

SUMMARY - MEETING NO. 304
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

April 5, 2006 – 9:00 a.m.

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

ATTENDANCE

Members Present: Grady Chun; Michael Goshi; Scott Kami (for Georgina Kawamura, B&F); Paul Kimura; James Kometani; Jonathan Lai; Theodore Liu (DBEDT); Kay Mukaigawa; and Katherine Thomason (for Russ Saito, DAGS).

Kalaeloa Members: William Aila, Jr.; Linda Chinn (for Micah Kane, DHHL) Henry Eng (DPP); Evelyn Souza; and Maeda Timson.

Members Absent: Rodney Haraga (DOT); and Gary Kondo

Others Present: Daniel Dinell; Melvin Nishimoto (Deputy AG); Stanton Enomoto; Pearlyn Fukuba; Arnold Imaoka; Alex Kagawa; Richard Kuitunen; 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 April 5, 2006, by Chairperson James Kometani at 9:00 a.m. with the following roll call:

Chairperson Kometani	Present
Member Chun	Present, Arrived at 9:30 a.m.
Member Goshi	Present
Member Kami	Present
Member Kimura	Present
Member Lai	Present, Arrived at 10:00 a.m.
Member Liu	Present, Arrived at 9:14 a.m., Left at 11:11 a.m.

Member Mukaigawa	Present
Member Thomason	Present
Member Aila	Present, Left at 9:43 a.m.
Member Chinn	Present, Left at 9:43 a.m.
Member Eng	Present, Left at 9:43 a.m.
Member Souza	Present, Left at 9:43 a.m.
Member Timson	Present, Left at 9:43 a.m.

MATERIALS DISTRIBUTED

1. Agenda for April 5, 2006, Meeting;
2. Summary Minutes of Authority Meeting of March 1, 2006;
3. Report of the Executive Director;
4. Kalaeloa Status Report;
5. Information Item: Update on Policy and Development Strategy Plan for the Ala Moana Historic Pump Station and Developable Lands in the Ewa Portion of the Kakaako Makai Area;
6. Information Item: Update by the University of Hawaii on the Cancer Research Center of Hawaii, John A. Burns School of Medicine (JABSOM) Phase II, Potential Location of the Regional Biosafety Laboratory within JABSOM Phase II, and Makai Area Parking Plan;
7. Information Item: Request to Erect a Commemorative Plaque at Kewalo Basin Park in Honor of Mr. Florentino Das;
8. Corrections to the minutes of March 1, 2006 (distributed at the meeting);
9. Letter to Teney Takahashi and Deepak Neupane dated April 3, 2006, from Danton Wong and Andrew Char of Chun, Kerr, Dodd, Beaman & Wong regarding the University of Hawaii Cancer Research Center of Hawaii (distributed at the meeting); and
10. Draft of Commemorative Plaque Inscription for Mr. Florentino Das (distributed 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 March 1, 2006. The Chairperson noted that there were various minor corrections to the minutes listed on an errata sheet for consideration along with the minutes. It was moved by Member Thomason and seconded by Member Mukaigawa to approve the minutes as amended. The motion passed 11 to 0 with 3 excused (Members Chun, Lai, and Liu).

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 development of a Native Hawaiian Garden at Kewalo Basin Park to be designed, planted and maintained by Halau Ku Mana Public Charter School is underway. The School is currently leasing part of the Net Shed as class space for its coastal education programs. A photograph of their blessing appeared in the Honolulu Star-Bulletin on March 23, 2006.
- Staff is continuing to review the Mauka Area Plan and Rules. An advisory committee meeting is scheduled for mid-April with a public informational meeting scheduled in May.
- Staff executed the joint development document for the Ward Village Shops Project, which was approved as a Base Zone Development in December 2004 by the Authority. Victoria Ward Limited (VWL) intends to construct rental housing units in this Project. VWL has the option to sell the units at market prices. However, should sales occur in the first 20 years, the Project would be subject to the payment of a fee, based on a sliding scale similar to the reserved housing program for Planned Development projects.
- Following up on the Authority's request at the March meeting, staff contacted the Department of Transportation (DOT) Highways Division for guidance regarding the proposed intersection improvements to enhance access to Kewalo Basin in the westbound direction. DOT felt that an additional intersection would worsen congestion on Ala Moana Boulevard; they recommended that the existing left turn exit from Kewalo Basin be eliminated and the stacking lane for access turning left from Ala Moana Boulevard onto Kamakee Street be lengthened. In order to provide westbound access, entering and exiting Kewalo Basin, DOT recommends that Kewalo Basin roadway be connected to the roadway with Ala Moana Beach Park. Staff will defer planning additional accessibility to Kewalo Basin until further development plans are proposed. At that time, community and user input will also be sought and taken into consideration.
- The sale of a one-bedroom unit at 1133 Waimanu Street closed on March 2, 2006, for \$299,000 with net proceeds of \$288,887, which was deposited into HCDA's reserved housing sub-account to further the development of reserved

housing in Kakaako. The unit was purchased last September for \$226,203. The purchaser was selected from a lottery, and qualified under HCDA's reserved housing rules that target Hawaii residents with 140 percent or less of median family income, have limited assets, and do not currently own a home. Pursuant to HCDA's rules, a two-year buyback and equity sharing are restrictions under the deed for this unit.

- Mr. Dinell provided an update on the status of the Housing Subcommittee. The Housing Subcommittee is halfway through a list of 25 policy issues that was generated after its first meeting. The group intends to finish its discussion at its meeting in April and then apply the preferences and recommendations of the Subcommittee as proposed revisions to the reserved housing policy for presentation to the full Authority. The schedule for presenting concepts will depend on the amount of research required for the proposed revisions. An Informational Item for the proposed revisions and a special public meeting to obtain feedback on the concepts are planned in the near future.
- The start of construction for Improvement District 11 (Queen Street between Kamakee and Ward) has been postponed until January 2007 in order to better time the project to minimize disruption. The postponement also allows several planning and permitting issues relating to Queen Street to be completed prior to commencement of the improvements and ensure that accomplishing these steps will not affect the project timetable during more than one busy holiday traffic season.
- At the Authority's request for information on the Open Channel/Box Drain Culvert Repairs and ultimate dedication to the City, staff contacted the City to ensure acceptance once the project is completed. With the many problems the City has been faced with due to the recent heavy rains, the City has not yet responded. In the meantime, staff proceeded in obtaining the Governor's approval on a "design-build" contract.
- The work to demolish the vacant fish auction site buildings by DOT-Harbors continues. The contractor set up dust and silt screens along the perimeter of the site.
- Staff is processing the contract for consultant services for environmental remediation and preparation of demolition plans and site improvements at the former University of Hawaii Marine Mammal Laboratory. Staff met with Friends of Kewalo Basin Park Association to discuss the project. Environmental reviews have commenced and staff is working on scheduling a

meeting with the City's Parks Department and planning a public meeting to receive further input on this project.

