

SUMMARY - MEETING NO. 296  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
State of Hawaii

August 3, 2005 – 9:00 a.m.

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

ATTENDANCE

Members Present: Grady Chun; Barry Fukunaga (for Rodney Haraga); Michael Goshi; Paul Kimura; James Kometani; Gary Kondo; Jonathan Lai; Theodore Liu; Kay Mukaigawa; Stanley Shiraki (for Georgina Kawamura); Katherine Thomason (for Russ Saito); William Aila, Jr.; Linda Chinn (for Micah Kane); Henry Eng; and Maeda Timson.

Members Absent: Evelyn Souza

Others Present: Daniel Dinell; Melvin Nishimoto; Matthew Akamu; Stanton Enomoto; Arnold Imaoka; Cal Machida; Deepak Neupane; Teney Takahashi; and Jill Sugihara; (also, see Meeting Attendance Record).

I. ROLL CALL

The meeting of the Hawaii Community Development Authority (HCDA) was called to order on August 3, 2005, by Chairperson James Kometani at 9:00 a.m. with the following roll call:

Chairperson Kometani	Present
Member Chun	Present
Member Fukunaga	Present
Member Goshi	Present
Member Kimura	Present
Member Kondo	Present
Member Lai	Present
Member Liu	Present
Member Mukaigawa	Present, arrived at 9:15 a.m.

Member Shiraki	Present, arrived at 9:17 a.m.
Member Thomason	Present
Member Aila	Present, left at 9:44 a.m.
Member Chinn	Present, left at 9:44 a.m.
Member Eng	Present, arrived at 9:08 a.m., left at 9:44 a.m.
Member Timson	Present, left at 9:44 a.m.

#### MATERIALS DISTRIBUTED

1. Agenda for August 3, 2005 Meeting;
2. Summary Minutes of Authority Meeting of July 6, 2005;
3. Report of the Executive Director;
4. Kalaeloa Status Report;
5. Action Item: Approval to Authorize the Executive Director to Approve the Sublease between Children's Discovery Center and Coral Wireless, LLC;
6. Action Item: Approval to Authorize the Executive Director to Enter into an Agreement to Exclusively Negotiate with the University of Hawaii for a Site for the Cancer Research Center of Hawaii;
7. Kalaeloa Master Plan Briefing PowerPoint Presentation and Kalaeloa Master Plan Fact Sheet (passed out to Members at the meeting); and
8. Conditions to be Fulfilled Prior to the Effectiveness of the Cancer Research Center Lease Documents (passed out to Members at the meeting).

#### II. APPROVAL OF MINUTES

##### 1. Minutes and Summary

Chairperson Kometani asked if there were any corrections to the minutes of the regular meeting of July 6, 2005. There were none.

It was moved by Member Goshi and seconded by Member Thomason to approve the minutes as written. The motion passed 12 to 0 with 3 excused (Members Eng, Mukaigawa, and Shiraki).

#### III. REPORT OF THE EXECUTIVE DIRECTOR

Daniel Dinell noted that the full Executive Director's report was enclosed in the

packet distributed to the Authority Members, and highlighted and updated the following:

- Mr. Dinell reported that staff is proceeding with the land use amendment to allow residential uses in the Kakaako Waterfront. The Final Environmental Assessment was filed with the Office of Environmental Quality Control on July 12, 2005. A public hearing on the proposed rules is scheduled for September 7, 2005.
- Consultants have completed an assessment of the existing Mauka Area Plan and Rules. Mr. Dinell noted that this is particularly important in light of last month's suggestions on increasing floor area for more reserved housing and requiring public parking in private developments, as neither of these is allowed under HCDA's existing rules.
- A meeting is scheduled for August 4, 2005, to discuss the terms to transfer the Heeia property to the Department of Land and Natural Resources.
- The State Office of Historic Preservation has concurred with a plan to demolish the non-historic structures on the Historic Ala Moana Pump Station site. Details are being worked out largely using volunteers and donations of labor/equipment. The intent is to enhance the Pump Station's appearance and provide some interim use until the community-planning and request for proposals by Clifford Planning is completed.
- Installation of the entry feature sculpture is expected on the Mauka portion of the park along the Queen Street Extension in August. However, because the land is being reserved for ID-11 staging and parking, other park improvements will not start until 2007. The early installation is to protect the art piece and save money that would otherwise be used for storage, insurance and escalating installation costs.
- Staff visited with ID-11 business owners during the last week in July to inform them of the plans. Appraisals for land acquisition are being updated. Landowners will be allowed 30 days to consider offers.

