

SUMMARY - MEETING NO. 291
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

February 2, 2005 – 9:00 a.m.

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

ATTENDANCE

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

Members Absent: Gary Kondo; Allan Los Banos, Jr.; Evelyn Souza; and Maeda Timson

Others Present: Daniel Dinell; Melvin Nishimoto; Teney Takahashi; Matthew Akamu; Miko Dargitz-Hallett; Stanton Enomoto; Arnold Imaoka; Richard Kuitunen; Lilinoe Lindsey; Cal Machida; Susan Tamura; 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 February 2, 2005, by Chairperson James Kometani at 9:05 a.m. with the following roll call:

Chairperson Kometani	Present
Member Anderson	Present
Member Fukunaga	Present
Member Goshi	Present
Member Kimura	Present
Member Lai	Present
Member Shiraki	Present, Arrived at 9:10 a.m.
Member Thomason	Present

Member Aila	Present, Left at 9:11 a.m.
Member Chinn	Present, Left at 9:11 a.m.
Member Eng	Present, Left at 9:11 a.m.

MATERIALS DISTRIBUTED

1. Agenda for February 2, 2005 Meeting;
2. Summary Minutes of Regular Meeting of January 5, 2005;
3. Report of the Executive Director;
4. Kalaeloa Status Report;
5. Proposed Planned Development, Joint Development and Modifications for the Public Storage Project (PD 2-04); and
6. Approval to Initiate Process to Amend Mauka Area Plan & Rules to Provide Flexibility in the Development of Public Facilities.

II. APPROVAL OF MINUTES

1. Minutes and Summary

Chairperson Kometani asked if Members had any corrections to the minutes of the January 5, 2005 meeting. There were no corrections and it was moved by Member Thomason and seconded by Member Lai that the minutes be approved. The motion passed 10 to 0 with 1 excused (Member Shiraki).

Chairperson Kometani deferred the report of the Executive Director to later in the meeting and moved on to Items for Information for the Kalaeloa Status Report.

III. ITEMS FOR INFORMATION

A. Kalaeloa Status Report

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

Mr. Enomoto gave the following updates:

- In January, Mr. Enomoto started focusing attention on moving forward on various projects under the U.S. Economic Development Administration (EDA) grant scope of work. Specifically, staff began

work on development of the strategic plan. The Kalaeloa Subcommittee met on January 28, 2005 as well as a follow up meeting this morning (February 2, 2005) to start articulating a vision and mission statement as well as identifying core values for the area and actions HCDA will be undertaking in Kalaeloa.

- On January 20, 2005, Mr. Enomoto released a Request for Proposals (RFP) for a broader master planning effort with a submission deadline of February 14, 2005. A pre-proposal conference will be held on February 7, 2005. The scope of work includes four tasks: a status update; an economic analysis; master planning; and an assessment of the aircraft carrier airwing homeporting possibility. A copy of the RFP was attached for Members' reference in the packet.
- Executive Director Dinell and Mr. Enomoto are continuing to brief Legislators on Kalaeloa issues and summarizing the strategic plan and master planning efforts as well as discussing the biennium budget requests.
- On January 20, 2005, Executive Director Dinell and Mr. Enomoto met with Rear Admiral Mike Vitale, the new commander of Navy Region Hawaii, and his staff to discuss Kalaeloa and the Navy retained properties in the area. Both sides recognized the need for collaboration and partnership as the redevelopment of Kalaeloa moves forward.
- Some of the Navy properties leased to Ford Island Properties are on the market for sale. There are three areas that are for sale: Orion Housing; On-Station Housing; and Makai Housing. In total there are approximately 550 single and multi-family units. The deadline for submitting offers on those properties ended on January 27, 2005. Ford Island Properties is now in the process of evaluating offers. Meanwhile, the Navy is also looking at conveying the fee simple title to Ford Island Properties in order to advance the sale.
- Mr. Enomoto reviewed the draft Environmental Impact Statement on the Kaloi Gulch Drainageway. He has yet to draft a response letter, but in general it doesn't appear that there would be impacts to Kalaeloa.
- Mr. Enomoto continues to respond to public inquiries regarding rental housing and other concerns.

Chairperson Kometani asked if Members had any questions. There were none.

Chairperson Kometani called a recess at 9:11 a.m. to allow the Kalaeloa Members (Members Aila, Chinn, and Eng) to depart as the rest of the agenda was related to Kakaako issues and to call to order the public hearing on Public Storage Development Project (PD 2-04).