- Staff received a list of concerns from the Children's Discovery Center about park rules, as well as impacts from nearby construction, vandalism and other undesirable activities. Staff met with the Center's President and a comprehensive action plan list was developed. The Center's President also expressed a desire for HCDA funding of its initiatives. HCDA is supporting grant-in-aid requests that the Children's Discovery Center has before the Legislature and asked the Center to be specific as to what kind of support they are seeking and under what authorization such can be made.
- Mr. Dinell presented a recap of the legislative session. A cover letter and four page brochure highlighting HCDA's accomplishments over the past 30 years in delivering affordable housing, park space and economic development was sent to all 76 Legislators. A copy of the brochure was included in the Members' packet. Also, attached at the end of the Executive Director's Report was a copy of a follow-up piece that specifically addresses the public process of the Kakaako Waterfront Request for Proposals (RFP). The latter material was sent only to Legislators on Committees that have been hearing bills relating to HCDA.

The following legislation affects HCDA as a whole; involving both Kakaako and Kalaeloa:

- SB 2090, which proposes different procedural changes for HCDA, is headed for conference.
- SB 2487 adds two more Members to the Authority, each Member would be named by the Governor from a list generated by the Speaker of the House and another by the Senate President. The House Committee on Finance changed the effective date of the bill to the year 2020 in order for the House and Senate to further discuss it in Conference.
- SB 3009, which converts the existing exempt HCDA staff positions to civil service, has been amended to delete HCDA from the bill.
- HB 1928 is moving in the Senate. This legislation requires legislative pre-approval for sale of land not just for HCDA, but other agencies as well. The Senate did make exceptions for easements, as well as sales to any government agency or public

utility company, remnant parcels that have no economic value, as well as activity in the reserved housing program. Staff's position has been to try to understand the legislative policy goals, and at the same time not adversely impact HCDA's ability to do what it was originally intended for the community development districts assigned to HCDA.

- HCR 297/HR 232, which calls for a management audit of HCDA by the Legislative Auditor, is moving in the House. The next step is the House Finance Committee.

Legislation affecting Kakaako specifically are:

- SB 2476 prohibits any sale, lease or exchange of HCDA-controlled lands Makai of Ala Moana Boulevard. The bill would also prohibit residential use on State lands Makai of Ala Moana Boulevard. The House Finance Committee amended this bill on March 31, 2006, to change the effective date to the year 2020; thereby sending it to Conference Committee.
- SB 2550 was also heard on March 31, 2006, by the House Finance Committee. The effective date was also amended to the year 2020. It places a moratorium on infrastructure and street improvements in the Kakaako central small business district which is roughly the area bounded by Kapiolani Boulevard, Cooke, Piikoi and Auahi Streets. ID-11 is in this area.
- Bills to transfer Piers 1 and 2 to DOT are moving in both the Senate and House and will result in the lands Ewa of Forrest Avenue being removed from the Kakaako Community Development District. Staff has no problem with the measure, but is stressing that it would still be good to have holistic planning for infrastructure and roadways.
- HB 2555 has been amended in the Senate to prohibit HCDA from selling the fee interest in any public lands in the Kakaako Community Development District.
- HB 2479, which authorizes UH to enter into an agreement with a private developer to construct a parking structure in the Kakaako Makai Area, did not pass out of its first Senate

Committee so it appears dead, but could appear in the budget later.

- HCR 30, which urges the HCDA to immediately rescind any contract or agreement awarded, or commitment made, for the development of the Kakaako Waterfront area, has passed the House and has been referred to the Senate Water, Land and Agriculture Committee.
- HCR 218, which requests HCDA to work with other agencies on a technology-based collaborative project on State lands in Kakaako, is moving with amendments yet to be publicly distributed. Staff testified in support of this measure, but urged the Legislature to consider adding community members to the study group and provide opportunity for public input.
- SCR 167/SR 105 requests UH to relocate the proposed Cancer Center from the site near the medical school to the Board of Water Supply site near Queen's Hospital. HCDA offered comments at the hearing and the Committee on Higher Education held the resolution. Thus, the bill appears dead. However, staff will be following up with State Civil Defense on when the tsunami inundation maps would be updated because this was a key concern.
- HCR 299/HR 233, which works with sister agencies to develop a financial plan to assist Honolulu Marine (currently located next to Kewalo Basin) in its relocation and construction of a new facility near Keehi Small Boat Harbor, is moving.
- There were resolutions (HCR 23/HR 14) calling for HCDA to lease the Ala Moana Historic Pump Station to the Friends of the Library. Those resolutions were held.

Member Liu arrived at 9:14 a.m.

Legislation relating to Kalaeloa:

- HB 2833 calling for a prison in Kalaeloa cleared the House, but was not heard in the Senate and thus, appears to be dead.

- SB 2541 makes an unspecified appropriation for the construction of infrastructure for the Kalaeloa district. The bill has died but monies could be included in the budget.
- HB 994, which establishes an income tax credit for taxpayers investing in a motor sports facility to be developed at an unspecified site, needs to be heard and decked in Ways and Means by April 7, 2006. This is a holdover bill from last year and there has been no action as of yet.

On March 31, 2006, the House Finance Committee heard SB 1593, which defines the Liliha-Palama area as a new community development district under HCDA's jurisdiction.

A number of housing bills are moving and staff is tracking and testifying on some of them. One calls for an appropriation to support the development of affordable housing in Kakaako. A request was also made to include Kalaeloa in the legislation, but the bill passed unamended. The House has proposed putting \$60 million in affordable housing while the Senate has deleted the dollar amount. This bill appears to be headed for Conference Committee.

There is also a resolution that asks the Legislative Reference Bureau to look at establishing an urban Honolulu Housing Authority modeled after HCDA. Staff has offered to serve as a resource. The Legislature recognizes that HCDA has been successful in delivering affordable housing – 1,388 units in the Kakaako area – and they are looking for a model to try to get more housing delivered in the entire urban core.

The final picture remains unclear at this juncture. Most of the bills will proceed to Conference Committee where the House and Senate will work out its differences.

The Hawaii Architectural Foundation, which partnered with HCDA to spruce up the Historic Ala Moana Pump Station, was honored along with other organizations on the House Floor on March 20, 2006. It was noted that the ongoing renovation of the pump station to stabilize the facility and improve its appearance represents a unique work of collaboration between public entities, private non-profits, businesses and community members. A reception followed at Washington Place with the Governor providing remarks in recognition of these organizations, and associated State agencies that have demonstrated a deep and abiding commitment to historic preservation in Hawaii, in 2006, the Year of Historic Preservation.

- A request to enter into exclusive negotiations agreement for the 5.2 acre parcel on the Makai side of the proposed Cancer Research Center was received from the Office of Hawaiian Affairs (OHA). A response was sent to OHA deferring bringing its request before the Authority until the outcome of a number of legislative measures that may affect HCDA owned lands.
- Mr. Dinell introduced Mr. Alex Kagawa who joined HCDA staff on April 4, 2006, as an Asset Management Specialist. Alex has been a State of Hawaii employee for the last five years, first as a Budget Analyst with the Department of Health and most recently as a Health Benefits Program Manager with the Hawaii Employer-Union Health Benefits Trust Fund. Alex is a graduate of the University of Hawaii and has systems administration experience.