The construction contractor has been issued the Notice to Proceed. Initial work will focus on preparing the various parking areas in order

to ensure that parking is in place before construction begins. The surface parking lot on Kawaiahao Street is being prepared by the Moana Pacific developer.

- Effective September 1, 2005, daily rates for parking at the Pohukaina surface lot will be changed from \$4 daily to \$4 for early bird parking and \$5 daily (after 9 a.m.) and from \$70 to \$90 for monthly rates. Staff is exploring renting out 30-35 covered stalls currently unused at the Honuakaha Brewery Building for \$150 per month. In the Kauhale Kakaako structure, parking rates will increase from \$85 to \$100 per month. Rates for bulk users with more than 20 stalls will increase from \$75 to \$85 per month.

Chairperson Kometani asked if there were any questions for the Executive Director.

Member Kimura asked why parking fees were being increased for the second time this year.

Mr. Dinell responded that it was based on market forces. Covered parking rates are generally over \$100 per month in the Kakaako area. He stated that it was HCDA's fiduciary responsibility to collect parking fees at the market rate, anything less would constitute a parking subsidy by HCDA.

Chairperson Kometani stated that at last month's meeting, there was discussion on the reserved housing requirement. He appointed a subcommittee to review HCDA's reserved housing rules and present its findings and recommendations to the rest of the Members so that the next time a decision needed to be made regarding reserved housing the Authority would have a greater understanding of the policies and implementation of the rules. He appointed Members Kawamura, Lai, Liu, and Mukaigawa or their designees to serve on this subcommittee.

#### IV. ITEMS FOR INFORMATION

##### A. Kalaeloa Status Report

Stanton Enomoto summarized the Information Item distributed to the Authority concerning this matter.

Mr. Enomoto reported that the Economic Development Administration grant is moving forward. A presentation will be made following this Informational Item on the progress of the master plan development. A public informational meeting will be held on August 3, 2005, at 6:30 p.m. at the Kapolei Middle

School. After that, the master plan will be revised and prepared for public comment in early September.

There are no new developments with regard to the aircraft carrier strike group homeporting. It was not part of the 2005 BRAC list. But may be part of the quadrennial defense review.

Recruitment for a project assistant will begin this summer with the hopes that the position be filled by October. This position will serve as a community liaison for Kalaeloa.

Most of the Ford Island Properties housing has been sold. The last parcel remaining is the On-Station housing, which is still pending sale.

There has been a rash of brush fires on the Leeward Coast. Mr. Enomoto visited Kalaeloa on July 12 and there were 10 areas within Kalaeloa that showed recent evidence of small fires. The police and fire departments believe that they were deliberately set and are investigating. A copy of a news article about one of the fires was included in the Members' packets.

Mr. Enomoto continues to receive comments and calls from the community seeking commercial and industrial space as well as rental housing, and refers them to the Navy, Hawaiian Home Lands, and Capstone Properties rental housing office.

Chairperson Kometani asked if there were any questions. There were none.

B. Presentation and Discussion of Draft Kalaeloa Master Plan

Stanton Enomoto summarized the Information Item distributed to the Authority concerning this matter.

Mr. Enomoto introduced the consulting team that helped develop the master plan: Project Manager, Lee Sichter of Belt Collins; Lewis Knight from EDAW; Ron Golem from Bay Area Economics; and John Kirkpatrick of SMS Research.