The regular meeting of the Hawaii Community Development Authority reconvened at 9:55 a.m.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Dinell noted that the Executive Director's report was enclosed in the packet distributed to the Authority Members and highlighted the following:

- Staff discussed with Honolulu Seawater Air Conditioning various sites in the Kakaako Waterfront for its land-based station as authorized at the December 2004 Authority meeting. However, the exclusive negotiation period expired because there was insufficient information at this time to select a particular site. Staff believes this project contributes positively toward Hawaii's renewable energy goals and anticipates that the company will return in the near future once its preferred site requirements have been narrowed down.
- The City Council accepted dedication of Ilalo Street on January 26, 2005.
- Mr. Dinell reported that on page four of the Executive Director's Report is a status update on Improvement District 11 (ID-11), Queen Street improvements from Kamakee Street to Ward Avenue. He summarized it briefly:
 - During the period January 6-14, 2005, staff conducted a parking survey of the businesses directly impacted by ID-11.
 - The businesses surveyed indicated they would like to have a total of 98 employee parking stalls available Monday through Friday and 46 spaces comprised the peak demand for customer parking.

- Lot A (HCDA owned - Mauka Park Site) would be available for employee parking by lottery for affected businesses without charge. The lot would open from 6:30 a.m. to 6:30 p.m., Monday through Friday, and closed on the weekends. The site would be fenced and gated with 25 stalls monitored by a tow truck. Parking would be free with a sticker or tag displayed. This lot was not popular with those surveyed because it was the furthest away.
- Lot B is on land owned by Victoria Ward (directly across from Okada Trucking) and would be designated for employee parking for cars with a sticker or tag displayed. It would be open from 5:30 a.m. to 6:30 p.m., Monday through Friday. The site would be fenced and gated with 30 stalls monitored by a tow truck. Parking would be \$85 per month.
- Lot G (Park/Parking Garage Site on Kawaiahao Street) is pending negotiations with the landowner. It would be open from 5:30 a.m. to 6:30 p.m., Monday through Friday for employees. The site would be fenced and gated with 80 stalls monitored by a tow truck. Parking would be \$65 per month with a parking sticker or tag required to be displayed. The lot would be closed on weekends. The lot is currently vacant.
- Lot D (Victoria Ward Property, Sports Authority) would be provided for customer parking. The lot would be open from 7:30 a.m. to 5:30 p.m., Monday through Friday. The site would be fenced and gated with 30 stalls monitored by a lot attendant. The first 30 minutes would be free with validation (HCDA would provide rubber stamp to businesses); after the first 30 minutes it would be 75 cents per 30 minutes or fraction thereof, the same rate as City parking meters. The concept would be to create turnover among customer parking. It would be open on weekends/holidays with no fee. This lot should accommodate all customer parking since the peak demand of 46 customer parking stalls requested was for the entire four hour morning period. The afternoon had a lower customer demand and the majority of customers spent only 60 minutes or less patronizing the surveyed businesses.
- Staff believes that both Action Items on today's agenda, along with offering of spaces at Kauhale Kakaako (Lot E), are good long-term parking solutions. The Public Storage project (Lot

F) will provide 14 spaces; while a park/parking garage on Kawaiahao Street (Lot G) would provide 80-100 stalls on the ground level alone; and Kauhale Kakaako has 700 parking spaces on Ilaniwai Street.

- Additionally, the ID-11 project will create 34 metered parking spaces on Queen Street. It should be noted that these spaces would have morning and afternoon tow-away hours. But during the day and weekends, these spaces should serve customer parking needs well.
- Staff is discussing creating an identity “brand” on signage in the area to help people find public parking. By placing proper signage at the parking areas available, people will easily be able to identify and locate public parking.
- Staff will work with affected businesses on how to best accommodate delivery vehicles. Currently, there are two businesses in the ID-11 project area that frequently take delivery of 40-foot long shipping containers.
- On Friday, January 28, 2005, Mr. Dinell and Chairperson Kometani met with City budget officials to ask them to consider three alternatives to lower assessments for ID-11: 1) tax increment financing; 2) freezing property tax assessments for a period of time; and 3) making a Wastewater Division betterment contribution. Due to the City’s financial status, all remain uncertain. But the case was made and the City promised to respond.
- Relative to relocation, HCDA will pay actual moving expenses when a property is acquired. Additionally, HCDA can make a loan of up to \$50,000 at prime rate on an amortization schedule up to 20 years with interest deferred up to one year. However, funding in the Relocation Loan Program was eliminated by the Legislature several years ago. These rules only apply when HCDA actually acquires a property in order to effectuate an Authority action.
- All of the above information was shared with concerned business owners at a meeting in the Governor’s Office. Three items emerged for follow up. The first was whether ID-11 could be built without taking the two foot strip of land on either

side of Queen Street. Staff will be working with the engineers and consultants to determine the feasibility of this proposal.