Chairperson Kometani welcomed Alex to the staff. Chairperson Kometani commented that if there was a group going to be formed to discuss the Children's Discovery Center and undesirable activities happening, he requested that the whole park should be looked at as well. Representatives from the Friends of Kewalo Basin Park Association should be included in the discussions because there are some issues that they could help resolve.

Mr. Dinell commented that was a good idea and that it is an ongoing challenge to maintain public spaces. The park structures were recently repainted with graffiti proof paint, making the surface easier to clean. However, the vandals are now defacing the Children's Discovery Center concrete wall, which was previously hidden, but is now exposed. Mr. Dinell stated that staff would work per the Chairperson's suggestion.

Member Kimura asked whether the ID-12 contractor could come to a future Authority meeting. He noticed that there is dirt piled up in front of the Children's Discovery Center and requested that the area be made more presentable.

Mr. Dinell recommended that before the next meeting, staff would meet with the contractor to discuss the concerns and find out if there is a specific reason for the location of the dirt pile.

Chairperson Kometani asked whether there were further questions. There were none.

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 Kalaeloa Master Plan, which the Authority adopted in March 2006, has since been transmitted to the Governor and the Navy for their respective approval and concurrence.

In March 2006, the Authority also authorized the expenditure of funds for the promulgation of the Kalaeloa Community Development Rules. Staff received departmental approval to form a selection committee to look at the various qualified consulting firms to help in that effort. The selection committee has since met over the last month and hopes to complete the evaluation process within the next week. Departmental approval is also needed to begin negotiations on the scope of work and fees for services. Notice to Proceed on that contract effort won't begin until the Governor has approved the Master Plan.

On Saturday, March 25, 2006, the Chaminade University Business Club conducted a roadside litter clean-up in Kalaeloa along Roosevelt Avenue from Fort Barrette Gate entrance to Pride Field. Seven students from the Business Club participated in this effort. It was Pearlyn Fukuba's first coordinated project in the area and there will be more in the future.

Staff has been working with the Oahu Metropolitan Planning Organization on its revisions to the 2030 Oahu Regional Transportation Plan (ORTP). Staff has been focusing on the road improvements that were contained within the Master Plan. The three biggest projects fitting within the ORTP to be taken into consideration are: the extension of Kamokila Boulevard into Kalaeloa; a connector road from North/South Road and Kapolei Parkway to Keoneula Boulevard; and a realignment of Saratoga Road.

Staff has been working with the developers and other landowners in East Kapolei, Department of Hawaiian Home Lands, UH West Oahu, and DR Horton/Schuler, on a transit alignment routing. A joint letter was sent to the City in mid-March on a preferred alignment that would extend from Farrington Highway to the North/South Road, into Kalaeloa and then back to the City of Kapolei. The joint letter also identified proposed transit station locations that were also reflected in recent newspaper articles.

Lastly, staff has been working with the City Department of Transportation Services on its Draft Environmental Assessment for the extension of Kamokila Boulevard to Roosevelt Avenue. Campbell Estate would build most of the road and the City and County would build the connection at the intersection of Roosevelt Avenue. The roadway would be a major connection into Kalaeloa and help facilitate traffic flow into the area.

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

B. Kalaeloa Navy Report

Mr. Enomoto introduced Lynn Tanaka from the Navy. He summarized issues that were brought up at the March meeting by Members regarding security and policing in the district, utility concerns as well as environmental issues.

Ms. Tanaka apologized in advance if she couldn't answer the Members' questions, but promised to bring the questions back and get answers for the next meeting. She stated that the Navy wanted a good dialogue with the Authority.

Ms. Tanaka reported that at last month's meeting, Mr. Tom Allison discussed the short-term leases that the Navy is undertaking at Kalaeloa with its developer, Ford Island Properties, who is working with Colliers Monroe Friedlander on the project. Ms. Tanaka explained that Mr. Allison has since retired and that she is here to follow-up. She reiterated that the Navy's intention for the short-term leasing program at Kalaeloa was to encourage use of the vacant facilities. There have been vandals in the area, so the intent is to get people in the area to keep the place clean and reduce the number of incidents.

One of the big issues raised at the March meeting was public safety. The Navy had a few meetings with the Federal Fire and Security Divisions in regards to fire protection response. The Federal Fire Department has a mutual agreement with the City and County for coverage not only at Kalaeloa, but throughout the islands. The City takes care of the area with the Federal Fire Department and West Loch as a back up.

The Federal Security forces stationed at West Loch will respond to any Navy areas such as the Golf Course and Cabins, the vacant areas, and the Base Realignment and Closure (BRAC) properties yet to be conveyed. The Security Forces now have updated maps. They will be the first response to any Navy owned areas. There are still some issues on what happens after the investigations and prosecutions. Hence, Mr. Enomoto has agreed to help set up a meeting between the Federal Security forces and the Honolulu Police Department (HPD).

As far as infrastructure to support the short-term leasing program, the Navy is looking at bringing the facilities up to minimum standards to make it usable. There are no major changes to land use. The Navy will conduct a screening

process for interested tenants. They are looking for the best use for what the operations are and looking at the adjacent land use around the area.

The Navy intends to hook up whatever utilities were there before so they don't intend to see any increase in infrastructure.

At the last meeting, some environmental issues were raised regarding screening the parcels for any environmental concerns or archeological finds or hazardous materials. Ms. Tanaka explained that the Navy is screening the parcels to characterize them, so when a new tenant comes on board, they will know what's on the parcel.

The Navy realizes that it is being asked to provide concurrence on the Master Plan. They are working with different groups in San Diego and Washington D.C. on the concurrence of the Master Plan.

Member Chun arrived at 9:30 a.m.

Ms. Tanaka asked whether there were any questions.

Member Goshi inquired whether any consideration was given to non-profit organizations in leasing the vacant space.

Ms. Tanaka responded that they are working with Colliers Monroe Friedlander and the Navy will also be meeting with the State in possibly providing homeless shelters.

Member Goshi commented that Ms. Tanaka had stated that the principle was not about money, but about getting people into the area. Non-profit agencies can provide a community base.

Ms. Tanaka replied that the Navy is required to charge fair market value for any real estate transactions that are non-military.

Member Souza asked whether there were any buildings that could be used for churches.

Ms. Tanaka responded in the affirmative and stated that they have a chapel.

Member Souza inquired whether it was available.

Ms. Tanaka replied in the affirmative and stated that it was on the Colliers Monroe Friedlander's marketing plan. The grounds were kept in good condition. There is also an old YMCA building that is currently vacant.

Member Timson asked whether there were any flooding due to the heavy rains.

Ms. Tanaka responded that she did not hear of anything major from the Public Works officer.