Mr. Enomoto reported that the old Kalaeloa redevelopment plan was developed in 1997 through the base closure process as a means of conveying the surplus Navy land. Since that time there have been changes in and around Kalaeloa that have caused the plan to become outdated. Land conveyances

have stalled and interest in the area has diminished. Lack of entitlements has also prevented development.

Kalaeloa is an important juncture within the Ewa region and HCDA needs to take a proactive approach rather than reactive approach to its redevelopment. The first step was developing the strategic plan that identified Kalaeloa as a Center for Excellence. This gave Kalaeloa an identity and allows for interaction with the increased private sector development in the surrounding areas, and also positions Kalaeloa with the Navy as it furthers its plans. The Master Plan also provides an opportunity to integrate Kalaeloa with the various State and City development projects that are taking place in the area

The Master Plan identified four components for a successful development in Kalaeloa.

1. Master Land Use Planning.
2. Financial Analysis and Realism.
3. Implementation Phasing.
4. Strategy for HCDA to govern or oversee the development process.

The Kalaeloa Master Plan goal is to implement a community development plan that creates social and economic value to benefit the entire Ewa region, through stewardship, partnership, planning and advocacy.

Several key principles of the Master Plan were discussed:

- The Plan needs to provide immediate value and optimize the integration of Kalaeloa as a vital part of the Ewa region.
- The Plan should use a Project District approach that defines permitted uses and creates maximum allowable densities over the site, instead of parcel specific entitlements. It should also maximize flexibility in the location of new land uses and funding infrastructure as circumstances change.
- A mixed-use development with a residential component offers the best opportunity to balance the creation of employment opportunities with immediate increases in land value.
- Providing regional connectivity through roadway linkages as well as the transit corridor defines the development areas (bulk lots) and serves to connect Kalaeloa with the surrounding areas.

- The Navy's brokered lands provide a unique opportunity to jump-start the development because they are outside the scope of the existing base closure requirements.
- The Master Plan provides flexibility by accommodating development with or without an increased federal presence.

Highlights of the plan within the mixed-use concept include:

- 3 million square feet of light industrial, flex research and development, industrial, commercial and office space;
- 7,000 jobs created within the district;
- 6,500 residential units spread throughout the mixed-use development;
- Approximately 50 percent of those residential units would be affordable;
- Transit-oriented development with focus on regional connectivity;
- Alternative energy development to promote self-sufficiency;
- Build out of new elementary, middle and high schools;
- Preservation of recreation and open space; and
- Establishment of a Hawaiian culture and education center to serve as a steward for the protection of the archaeological sites and endangered species in the district.

A summary of estimated development value, costs, and funding over the 20-year build-out period follows:

- The total value of the development (industrial, residential and commercial uses) is \$3.2 billion;
- Total infrastructure costs for both on- and off-site is \$550 million;

- \$2.9 billion of the development costs can be privately financed;
- Federal grant sources provide about \$15 million; and
- There will be a feasibility gap of \$230 million where development cost exceeds project value.

The feasibility gap can be addressed through public sector assistance including:

- State general obligation bonds;
- Developer community facilities district (CFD) bonds; and
- City and County Tax Increment Finance (TIF) bonds in later phases of development.

To implement the first phase of development, it is estimated that it would require about \$86 - \$96 million in public sector assistance over a 7 – 8 year period. The amount varies depending upon the mix of the general obligation bonds and CFD bonds. As future phases come along, public sector assistance may be lessened as new development increases real estate values and developer interest.

- Phase 1 starts from 2005 to 2012 with backbone infrastructure improvements, roadway linkages, and development at key east and west entrances.
- Phase 2, around the 2010 – 2015 time period, would be the start of the in-fill development in the downtown areas along a realigned Saratoga Road.
- Phase 3, from 2015 to 2025, would continue in-fill development, establishment of open spaces and continued airport-related industrial development. Phase 3 would also expand the cultural and educational uses along the North South Road alignment.
- Phase 4, 2025 and beyond, would redevelop existing housing areas for mixed-use development and complete in-fill development along Saratoga Road.