Member Kimura interjected with a question about whether Queen Street could be built to three lanes instead of four because he believed that the Kamakee side of the road was only three lanes.

Mr. Dinell responded that he consulted with some urban planners and that could be a plausible solution. But the problem was that Queen Street on either side of ID-11 was four lanes.

Member Kimura stated that Queen Street from Kamakee is only three lanes.

Mr. Dinell said that it would be improved to four lanes. He explained that the Queen Street Extension (ID-10) is four lanes wide. The urban planner said that it would create a congestive funnel effect, to have four lanes on either side and three lanes in the middle.

Member Kimura said that the congestion usually occurred when traveling east. In the morning, there was hardly any traffic. In the afternoon, the traffic backs up traveling east. He thought that it would be possible to have two lanes traveling east and one lane traveling west.

Mr. Dinell said that staff would wait to see what the engineers' results show.

The second item that emerged from the meeting for follow up was that HCDA should do a preliminary design of the next segment of Queen Street to see if it was feasible to build four lanes. The assertion was that there are certain constraints from Kamakee Street to Cooke Street that might restrict the ability to build four lanes on that section anyway.

The third item for follow up was that pursuit of assessment alternatives from the City should be undertaken at the highest levels, not at the director level. This item would be for the Governor's Office to pursue.

Mr. Dinell continued with the rest of his Executive Director's Report.

- February 2, 2005, is the last day for interested parties to submit intent to offer letters for the Kakaako Waterfront RFP. As of February 2, 2005, there were 14 interested parties. A pre-conference meeting and tour were held on January 25, 2005, and produced numerous questions. Staff will likely suggest that the Task Force meet to start the pre-submittal planning efforts.
- HCDA has proposed to the State Department of Transportation – Harbors Division a series of business points regarding Piers 1 and 2 at Honolulu Harbor. The concept is to provide “comfort, but not complacency” as staff believes that the solutions to the space crisis that faces Honolulu Harbor not in preserving Piers 1 and 2 for cargo use, but in opening up additional areas of the harbor for cargo use and concentrating the “people” aspects of maritime use, such as cruise ship and ferry terminals in the Piers 1 and 2 area.
- Staff continues to meet with Legislators to brief them on HCDA activities. Staff has conducted two site tours of Kakaako in the past two weeks. Key legislative requests revolve around budgetary matters – changing the means of funding for a portion of the staff and seeking CIP funds for Kakaako and Kalaeloa projects. Legislation affecting HCDA includes:
 - Removing areas from HCDA's jurisdiction (Piers 1 and 2 and Kewalo Basin);
 - Adding areas to HCDA's jurisdiction (all of Hawaii in one case, combining with Aloha Tower Development Corporation in another);
 - Adding affordable housing to HCDA responsibility (through a general excise tax exemption, etc.);
 - Mandating a Public Market Development in the Kewalo Basin waterfront area; and
 - Various others revolving around Coastal Zone Management, creation of a Port Authority, and formation of a Statewide Transit Authority.

- Unfortunately, as a result of the Administrative Services Officer position being vacant, the financial report for the period ending December 2004 was unable to be completed. Mr. Dinell explained that this information was not offered as an excuse, but as an explanation. A request to fill this position was submitted on November 17, 2004, the day after the incumbent announced her intention to resign. The authorization to fill the position was received nearly two months later in mid-January. The position was immediately posted and the application deadline was January 26, 2005. Interviews are scheduled for February 4 and 5, 2005.

Chairperson Kometani inquired about the vacant Project Manager position. Mr. Dinell responded that approval to hire was just received; the applicant has accepted, and will start on February 23, 2005.

Chairperson Kometani asked if there were any further questions for the Executive Director. There were none.

V. ITEMS FOR ACTION

2. Proposed Planned Development, Joint Development and Modifications for the Public Storage Project (PD 2-04)

Arnold Imaoka summarized the Action Item distributed to the Authority and presented the staff's recommendation.

Mr. Imaoka stated that the proposed planned development, joint development and modifications for the Public Storage Project was just heard during the public hearing this morning. Staff recommended that the Planned Development Permit, including the proposed joint development and modifications be approved, as set forth in the staff report. The draft Planned Development Permit was also provided to Members in the packet.