Member Timson understood that the Navy would be using existing infrastructure. However, she was raising the safety issue again because there is insufficient lighting in Kalaeloa. Member Timson believes that the evening environment in Kalaeloa is unsafe because the lighting is substandard. She also wanted to be sure that the Navy was also in contact with the Kapolei Police Station so that the security in West Loch knew which property was Navy owned.

Ms. Tanaka replied that she was aware that there was a gap that needs to be filled in.

Member Timson suggested that the security at West Loch make some attempt to do security rounds or checks.

Ms. Tanaka responded that as part of their draft leases, they would ensure that the potential tenants take care to secure their areas.

Member Timson asked whether the Navy took any responsibility.

Ms. Tanaka replied that the Navy still responds.

Member Timson stated that she has never ever seen anyone patrolling the area.

Ms. Tanaka stated that she would check with their security force. She stated that they do respond because they do hear of incidents out there.

Member Timson requested that Ms. Tanaka check on that.

Member Eng asked whether any thought was given to having security in Kalaeloa since the buildings needed to be occupied. It would also be more beneficial to have someone closer and for the visibility.

Ms. Tanaka responded that the Navy looked at that, but they have limited manpower.

Member Aila asked about the possibilities of posting signs on the property with the number to call for security.

Ms. Tanaka replied that for the golf course and cabins, the phones are linked directly to the dispatch center.

Chairperson Kometani asked how many Navy people live and work on the property.

Ms. Tanaka responded that she couldn't say offhand how many civilian and Navy personnel worked in Kalaeloa, but it was a small amount. The work population includes people who take care of the golf course, mini golf clubhouse, cabins, gift shop, public works, bio-solids facility, fitness center, commissary and bowling alley. She also couldn't say how many people lived there because the housing was controlled by Ford Island Properties.

Chairperson Kometani commented that a lot of Navy personnel use the facilities on the weekends and so forth. The community feels that there needs to be more visibility from the Navy security. There should be some public presence of security from the Navy because it controls so much of the land.

Mr. Dinell commented that as a follow on suggestion to Member Eng's comment about police presence, often communities benefit by having a precinct substation. He gave the example of Mother Waldron Park in Kakaako, where a HPD precinct substation is located. While it is not an operation that is staffed all day, everyday, the police officers have a place to meet and fill out reports. Police vehicles are parked out front and it is the randomness of presence that provides the community with some assurance that there are police available. It could be as simple as putting an office for Kalaeloa Military Police precinct substation and a sign of the number to call in an emergency. The point is the randomness of the visibility of having a patrol car out there sends a positive signal. Mr. Dinell noted that Chairperson Kometani is correct that there is a lot of activity, workforce as well as a recreational Navy contingent, in the district.

Ms. Tanaka responded that she could take that suggestion back to their public security.

There being no further comments, Chairperson Kometani called a recess at 9:43 a.m. to allow Kalaehoa Members (Members Aila, Chinn, Eng, Souza and Timson) to depart, as the remaining agenda items were Kakaako related.

The meeting reconvened at 9:44 a.m.

C. Update on Policy and Development Strategy Plan for the Ala Moana Historic Pump Station and Developable Lands in the Ewa Portion of the Kakaako Makai Area

Deepak Neupane summarized the Information Item distributed to the Authority concerning this matter.

Mr. Neupane reported that the Authority approved developing a Policy and Development Strategy Plan in April 2005 for the Ala Moana Historic Pump Station (AMHPS) and developable lands in the Ewa portion of Kakaako Makai Area. Subsequently, a Request for Proposals (RFP) was prepared and proposals were solicited for conducting the planning study. Clifford Planning was selected as the planning consultant. Dr. Janine Clifford presented the initial findings on the opportunities and constraints for the site at the Authority's October 2005 meeting. A stakeholders meeting was conducted in October 2005; 14 stakeholders were invited and nine attended. On November 5, 2005, a community workshop was held. There were 79 individuals and groups that expressed interest in the Pump Station and all were notified about the meeting through e-mail and letters. A news release was also issued to inform the general public about the workshop, 31 people attended.

Mr. Neupane introduced Dr. Janine Clifford of Clifford Planning to present the report.

Dr. Clifford reported that the study started out by looking at the entire region of Kakaako. In the near future, there is about 1.5 million square feet of floor area that would be built in the immediate vicinity of the AMHPS site, not including the two residential towers proposed for the Waterfront Project. Given that sort of scale of development, it was very important to take into consideration the entire Kakaako area in the study.

The site itself is comprised of 3.3 acres of land with three buildings built between 1900 and 1940. Due to renovations, the main building as it stands today is not the original design that was built in the early 1900's.

The site is quite challenging. A vault that originally stored the sewage that came to be processed at the pump station remains on the site. In 1972, it was filled in, but was never completed in a proper manner to support any kind of structural buildings on top of it. In addition, most of the underground piping remains, relating as far back as the 1900's when the first pump station was built.

There is also a coral rock wall along the front edge of Ala Moana Boulevard. It is not on any state or federal historic register. It doesn't belong to the original Fort Armstrong perimeter wall and actually provides a visual barrier for Ala Moana Boulevard as it relates to the site itself.

The volunteer effort to restore the pump station was mostly cosmetic. Under the grass are concrete and the remnants of the underground pump and piping line. Broken glass was removed from the windows and Plexiglas was installed. The actual deterioration of the pump station building itself is still there beneath all the cosmetic things that were done by the volunteers. On the interior of the facility, very little was done by volunteer efforts over the past two years. There is very little that has lasted within the structure; there is no electricity or water, and no plumbing fixtures remaining. There are structural damages still evident from the settlement of the building itself.

The 1939 equipment is still within the pump house that was built there. There is an existing pit that is about 30 feet deep that experiences ground water infiltration on any given day.

In 1991, an estimate was done as to the cost to repair the facilities and to bring them up to a standard that the facilities would actually be usable today. At that time, the cost was estimated to be \$2 million and did not include the remediation to the underground vault, nor did it include site work to remove all the existing piping that was associated within the old structure themselves.

Another constraint of the site is that these three existing buildings that remain only total about 3,235 square feet under roof. The facilities themselves are quite small.

A building envelope study was done based upon HCDA's current guidelines for the site. There can be 556,000 square feet of floor area built on both the 3.3 acre site and 1.12 acre adjacent site for a total of about 4.4 acres. In comparison, the Gold Bond Building is 265,000 square feet of floor area in 12 stories on 1.43 acres of land. Based on the building envelope study that was done, if the development was to be built to its maximum capacity, it could be quite substantial.

Two community meetings were held, first with a group of stakeholders, mostly land owners and interested parties who controlled large parcels of land within the Kakaako area, and the second was a public workshop. All of the concerns and issues about the surrounding area were explained, and the development potential was discussed. Community interest and concerns were also raised.

There were those in favor of a no build policy while there were those in favor of building as much as possible. Ten policies that represent most of the stakeholders that attended the two meetings were developed.