Regarding the governance structure it has been noted that, in base closures with multi-jurisdictional government agencies, the redevelopment effort usually fails because of lack of coordination amongst the various agencies. HCDA has a unique status in Kalaeloa as the local reuse authority with the planning responsibility for the entire district not just the surplus land. By statute, HCDA has land entitlement authority, as well as access to state general obligation and revenue bonds. HCDA also has the ability to assess property owners for operating and administrative costs. However, there are a number of issues that still need to be worked through. First, there are the variety of federal, state and county agencies within Kalaeloa that have separate functions and authorities. Second, property owners will use their own developers to implement projects. Third, Navy concurrence on the Master Plan is needed before the entire process can be completed. Fourth, the City and County also has a significant role in implementation.

Therefore, Mr. Enomoto concluded that greater collaboration amongst all the stakeholders is needed if the redevelopment effort is to succeed. The strategy to address this is to create a framework in which the stakeholders can have a forum to resolve ongoing issues to keep focus on the end goal.

The complementary approach calls for a Memorandum of Agreement (MOA) amongst the stakeholders/landowners within Kalaeloa. While the terms of the MOA would need to be negotiated, the concept is similar to an Owner's Association in which consultation, advice and recommendations could be provided back to the Authority, and assist HCDA on the development of administrative rules for Kalaeloa. It would be a voluntary MOA. However, the City's processes may require a formal adoption by the City Council. New state legislation would not be required.

In the next month, the team will be consolidating comments and finishing drafting the plan. The draft document will tentatively be released in early September for 30 days public review and public hearing in October. Depending on input from the public hearing, the final document could be brought to the Authority for adoption in November. After adoption, the Master Plan will be formally transmitted to the Governor and the Navy for their concurrence and the consultation process will be started with the City. Staff will collaborate with area stakeholders and start discussions about forming an MOA. The new staff person is also expected to be on board and participating in various activities in Kalaeloa, helping to provide HCDA with a higher profile in the community.

Mr. Enomoto stated that the consultants are available to answer any detailed questions or concerns.

Chairperson Kometani asked if there were any questions.

Member Timson congratulated Mr. Enomoto and Belt Collins on doing a thorough job. She especially liked the fact sheet because it covered all the questions that the community has been asking. Member Timson suggested that staff take the steps according to the plan to show the community that things are moving along. She also expressed concern that the concurrence of the Navy would take a long time, and that a sense of urgency should be relayed to the Navy. Member Timson was glad to hear that additional staff would be on board soon because it was important to be visible in the community, even to do little things. She commented that there would need to be some aggressive financing to get the plan in gear because Phase I starts in 2005, which is now.

Chairperson Kometani commented that he assumed that the Navy would be brought into the process by being invited to the hearings, since the Navy has to concur with the plans at the end. It seems as though nothing is moving because the Navy won't allow the lands to be conveyed.

Member Aila noted that things would move faster if the people who attended the meetings were the high-ranking officials who can make decisions.

Mr. Dinell responded that he and Mr. Enomoto met with Admiral Vitale and Admiral Engle to present preliminary thoughts, and are engaged in dialogue with the Navy. The Navy has as much stake in the community, and they have their own agendas and pressures as well. The plan is being shared with the Navy as well as with the City.

Member Eng commented that he thought the job was very well done. He was curious to know how the Navy received the plan. He thought that there should also be participation at the staff level to understand some of the issues.

Mr. Dinell replied that there were two issues: one was the Base Realignment and Closure (BRAC) issue; and the other was regarding the retained lands. The different Navy groups were reacting in different ways.

Mr. Enomoto clarified that there are two entities within the Navy: one is focused on lands for brokering as part of the redevelopment of Ford Island; and the other is responsible for all surplus lands to be disposed of under the BRAC process. Each side has its own administrative processes to work through. When Admiral Vitale and Admiral Engle were briefed, both entities were present. The reaction at the staff level was a mix. Some were supportive

and positive to see something happening in Kalaeloa, and to see that HCDA is entitling the land to give it higher value. Others were concerned about the impacts to the base closure process and applicability with federal regulations. Staff is trying to balance both sides and discussions are ongoing.