During the public hearing, it was asked if the use of the building was to be converted later, would the parking be adequate for the new use since Public Storage was requesting a reduction in its required parking from 208 stalls to 56 stalls. Mr. Imaoka clarified that there are several administrative and procedural mechanisms that HCDA planning staff use to determine necessary parking. Whenever a change for zoning is received, the planning staff makes sure that the existing or proposed parking is adequate for that particular change in use.

Chairperson Kometani requested a motion to adopt staff's recommendation for approval. Member Anderson moved to adopt staff's recommendation. Member Thomason seconded the motion. Discussion ensued.

Member Shiraki questioned whether Public Storage would be providing enough parking for its employees, and if employee parking was part of the 56 stalls being built.

Lloyd Sueda, project Architect, responded in the affirmative.

Member Shiraki questioned whether the parking study that Public Storage conducted was based on its 1,000 facilities nationwide which have different demographics compared to Hawaii.

Mr. Sueda replied that the studies were based on the six facilities that Public Storage has on Oahu. The facility in Kahala is about 40 percent of the size of the one that will be built in Kakaako and it provides only 16 parking stalls. The facility was opened in 1997 and is 100 percent occupied. If four cars are there, it is considered busy. Due to the nature of the business, people come and go within 20 minutes and may go only once every six weeks.

Member Kimura stated that Kakaako doesn't have enough parking and that the Authority would be setting a precedent if it allowed Public Storage to reduce its parking to only 56 stalls. He asked if the Authority was providing concessions at no charge since Public Storage would be saving quite a bit of money by not having to build all of the parking stalls technically required.

Mr. Dinell responded that each development application is evaluated based on the proposed use. The staff feels comfortable that the proposed number of parking stalls is sufficient based on the type of business Public Storage would be conducting and the data the applicant provided. He further stated that HCDA has no mechanism to make any applicant provide additional parking for the public on its property. Staff worked diligently with Public Storage on the design of its building and retail frontage on Kapiolani Boulevard to create something that would be additive to Kakaako as a whole, and the public parking provided by the project was factored into the overall equation.

Chairperson Kometani asked when Lot G on Kawaiahao Street would be available for parking.

Mr. Dinell responded that the intent on Lot G is to do surface parking immediately. He asked Mr. Sueda when the 14 spaces at Public Storage would be available.

Mr. Sueda replied that they could break ground as soon as they obtain a permit. Construction would probably take eight to nine months. If everything went as scheduled, they could open the facility in mid-summer of 2006.

Member Kimura commented that he did not want to see HCDA condemning small properties to build a parking structure.

Member Lai questioned that instead of providing surface parking on Lot G, if there was a way to build upward.

Mr. Dinell replied that staff is eventually looking at Lot G to be structured parking, but the most expedient route would be for surface parking in the near term.

Member Thomason asked that with the additional work that the Authority asked Public Storage to do on the design of the building and putting commercial frontage on Kapiolani Boulevard, how much it increased their cost.

Jim Fitzpatrick of Public Storage replied that he did not have the exact figure. But it is a Public Storage facility that is like no other.

There being no further questions, a vote was taken and the motion was approved 8 to 0 excluding Kalaeloa Members.

3. Approval to Initiate Process to Amend Mauka Area Plan and Rules to Provide Flexibility in the Development of Public Facilities

Matthew Akamu summarized the Action Item distributed to the Authority and presented the staff's recommendation.

Mr. Akamu stated that the objectives for the amendments were: to provide flexibility for HCDA to give incentives in joint developments with the private sector; to provide public facilities in a timely fashion; and to address the needs of businesses impacted by HCDA improvement districts.

The proposed amendments to the Mauka Area Plan include identifying a park/parking garage facility site on the open space and recreation plan (TMK: 2-3-3 parcel 40). The site for the park/parking garage is located on Waimanu Street and Kawaihāo Street and referenced earlier as Lot G. The site is conveniently located near the proposed Queen Street improvement district. It

is a 30,000 square-foot lot that is currently vacant, and could be quickly developed for parking to help ID-11 businesses that would lose parking due to the Queen Street improvements.

Staff is also proposing that the Authority consider amending Section 81 of the Mauka Area Rules to allow a flexible transfer of uses between sites where one of the sites is designated for a public facility.

Mr. Akamu explained that under a “joint development” several sites are considered one lot. Under “transfer of uses,” that would not necessarily be the case. There may be several sites but they would not be considered one lot. The current rules for the transfer of uses are:

- Lots must be adjoining;
- Lots are under the same ownership;
- Uses are transferred, but not floor area;
- Transferred uses must be permitted;
- Development timing is required for the several sites;
- Once those sites are developed, the demolition cannot be phased; and
- All transferred uses must be developed.