1. One of the main concerns was the issue of reasonable revenues to the Office of Hawaiian Affairs, given that the site is on ceded land. To develop the Project Site to its best use that includes a balance of mixed-use, density and preservation.
2. Lean toward preserving and protecting the historic structures that are on the site itself in compliance with U.S. Department of Interior Historic Buildings Preservation, Restoration and Rehabilitation Guidelines and in accordance with the State of Hawaii Historic Preservation Office requirements.
3. The development should be a gateway or icon for the community.
4. Development proposals that favor low-rise structures with an urban village character and enhance the Kamehameha Schools Life Science Center as well as the John A. Burns Medical School are desired.
5. A recurring theme was the idea of a view corridor along Ala Moana Boulevard such that the historic structures themselves were never impeded by any structure and suggested that it be green open space.
6. The structures themselves were very significant and any new structures should not be duplicative, but rather designed to complement the architectural character of the AMHPS.
7. Development proposals should create an urban space that is a pedestrian-friendly environment.

8. If housing were provided, it should be affordable and rental. There were some comments that perhaps housing wasn't even a viable solution for the site given the active pump station next door. However, there were other comments that affordable housing was necessary and active pump house concerns would be mitigated through the design process.
9. Any multi-story parking structure should be concealed from view and limited to the Makai portion, meaning wrapped with retail or office space so that it isn't on the street frontage as that would detract or compete visually with the historic significance and presence of the AMHPS site.
10. Development proposals should provide a creative architectural and landscape treatment to screen and reduce the visual impact of the existing active pump station Makai of the project site.

After all the comments were put together, the policy or strategy plan favored a lower rise development over high rise development concepts. In the first scenario, on the 3.3 acre site along Forrest Avenue, the height limit would be 85 feet which is the height of the nearby medical school. There would be an open corridor along Ala Moana Boulevard with a setback scaled front component. Any development on the historic site itself would be limited to the backside of the property and the building height would remain at 45 feet.

If the entire floor envelope was overlaid, it would be conceivable that a developer could get to the allowable floor area. HCDA would by no means restrict what it is already offering in its development guidelines. However, the low rise footprint would be desirable and any open space would be a reduction in floor area.

In the second scenario, a tower would be allowed. In the envelope study, the tower could actually be moved around, but again the front corridor space would be kept open. The podium would be limited to 85 feet to match the medical facility and the tower could be 150 feet. This scenario would allow the developer to provide much more open space while still keeping within the allowable floor area. This development option would be much more desirable than to have an entire build out with two high rise towers.

Based on the policy recommendations, five development strategies have been proposed to move forward.

1. Consider pursuing a RFP for selecting the developer for the project site.
2. Consider inviting all interested developers to attend a community workshop in which the future of the project site is discussed with interested community stakeholders before responding to the RFP.

Member Lai arrived at 10:00 a.m.

3. Consider requiring all prospective offerors to make a public presentation of their development proposals before any formal submittal to HCDA.
4. Consider establishing a selection committee that includes members of the community to evaluate the proposals.
5. Consider presenting the Best and Final Offers at a public meeting and include any comments and recommendations by the community for consideration before making a final selection of a developer.

Seven major goals for the proposal contents were recommended.

1. It is very important that the development team's experience be considered including their success and personnel that they propose to staff the project. A management plan for the site needs to be submitted, especially given the AMHPS' historic nature.
2. The development team should explain their intention, their design concepts and objectives.
3. There should be a historic structures management plan that covers how the buildings are not only renovated and restored, but also maintained.
4. All predevelopment and entitlement responsibilities, planning and design and permitting intentions should be brought up at the beginning because there are actually many easements and issues relating to the active pump station adjacent to the site.
5. Typical site plan, floor plans, elevations, and character sketches

sketches need to be submitted so there is an understanding of what each developer is proposing.

6. There should be an economic proposal that details the ground lease requirements because a reasonable return would go to OHA.
7. There should also be a proforma business plan that explains all the necessary elements required for the development including funding sources.

A series of suggested evaluation criteria were also created.

1. It is very important and imperative for any development to come to fruition to have a financial plan and viable plan which includes a reasonable return to OHA. That is rated as 25 percent of the criteria.
2. The plan itself is consistent with development policies and mission of HCDA. That is rated at 25 percent of the criteria.
 - a) Historic structures plan;
 - b) Iconic-entrance gateway to Kakaako;
 - c) Relationship to surrounding urban village character;
 - d) Urban design and architectural character;
 - e) Appropriate uses and viability;
 - f) Compliance with HCDA Makai area goals;
 - g) Compatibility with massing and building envelope goals;
 - h) Visual barrier/treatment between Active Pumping Station;
 - i) Treatment of the pedestrian experience; and
 - j) Public benefit.
3. Feasibility of the design proposal. Public uses aren't necessarily viable or feasible especially as it relates to OHA. That is rated at 20 percent of the criteria.
4. The community comments and task force comments should be rated very highly and the developer should address the concerns of the community. That is 15 percent of the criteria.
5. Developer's qualifications and experience counts at 10 percent of the criteria.

6. Development schedule makes up 5 percent of the criteria.

A vision needs to be created for the project site and three main ideas were proposed.

1. The massing and scale of any proposed development should respond to repeated comments by the community and should be pedestrian scaled environment - especially at the street level.
2. Low rise development is preferred over high-rise development; however, this does not preclude anyone from submitting what fits within HCDA's current guidelines, which allows for two towers and much more build out along Ala Moana Boulevard.
3. Proposed development should reinforce HCDA's vision for Kakaako, which is the notion of a sustainable urban place that would be fun to live, work, visit, learn and play.

Lastly, there is so much interest for these three structures that some sort of use that would extend beyond normal business hours into an evening venue or into an evening activity that is open to the public would definitely be something that is desirable and would be a great addition to the Kakaako area.

Today, the staff and consultants are seeking comments on the draft report.

Chairperson Kometani asked whether there were any questions directed to Dr. Clifford on her study. He thanked her for taking the time in conducting a very thorough report including the recommendations. Chairperson Kometani welcomed the prospect of working with the community in trying to develop this property. He added that procurement guidelines would also need to be worked into the guidelines.

Mr. Dinell added that the Executive Summary of what was presented was posted on HCDA's website. He encouraged people to submit comments about the recommendations. He stressed that this is a draft plan and that everything was open for comments. This would be an opportunity to get any feedback and direction from the Authority and the community at large.

Chairperson Kometani asked what the timetable was.

Mr. Dinell stated that staff hadn't established a timetable yet. However, it was

was more important to have a strategy. Staff, on average, receives a call every week with a proposal for the site, but is unable to provide direction because there is no overarching strategy. Mr. Dinell asked Dr. Clifford for her opinion about splitting the site – historic site on its own and the 3.3 acre site behind it or whether it was essential that the site be integrated and developed as a whole.