Mr. Dinell asked Mr. Enomoto to inform the Members about OMPO (Oahu Metropolitan Planning Organization) and the transportation dialogue regarding federal funding and the road connections.

Mr. Enomoto stated that within the OMPO transportation planning process there are funds for widening Fort Barrette Road, but the improvements stop short of Roosevelt Road. The Environmental Assessment (EA) has just been released and staff is continuing efforts to get the improvements extended into Kalaeloa. Another project OMPO is working on is the Kamokila Boulevard extension into Kalaeloa. This is being done in partnership between the City and Campbell Estate. Other projects for discussion include: extending North South Road into Kalaeloa, realigning Saratoga Road and integrating a transit alignment into Kalaeloa, and extending North South Road into Ocean Pointe.

Member Liu stated that it has been indicated that Kalaeloa be seen as a Center for Excellence in education, research industries, cultural, environmental and commercial activities. He questioned if the Subcommittee thought of any areas, based on any competitive advantages, any foreseeable trends, and foreseeable uses of land for which Kalaeloa could become a Center of Excellence. He stated that renewable energies was one of the areas touched upon, but asked if there was deliberation as to what areas can be developed in Kalaeloa.

Mr. Enomoto responded that he and Mr. Dinell had meetings with representatives from the High Technology Development Corporation as well as other technology companies interested in development and land in Kalaeloa. In the near-term, some may have promise especially after the Governor's trip to China, which generated interest for tech industries in Hawaii. In the long-term, greater use and development of the airfield may also be promising.

John Kirkpatrick commented that the Center of Excellence idea has grown into being a core part of the Ewa region. Kapolei was planned as the Second City without inclusion of Kalaeloa. There is now an opportunity to ask what will be needed for the Kapolei and Ewa regions, and how Kalaeloa can participate and support that.

Member Liu stated that there should be some active thinking about what competitive advantages, human resources, or locational advantages that may feed into some sort of proactive targeting for Kalaeloa as a Center of Excellence. He mentioned that DHHL retained consultants from the Research Triangle to look at the potential of a Center of Excellence for Ocean and Marine Sciences, given Hawaii's proximity to ocean resources and renewable and alternative energy research. Member Liu asked for continued thinking from the Subcommittee.

Mr. Dinell replied that SMS Research was engaged in market-based studies and the ideas came out of demand based on what the island needs.

Lee Sichter responded to Member Liu stating that Belt Collins believes there is specific opportunity for development of renewable resources and has been in dialogue with Hawaiian Electric Company (HECO) and other companies on solar technologies to augment existing energy facilities. HECO recently announced that it wants to produce another 100 megawatts of power at Campbell Industrial Park. The opportunity to locate an alternative energy source in close proximity to an existing energy plant could make it cost-competitive. Two sites in Kalaeloa could provide the opportunity to create a catalyst to begin bringing in other companies as well as to move the state along toward its goal of becoming renewable energy self-sufficient.

Member Liu asked whether, given the multi-jurisdictional agencies involved in Kalaeloa, there is a better approach or alternative to a memorandum of agreement (MOA) that might be faster or have more substance. A MOA sounds voluntary and a stricter approach may get Kalaeloa into a governance structure that will provide more confidence that some of these things will be implemented.

Mr. Enomoto replied that since there are a variety of land owners within the State, County and Federal Government, pushing too hard might create some conflicts within and amongst the departments. HCDA could try to go through the legislative process to obtain greater authority in Kalaeloa, but it may take a long time.

Member Liu asked how long it would take to complete an MOA with all the parties involved. He suggested that maybe the best route would be through the Legislature.

Mr. Enomoto stated that once the decision on the homeporting comes through, it should trigger some motivation from the Navy.

