that HCDA recently put into the park.

Mr. Takahashi also stated that Special Events, primarily those sponsored by the Children's Discovery Center, had increased significantly, and there was never sufficient parking for these events.

Mr. Takahashi added that the Kakaako Waterfront Park Parking lot might become the only public parking, if and when construction should begin on the Point Panic site. Such construction would include the demolition of the Point Panic parking lot, which has always been 100% occupied throughout the day.

Mr. Takahashi pointed out that with 35 acres of park: (1) HCDA was obligated to provide parking for park users; and (2) this parking should be reserved for their use.

Mr. Takahashi then addressed the Members' information request concerning parking consultants and associated costs. Mr. Takahashi stated that HCDA was unable to conduct an informal parking study because of procurement concerns. However, HCDA has had sufficient dialog with parking consultants to know that a full-fledged parking study would probably cost between \$100,000 to \$150,000.

Mr. Takahashi wondered if this kind of parking study would answer any question. Mr. Takashi noted that a parking study had already been done, and that information was included in today's Information Item.

Mr. Takahashi then addressed the results of HCDA's research on Automated Parking Structures. Mr. Takahashi stated that, to his knowledge, there was still only one

U.S. supplier for these robotic parking structures, and only one user, the Hoboken Municipal Parking Authority. Mr. Takahashi distributed a handout describing the totally automatic structure. He stated that such structures have significant advantages, namely security, speed, and space saving. Mr. Takahashi added that such structures could also be made to look like apartment buildings from the outside.

Mr. Takahashi stated that he was keeping an open mind about this system, but pointed out that the main disadvantages of the system were its cost and its reliability. Mr. Takahashi clarified his statement about reliability by adding that the system had not been widely tested in the U.S.; however, he said that the system was extensively used in Europe and in Japan.

Mr. Takahashi addressed the Members' suggestion for HCDA to review the parking plans for Aloha Tower. Mr. Takahashi noted that upon inquiry, HCDA learned that these plans would not be ready until the following week, and that HCDA would review the document as soon as it was available.

Mr. Takahashi asked the Members if they had any questions concerning his presentation, or Ms. Pfund's presentation.

There were none.

V. ADJOURNMENT

Vice Chair Kometani 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 Shiraki to adjourn the meeting at 10:00 a.m. The motion passed unanimously.

Respectfully submitted,

/s/

Michael Goshi
Secretary