Dr. Clifford responded that the issue is one of finances. She stated that the buildings are very deceiving because they look substantial and well preserved from the street. There is a misconception that the buildings can be very easily renovated. Unfortunately, the estimate that was done 10 years ago was \$2 million just to restore the buildings themselves. Not included in the estimate was the underground vault that remains of the actual sewage treatment holding tank which is 100 by 100 feet or 10,000 square feet with a ceiling of about 20 feet. The top was just perforated and filled in with dirt. Also all of the actual piping remains underground around the pump station itself. The footprint of the buildings itself is very small; it is 3,500 square feet, the size of a large house in three separate footprints. One of the buildings is a pit which goes down 30 feet and is filled at the bottom with about two or three feet of water all the time throughout the entire year. If anyone begins to run a financial analysis on just the historic pump station alone and the cost to restore the site to a usable level, they will find that if the two properties are separated, one of them wouldn't pencil out as a development proposal.

Chairperson Kometani commented that it is similar to the Kakaako Waterfront proposal where it is difficult to do a stand alone development.

Member Goshi questioned the numbers on the restoration of the historic site to correct the underground vault and piping. It doesn't seem that there would be any economic use for it, with just 3,500 square feet, there is not much possible. He commented that it seems like a non-profit should be set-up to get some cultural use for it instead of generating revenue.

Dr. Clifford responded that would be a logical approach. However, the site is actually trust land. So OHA has a fiduciary responsibility to provide some sort of return for the use of the property. If it was a not-for-profit, they would be looking for some sort of partnership where there is reduced rent or fees to use the property and in reality OHA has a fiduciary responsibility in which they can't accept a lease arrangement where they can't return something to their constituency.

Member Goshi commented that the construction cost now might run in the \$6 million to \$8 million range.

Dr. Clifford agreed and pointed out that the estimated \$2 million didn't include site remediation which would be more expensive than actually renovating the structures themselves.

Member Goshi stated that because the cost would be so high, nothing would make sense. So the issue is better to make a non-profit get it up to speed and create a timetable where they can take it back after it is completed. Then at least some action can happen.

Dr. Clifford responded that was the goal of the volunteer efforts that has been happening over the past two years. The thought was that even if a group of non-profit entities just started on the remediation work using not-for-profit funding that eventually somewhere along the line someone would either fall in love with the building so much that they couldn't resist and would be willing to spend millions of dollars or that over time some of the severe loss would be mitigated.

Mr. Dinell stated that OHA was at the stakeholders meeting and expressed this concern. About 10 years ago, there was a plan to lease the site to the Historic Hawaii Foundation for a \$1 a year and it ended up being rejected in the end because OHA wanted a return on the site.

Dr. Clifford stated that at the stakeholders meeting, the representative from OHA was level headed about it because they themselves tried a development proposal at this site and they realized that the cost to mitigate these issues versus what they could get as a return on their own investment wasn't perhaps the wisest place to put their money. OHA is looking for a reasonable return. A dollar a year is not reasonable, but they certainly recognize that they are not going to get full market rate return on whatever development is there and that is not what they are looking for. They are just looking for a reasonable return that they can go to their constituency and feel confident about.

Mr. Dinell stated that Authority Members and members of the public could submit their comments via e-mail to contact@hcdaweb.org or phone Deepak Neupane, the staff member heading this effort, who will pass on all the comments to Clifford Planning. Over the next month, staff hopes to get all the comments in and the final report would be completed sometime in the summer.

Chairperson Kometani asked whether Members had any further comments. There were none. He thanked Dr. Clifford for the work she has been doing.

Nancie Caraway from the audience requested to provide comments. She commented that it seemed strange to her that based on the information and knowledge gained from the events of the past month regarding infrastructure and over development that there was no commentary about the legislative responses that are ongoing regarding HCDA as a legitimate entity on such wide scale development decisions. There has been a lot of criticism and a lot of commentary about HCDA as a legitimate entity as well as the massive, totally out of scale, development plans for the entire Kakaako Waterfront. It seemed to her that the Authority was not aware of HB 2555 which would prevent HCDA from selling lands.

Chairperson Kometani interrupted Ms. Caraway to remind her that her comments should be kept to the subject of the pump station.

Ms. Caraway responded that the pump station is a part of a larger development area. She stated that the community was not going to go away on these issues. She thought former Governor Ariyoshi expressed the ideas rationally in the essay he wrote for Hawaii Business Magazine, "Once this land is gone, it is never going to be retrieved again." For the public and for the future, Ms. Caraway hoped that the Authority would seriously think about the massive groundswell of community opposition all over the island and the State that would continue if there are plans for high rises. She stated that Hawaii was not for sale to the highest bidder.

Chairperson Kometani asked whether there were any other comments on the pump station from those in attendance.

Michelle Matson introduced herself as a leader in the Save Our Kakaako Coalition. She stated that there is a conflict of uses on the pump station site where there is a conceptual proposal for additional residential development in Kakaako Makai and that area which is heavily used for the harbor. It does not look as if there is a great deal of access for any residential development because the traffic for the container and passenger activities at Piers 1 and 2 is going to be industrial traffic. She couldn't understand how a residential proposal for the area to wrap around a historic site was being contemplated. Ms. Matson expressed that the site needs to be restored when there is money, but since there is no money, it just has to sit there, but can't be torn down. She suggested backtracking and looking at sound planning principles and practices to try to develop a better planning acumen for the whole area. Ms. Matson agreed with Ms. Caraway that the Legislature is in its final stages and would probably preclude any development in Kakaako Makai especially for residential. She thought that the Authority needed to take a step back to consider everything that was going on.

Chairperson Kometani commented that none of the Authority Members were part of Dr. Clifford's community/stakeholder outreach.

David Cheever noted that he attended the public meeting held on the pump station and stated that he is on the Board of the Historic Hawaii Foundation. He also volunteered at the pump station clean up and restoration. The Board of the Historic Hawaii Foundation is requesting that the pump station include a preservation easement, which means it can never be torn down. Currently, it is on the National and State Register of historic places, but that doesn't mean that it can't be demolished. If a contractor is building and knocked down the building, it would be gone, whereas a preservation easement precludes that. Their question is whether it can be worked in the strategy plan.

Chairperson Kometani asked whether there were any further public comments. There were none.

D. Update by the University of Hawaii on the Cancer Research Center of Hawaii, John A. Burns School of Medicine (JABSOM) Phase II, Potential Location of the Regional Biosafety Laboratory within JABSOM Phase II, and Makai Area Parking Plan

Deepak Neupane summarized the Information Item distributed to the Authority concerning this matter.

Mr. Neupane reported that an update from Chun, Kerr, Dodd, Beaman and Wong on behalf of the University of Hawaii (UH) was received after the Authority packets were already delivered. A copy was distributed to Members at the meeting.