Member Liu remarked that it might be helpful as part of the review process to think of alternative governance structures that might get faster results than the MOA process.

Chairperson Kometani requested that the minutes reflect that Members Chinn, Eng, Mukaigawa and Shiraki were in attendance.

Chairperson Kometani called a recess at 9:43 a.m. to allow the Kalaeloa Members (Members Aila, Chinn, Eng, and Timson) to depart, since the rest of the agenda was related to Kakaako issues.

The meeting reconvened at 9:50 a.m.

## II. ITEMS FOR ACTION

2. Approval to Authorize the Executive Director to Approve the Sublease between Children's Discovery Center and Coral Wireless, LLC

Chairperson Kometani requested to defer this item if there were no objections. There were none.

3. Approval to Authorize the Executive Director to Enter into an Agreement to Exclusively Negotiate with the University of Hawaii for a Site for the Cancer Research Center of Hawaii

Teney Takahashi summarized the Action Item distributed to the Authority concerning this matter and made the staff recommendation.

Mr. Takahashi stated that since October 2002, when the Authority first granted approval for a six-month period of exclusive negotiations with the University of Hawaii for a Cancer Research Center site, there have been four extensions granted. The current agreement for exclusive negotiations expired on July 31, 2005. Therefore, the UH is requesting a fifth extension. Actual negotiations on the first draft of the Development Agreement, and Ground Lease and Sublease (Lease Documents) started on July 21. It is hoped that the request to grant a new exclusive agreement will preclude the need for further extension requests.

The subject site is immediately ewa of the medical school. It consists of 5.511 acres, and is zoned for commercial use, with a Floor Area Ratio (FAR) of 1.5 and a height limit of 100 feet.

The University intends to award the development rights to Townsend Capital, LLC, (Townsend) the winning offeror for the RFP issued for this project.

Since negotiations have just begun, it is premature to discuss the major terms of the lease documents, except that the documents will not be effective until and unless previous conditions imposed upon the UH are first fulfilled. Mr. Takahashi distributed a written synopsis of the conditions, which include:

1. Preparation of a permanent parking solution and financing plan acceptable to HCDA to meet parking needs required by the development of the John A. Burns School of Medicine (JABSOM) Phases I and II, and the Cancer Research Center of Hawaii, not later than September 30, 2005;
2. A commitment to vacate the Pacific Biosciences Research Center no later than December 31, 2006, unless mutually extended;
3. Award of the development rights to Phase II of the medical school by December 31, 2005;
4. Payment of outstanding Common Area Maintenance expense invoices not later than September 30, 2005; and
5. Completion of negotiations on the lease documents no later than December 31, 2005.

When negotiations are completed, the lease documents will be presented to the Authority for approval at the regular January meeting, assuming the schedule is met.

Staff recommends approval granting a new exclusive negotiation period for the site until December 31, 2005, provided that the previous conditions are fulfilled before the lease documents become effective.

Mr. Takahashi introduced Jan Yokota from the University and asked Members if there were any questions that he or Ms. Yokota could answer.

Chairperson Kometani requested, for discussion purposes, a motion to adopt staff's recommendation. It was moved by Member Lai and seconded by Member Mukaigawa to adopt the staff's recommendation.

Chairperson Kometani asked if there were any questions.

Member Shiraki asked where the University was in regards to financing the Cancer Research Center development and questioned if it was part of this agreement.

Ms. Yokota responded that the development agreement between Townsend and the University has not been negotiated yet. Currently, the concept is that Townsend will build out all of the components of the Cancer Research Center and then the University will enter into a space lease for just the research portion of the building which the University is able to cover through indirect costs. The Cancer Research Center is probably the only unit of the University that is self-sufficient in that capacity so the development agreement will cover that, but there will be additional agreements later to cover the other components of the development.

Member Shiraki questioned how many square feet the facility will be and what portion of the building the University would take.