Staff is proposing more flexible rules to allow uses to be transferred between a lot designated as a public facility and any other lot in the Mauka Area, and not just between lots that are adjoining. However, under the proposed amendment, lots would still have to be under the same ownership; the uses could be transferred, but not the floor area; and the transferred uses must be permitted.

Mr. Akamu explained that the amendments are based on staff’s proposals so they may be changed during the rule amendment process. Today’s action item is to initiate the amendment process. The timeline follows:

Initiate Amendment Process	February 2, 2005
Governor’s approval to hold a public hearing	February 2005
Publish Public Hearing Notice	March 2005
Public Hearing	April 2005
HCDA Decision	April/May 2005
Governor’s Final Approval	May 2005

Staff recommended approval to: initiate the process to designate a new park/parking garage site on the open space and recreation plan as shown in Exhibit A and identified as TMK: 2-3-3 parcel 40; and to amend the Mauka Rules to allow greater flexibility in the transfer of uses between public sites and any other sites in the Mauka Area.

Chairperson Kometani asked for a motion to approve staff's recommendation. Member Anderson moved to adopt staff's recommendation. Member Goshi seconded the motion. Discussion ensued.

Mr. Dinell clarified that today's Action Item is to initiate the process, not to approve the amendments now.

Member Shiraki asked for more details regarding the parcel that would become a park/parking garage.

Mr. Akamu responded that it is part of the joint development permit that HCDA approved two or three years ago. The permit is for the Honolulu Design Center, a furniture store, intending to construct three or four-stories along Kapiolani Boulevard on the site of the old Flamingo Chuckwagon. Lot G is going to be developed with that furniture store. It is intended to be a parking lot under the first phase of that project. According to the phasing plan, the second phase would be constructed about three or five years later. The developer was proposing to put in a four-story parking structure.

Member Shiraki questioned if by classifying the lot as a public facility, would that mean that HCDA would buy the parcel.

Mr. Dinell replied that it is a possibility. But the lot first needs to be put on the map as a park/parking garage. The rule amendment is a companion to do it all. HCDA probably doesn't have enough money to buy the parcel. But Mr. Dinell stated that HCDA could enter into another type of arrangement to use the parcel.

Member Shiraki asked if the parcel is designated as a park/parking garage site, whether the developer would be required to build a parking garage.

Mr. Dinell responded that the developer can do what the Authority allows it to do with its parcel. The private landowner does not have to build a public parking facility there; however, the designation gives emphasis that the Authority would like to have a public parking facility at that site.

Member Fukunaga asked for clarification on the term park/parking garage whether it indicates a park or parking garage.

Mr. Akamu replied that it is a combination of public facilities and recreation. Under the Open Space and Recreation Plan from the Mauka Area Plan, certain sites are designated for public facilities which are essentially mixed uses for public use. That would be public parking, recreation, meeting rooms or other kinds of government services that are located on these sites. The idea behind most of these facilities would be a multi-story parking structure with a recreational park on the roof. So the designation on the map of park/parking garage is to provide for an income-generating public facility that also provides recreation. Under the plan it would be possible to link the various park/parking garage sites with pedestrian ways and in the future if it is feasible, it might be possible to link the recreation spaces at the upper level. It is in the plan as an option if conditions warrant.

Mr. Akamu added that the Mauka Area Plan is integrated so the public facilities dedication fee is intended to be used for HCDA projects and to help develop these types of facilities.

Mr. Akamu further explained that today's proposal would provide HCDA with the ability to negotiate with developers who own land designated as a park/parking garage to transfer uses to other parcels they own in the Mauka Area. For example, relatively valuable commercial uses on a park/parking garage site could be transferred to another site where industrial use may be more appropriate. This would be a way to develop a park/parking garage site without using all of HCDA's resources for that particular facility. Currently, a transfer could not be done unless it is an adjoining property under the same ownership.

Mr. Dinell reiterated that today's action isn't to change the rule but to initiate the process by allowing the staff to request the Governor's permission to hold a public hearing so that testimony could be heard on the proposed amendments. There will be more opportunity to discuss the matter when it comes before the Authority for public hearing and action.

There being no further questions, a vote was taken and the motion was approved 8 to 0 excluding Kalaeloa Members.

VI. ADJOURNMENT

There being no further business, it was moved by Member Anderson and seconded by Member Thomason to adjourn the meeting at 10:46 a.m. The motion passed 8 to 0 excluding Kalaeloa Members.

Respectfully submitted,

/s/

Paul Kimura
Secretary