Mr. Neupane explained that in December 2005, the Authority approved extending the exclusive negotiations period with the UH until August 31, 2006, and required the UH to present revised Cancer Research Center of Hawaii (CRCH) plans to the Authority by June 30, 2006. The UH update says that the development of the CRCH as planned is dependent on the State providing adequate funding. The Legislature is currently considering a number of funding proposals and that UH can not make definitive decisions on the development until 30 to 60 days after the legislative session is over. UH cannot provide revised plans for CRCH by June 30 as required by the Authority because of the funding issues. UH is proposing to report to the Authority on whether it decides to proceed with the development of CRCH by

July 31, 2006. If a decision to move forward is made, the University will provide a revised schematic plan by December 31, 2006.

UH understands that it needs to provide adequate parking for the John A. Burns School of Medicine (JABSOM), but can't commit to a date for submitting a parking plan because it hasn't made a final decision on the plans for Phase II of JABSOM. The timetable for the development of JABSOM Phase II is still fluid. UH proposes to provide a status report on parking plans on, or about, July 31, 2006, and thereafter, provide quarterly reports on the matter.

UH also proposes to vacate the Pacific Bioscience Research Center (PBRC) no later than December 31, 2014. Currently the unsigned exclusive negotiations agreement requires the UH to vacate PBRC no later than December 31, 2006.

UH is proposing for the exclusive negotiations period to be extended until December 31, 2006.

Mr. Neupane emphasized to Members that this was an Information Item and that no action would be taken on any of UH's requests. However, it is an excellent opportunity to get an update on all matters relating to UH particularly the proposed Regional Biosafety Lab (RBL) on JABSOM Phase II. Mr. Neupane introduced Dr. Gary Ostrander, Vice Chancellor for Research - UH Manoa, to present the University's update.

Dr. Ostrander expressed his appreciation for the opportunity to update the Authority. He introduced Dr. Jim Gaines, Vice President for Research at the University who is intimately familiar with the RBL; Dr. Carl Vogel, Director of the Cancer Research Center; Andrew Char, UH's legal counsel; and Jan Yokota from the UH systems facilities office. Dr. Ostrander wanted the presentation to be more of a discussion and conversation rather than a formal report about the Cancer Center, RBL, JABSOM Phase II and parking. Dr. Ostrander explained that he would give a quick overview and then his colleagues would provide specific technical information in their areas.

Dr. Ostrander stated that the Cancer Center is driving everything right now for the UH. They are envisioning a comprehensive Cancer Center with a clinical component, physician's service office component, as well as the research component. It would be immediately adjacent to JABSOM on the 5.25 acre site.

The current funding model that is the most feasible includes revenues from the

the State and there are a number of vehicles working its way through the Legislature that would secure the funding for them to move forward, and most importantly, would secure the operational expenses primarily through the cigarette tax. If all of that comes to pass, then the plan can move forward with the Cancer Center at the proposed site. If however, they are not able to secure that funding, they would have to look at all other commitments across Manoa. They would probably have to rescale and rescope the Cancer Center which may involve dropping the physicians or clinical portion because the partners/hospitals would have to pay too much. They could just focus on the research component, which could end up being sited at JABSOM Phase II.

There were significant difficulties with the RBL facility, supported by the National Institute of Health (NIH), originally to be located in Pearl City. UH is currently in the process of investigating and working with private consultants to see whether that facility can be located at the JABSOM Phase II site.

In the background is the parking issue. Until it is known what the fully realized vision of the Cancer Center is, where the RBL facility will be located and its size, and what will happen with JABSOM Phase II, it is difficult to estimate the amount of parking spaces required. The University recognizes the need to provide parking for all these entities as well as JABSOM Phase I, but won't know until all the pieces fall into place.

Dr. Ostrander explained the University cannot say what JABSOM Phase II will look like at this time. Their primary focus has been to stabilize JABSOM Phase I, establish a comprehensive Cancer Center, and build the RBL facility. JABSOM Phase II could be very much like the research building, but that is going to cost a lot of money, not only for the building, but to fill it with faculty. If a portion of the Cancer Center is located in Phase II that will change.

Dr. Ostrander said that he and his colleagues would be happy to answer any questions.

Chairperson Kometani requested that each team member give an update of their respective projects starting with the status of the current research center, a comment was made about filling it up with researchers.

Dr. Ostrander apologized; his comment was in reference to JABSOM Phase II. If the Cancer Center is built on its proposed site, that would leave JABSOM Phase II site empty or just housing the RBL. Adding a second building on that site will cause a significant financial constraint on the University. Even if a

University. Even if a private developer would build it, the University would have to fill it with faculty members and they don't have the faculty ready to move in. The faculty would love to have more space, but they don't really need it. Hiring another 25 faculty members will cost a lot of money and it is a low priority right now. On his priority list is for JABSOM Phase I to be fully stable and working well, the Cancer Center and the RBL.

Member Thomason stated that a comment was made earlier about stabilizing Phase I and asked Dr. Ostrander to expand on that.

Dr. Ostrander responded that when the vision for JABSOM Phase I was first articulated, it included filling the building up with researchers. The researchers would in turn generate a lot of funding that would be able to take care of the long-term operations. The reality is the research base has not risen to a high enough level that is completely supporting the operation over the next 10 years. Historically, JABSOM faculty members' primary responsibilities were in teaching or educating medical students. When the decision was made by the University to move in the direction of a research medical school, it shouldn't expect faculty members, who were not research active for 10 or 15 years, to overnight be able to bring in large competitive research grants that would be able to generate monies to pay for the operation of the school.

Dr. Cadman had a wonderful vision and the University believes that it will be fully realized, but right now the University is trying to sort out operationally the costs associated with opening up the two new buildings as well as the fact that there is space at the Manoa campus.

Nobody foresaw that the funding grants for research at the individual study sections at the NIH would decrease from 22 to 23 percent down to around 10 to 11 percent. For every 100 to 110 applications that go to a study section, NIH is now only funding 10; so it has gotten to be very competitive. The University is working on getting to the point where it is comfortable that JABSOM will operate in the black. The rising energy costs have compounded the problem. For example, the electric bill is \$1 million more than expected this year.

Dr. Vogel gave an update on the Cancer Center. Dr. Vogel reported that a business plan was presented and accepted by the Board of Regents in February. The University now knows the cost to build and operate the facility and the cost for the extra faculty. With this information, the University went to the Legislature for support. The University is hopeful that they will receive a portion of the tobacco tax.

The plan for the Cancer Center on the 5.5 acre site is not just an expanded research facility, but it will be a state-of-the-art patient cancer care facility. They have received widespread support from private and public community hospitals because of the growing number of cancer patients in the State. It is hopeful that the Legislature will pass the tobacco tax measure and the administration has indicated its support. The University would be able to provide more information in a few weeks.

If there is a facility that involves patients, parking needs to be plentiful and easily accessible from Ala Moana Boulevard; this should be taken into consideration in the master planning for the existing sites and facilities.

Member Liu asked to what extent is the cigarette tax bill site specific.

Dr. Vogel responded that it is for the development of the operation and management of the Cancer Research Center of Hawaii and is not site specific.

Member Liu queried if the facility were to be funded, would it be conceivable that the University could find another location for the Cancer Center.