Ms. Yokota replied that the University is considering a total area of 150,000 square feet, but plans are still conceptual at this point. Where or whether the two buildings will be joined has not yet been determined. The University is still trying to define the clinical portion of the Cancer Research Center which has received interest from a number of hospitals and institutions. The clinical portion would have a separate governance structure. To clarify, Townsend would build the clinical portion for this separate organization, and they are in discussions right now. There are different pieces of the project and the University wants to make sure that all the elements are put together cohesively.

Member Shiraki asked if there was a timeframe.

Ms. Yokota responded that since there are many institutions involved, the University hopes to finish the business plan for the clinical portion by Fall 2005. Discussions have begun on the Development Agreement.

Member Liu asked what it would cost to construct the building.

Ms. Yokota replied that the initial projections were about \$200 million for all structures. The research portion may be \$70 - \$80 million.

Member Liu questioned if Townsend reached an agreement with the other parties and with the University for a space lease, and whether Townsend would finance the entire construction.

Ms. Yokota responded that Townsend would pay for the construction cost and would own and manage the complex. Townsend would have a space lease with the group for the clinical portion and if there are physicians' office spaces they would also manage that.

Member Liu asked Ms. Yokota to clarify whether the business plan for the University's portion would be done in the Fall.

Ms. Yokota explained that the business plan was for the clinical portion. The business plan would cover some of the research portion because the University has to look into the grants generated, but primarily the business plan was for the clinical portion.

Member Shiraki asked for definition of the clinical versus the research portion.

Ms. Yokota explained that the research portion includes a number of various research projects, some of which have wet labs but most of which are dry labs. The clinical portion is where the patients would be treated. There is an ongoing relationship between the research and clinical portions because some of the research being conducted is also being tested on patients. Ms. Yokota introduced Linda Takayama.

Ms. Takayama clarified that the clinical portion is an out-patient clinic to which patients visit for cancer care treatment and enroll in clinical trials with the most innovative drugs not currently available in Hawaii. This arrangement would also reduce the fragmentation of cancer care by creating one place for all cancer treatments, such as: radiology, chemotherapy, and access to oncologists. Currently, most cancer patients have to go to several places to get all of these things done; it is hoped that there would be one comprehensive clinic to provide these services.

Member Liu asked how many beds there would be.

Ms. Yokota responded that there would be no beds, no in-patients.

Member Shiraki questioned whether the clinical component would be part of the University or a private clinic.

Ms. Yokota replied that the clinical portion would have a separate governance structure, but the University and Cancer Research Center may be part of the governing board. There will be a number of institutions, each contributing funds and possibly equipment toward running the clinical component. The University would be one of the contributors but not have the sole responsibility.

Member Liu asked Ms. Yokota to share with the Authority the solution on the parking issue.

Ms. Yokota reported that the requirement for Phase I and Phase II is for over 1,000 parking stalls if the University intends to provide all the parking on the Cancer Research Center site. She stated that there is a conflict in having the parking structure on the site adjacent to the central plants. There is also an option of placing the parking under the Phase II building. One of the thoughts is dependent on Kamehameha Schools, because it would call for building a parking structure makai of the Gold Bond building. The University has talked to developers about the possibility of funding the construction for two or three additional floors that could provide the additional parking spaces needed for the medical school. So that scenario would provide a number of parking spaces, albeit not all in one place. In the next few months, the University will outline how it expects the parking requirements to be fulfilled. Since one of the options is dependent on Kamehameha Schools, the University may have to do one plan including the Kamehameha School site and one plan without.

Member Fukunaga questioned whether the solutions would be prepared to meet the stipulation of the September 30 deadline.

Ms. Yokota replied that the University has some concepts now and is prepared to present those to the staff.

Member Fukunaga asked if those concepts were considered permanent parking solutions.

Ms. Yokota clarified that the wording of the condition is for permanent parking and financial plans and that both of those would be ready.

Mr. Dinell stated that staff's concern was that there is a conditional use permit for approximately 400 parking spaces for the UH Medical School on the site where the Cancer Research Center is supposed to be constructed. Once construction activity starts, the 400 parking spaces will have to be relocated. Earlier, there were some plans of having structured parking on the JABSOM site abutting the central plant, and that would be a solution that staff would

like to see. Mr. Dinell asked Ms. Yokota whether there was a way to finance and build that parking option because the land is under UH control. Staff knows that parking is a key component for the facilities and there is likely to be a parking problem, so that is why the University is being pushed to come up with alternatives.

Member Fukunaga asked if there would be another extension request in September.

Mr. Dinell replied that if the plan is unacceptable, staff would probably submit comments telling the University that it has another month to come up with something acceptable.

Member Fukunaga asked what the payment of the Common Area Maintenance (CAM) is.

Mr. Dinell responded that the CAM is part of the JABSOM lease, and basically all the HCDA tenant-occupied properties makai of Ala Moana Boulevard must pay a proportionate share of the Common Area Maintenance for the Kakaako Waterfront. The CAM pays for park landscaping, park security and so forth. The University is expected to pay its fair share of the costs.

Member Fukunaga asked if there was a reason why the University was not paying the fee.

Ms. Yokota replied that there was a difference of opinion as to when the CAM charges should begin. But the University has agreed to make sure that it is current on all invoices in the future.

Member Liu commented that some people at the University might not understand the Authority's fixation over the relocation of the Pacific Biosciences Research Center. But given the process that HCDA is in with the RFP for The Kakaako Waterfront, it is a critical issue for the Authority. He asked Ms. Yokota if she could help explain to the various people at the University why the Authority is so focused on getting a commitment to help facilitate the relocation discussions.

Member Shiraki requested that the staff's recommendation be repeated.

Mr. Takahashi replied that technically it won't be an extension on the existing agreement, but that it would be a totally new agreement. The recommendation of the staff is to allow the University exclusive negotiation until December 31,

2005, subject to the conditions that were distributed earlier. Those conditions will be put into the lease document because the lease shouldn't become effective if the conditions are outstanding. Mr. Takahashi also noted that the University, as well as Kamehameha Schools has agreed to participate financially in a parking study of the whole Makai Area. HCDA staff just received approval for funding, so will start to move ahead on that study. The study could help to determine whether there could be a reduction or consolidation in the actual number of stalls used, so that there won't be an overabundance of parking, whether on-grade or structured, in the Makai Area.

There being no further comments, a vote was taken and the motion was approved 11 to 0 excluding the Kalaeloa Members.

VI. EXECUTIVE SESSION

Chairperson Kometani asked for a motion to enter into Executive Session to discuss the following item:

Evaluation Committee discussions to be held on the submittals by the Priority List Offerors in response to the Kakaako Waterfront Request for Proposals, pursuant to Section 92-5(a)(8), HRS, to deliberate upon information deemed confidential by Section 103D-303(f), HRS; and pursuant to Section 92-5(a)(3), HRS, to deliberate during the conduct of negotiations for the acquisition of public property or the development rights thereof.

It was moved by Member Kondo and seconded by Member Goshi to enter into Executive Session. The motion carried 11 to 0 excluding the Kalaeloa Members.

Chairperson Kometani requested that the following individuals join the Executive Session: Executive Director, Daniel Dinell; Planning Director, Teney Takahashi; Project Manager, Deepak Neupane; and Consultants, Phil Russell, John Kirkpatrick and Steven Chee.

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The Hawaii Community Development Authority entered into Executive Session at 10:10 a.m.

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It was moved by Member Thomason and seconded by Member Kondo to reconvene the regular meeting. The motion was carried 11 to 0 excluding Kalaeloa Members.

The meeting was reconvened at 11:50 a.m.

VI. ADJOURNMENT

There being no further business, it was moved by Member Thomason and seconded by Member Kondo to adjourn the meeting at 11:50 a.m. The motion passed 11 to 0 excluding Kalaeloa Members.

Respectfully submitted,

/s/

Paul Kimura  
Secretary