Dr. Vogel replied that it was possible. However, the University has received \$500,000 from the U.S. Department of Health and Human Services that is site specific because it was proposed for the planning of that particular site and another \$10 million from last year's federal budget from the U.S. Department of Commerce, which may or may not be site specific, but it is for a comprehensive cancer center.

Dr. Ostrander commented that the University's standpoint for having the Cancer Center faculty next to the JABSOM faculty is to have critical mass and moving it further away, would open up another series of concerns.

Member Liu stated that Dr. Vogel and the University consultants briefed him and staff on the project and provided a business plan. He asked Dr. Vogel what was the assumption on the payment of ground lease for the site.

Dr. Vogel replied that he believed the assumption, based on discussions between UH and HCDA was that for uses that would generate profit there would be a market rate ground lease, but the majority of the space is non-profit so he is not quite sure, but it would be zero or a nominal \$1 a year like the medical school.

Andrew Char, legal counsel for the University on the CRCH project, added that he believed that the assumption was made on a business plan with respect to the ground lease rent. The rent charged by HCDA to UH was to be nominal. The University understands that particular assumption is open to discussion.

Member Liu asked if that assumption was incorrect, what would it do to the projection numbers.

Mr. Char responded that it would affect the amount that would be paid by the UH, which would affect the sublease rent that would be charged to the developer by UH, which in turn affects the lease that is charged by the developer to UH's 501(c)(3) clinic.

Member Liu inquired whether it would increase the cigarette tax by two cents.

Mr. Char responded that he didn't know.

Member Liu restated that if the assumption is incorrect and the operating costs increase, would the amount requested to the Legislature be sufficient to cover the increase or would the University have to ask for more money.

Dr. Vogel replied that the University is not asking for a specific percentage from the tobacco tax. The Senate Bill requests that a six cents increase over three years of which 15 percent would go towards the Cancer Center which would translate to \$30 million a year. In the business plan, the initial payment would be about \$10 million a year, \$2 million operating cost, and \$20 million for research and start up package and implementation. If the University receives three cents, they may also be able to include the ground lease. If the University receives one cent, they would be hard pressed because that would barely cover the expenses for the rent that they would have to pay to the developer.

Mr. Dinell commented that the term, "rent" is being used, but it is actually a payment to the developer who is fronting the capital to build the whole facility so it is not a traditional rent; it is more like a mortgage. The business plan is devoid of information about the developer's profit. There is a figure which is the amount of money anticipated per month for rent, but that level of detail is lacking in the business plan. The business plan makes an excellent case for the comprehensive Cancer Center, but doesn't explain the full financial aspects of it.

Mr. Char stated that it is part of the circumstance that the University is in. There are two different decision making processes that are running in parallel tracks, but hopefully in tandem.

Dr. Jim Gaines updated the Members on the RBL facility. Dr. Gaines reported that the National Institute of Health (NIH) decided that they wanted to have a nationwide network of biocontainment laboratories. These are laboratories where if there were an international or national pandemic, one could develop vaccines and have a first response for the general region. NIH had a competition for the first round of these labs in 2003, in which UH did not submit an application. There were as many as 10 awarded, all of which were located east of the Mississippi River, with the exception of one at Washington University in St. Louis.

There was a second competition in 2004, which the UH did enter. In that competition, the Waimano Home site in Pearl City was the indicated location for the Regional Biocontainment Laboratory. The UH submitted their proposal in December 2004 with no idea whether it would be successful or not. In September 2005 the UH was notified that they had received the award. NIH would contribute \$25 million towards the building of this facility and the State would have to come up with a match, about \$12.5 million. So the total cost of the facility is \$37.5 million.

The first plans on the Waimano Home site used existing infrastructure, so a laboratory of 140,000 square feet was penciled out. There would be enough space available to rent to local companies; however, there was community unrest over having this particular laboratory site in Pearl City. The University participated in several neighborhood board meetings which were relatively civil, but the community was quite upset over the actions of the Department of Health in previous years where they located a juvenile sex offender facility on that land without the approval of the neighborhood board. Thus, the Representatives and Senators from that district told the University that they didn't want the facility there. If the University pushed the issue, the matching funds request that was moving through the Legislature would have probably been killed.

The University took the news to NIH in late February to say that a change of site needed to be considered. NIH was unhappy and stated that the University could submit another proposal, but it might, or might not, be reviewed. The University requested an extension on the submission for the second proposal with a different site identified and the University was given until April 17, 2006, to submit a second proposal. The second proposal identified the

Kakaako tract which is called JABSOM Phase II as the site for this new facility.

A 140,000 square feet facility in December 2004 now looks like 42,000 square feet gross which reflects the construction cost increase from that particular time. This site would have a footprint of about 13,000 square feet and would be three stories high. The University already has a biosafety level 3 laboratory in the research building in JABSOM. This would be an additional biosafety level 3 laboratory with six operational suites for doing work on vaccines and cures.

Dr. Gaines noted that the biologists at the University feel strongly that Hawaii will have avian flu this year or the next year. This is the type that comes from infected birds that are migratory and land in Hawaii and would affect the local bird population. The biologists believe that feral chickens will be the most likely vectors for moving this through the bird population in the islands. That particular form of the flu has not jumped the barrier to humans.

The version that can be transmitted through humans has already jumped the barrier in Asia and could cause a pandemic that could run through the islands in 90 days. The biologists feel that the avian flu that would most likely come to Hawaii is the type that would affect the migratory bird population.

Laboratories like this do allow a region to get a first line of defense against viruses of this kind. From Colorado Springs west there is no other regional biocontainment lab, until now, possibly in Hawaii. Most people who know what this laboratory does, think that this is really needed in the islands and could be a great asset and part of Hawaii's Civil Defense.

Mr. Dinell offered his observation that the University may end up facing community opposition in Kakaako, as they did in Pearl City. He commented that the first time he heard about the RBL was through an article in the Honolulu Advertiser. Mr. Dinell said that the Ala Moana/Kakaako Neighborhood Board would want to know about this proposal as well as the Kakaako Improvement Association. He suggested that the University should get more community input on what they are proposing and that would help the Authority make a better decision when the time comes along.

Dr. Gaines replied that the University already planned to do that. At this moment, the University needs to get another proposal back to NIH in mid-April and there is no guarantee that it would be approved by NIH to go ahead.

Mr. Dinell asked whether the Waimano site was dead.

Dr. Gaines responded in the affirmative. If there was another round of competitions by NIH, he would consider declining the first award and apply for a new site in the third round of competitions, but there isn't going to be a third round. The NIH could say that they would allow the UH to proceed with the Kakaako site, at which point, they would go to all the community informational meetings and the public could give their input. This is not something that the community is going to get, like it or not.

Member Kami asked if the University is successful in obtaining the grant, what would be the time deadline by which the facility needs to be completed.

Dr. Gaines replied that it would be very tight. The money would need to be spent by 2010 because the award was made in 2005. The laboratory is something that provides safety not only to the workers inside the laboratory, but it provides safety to all the areas outside the laboratory as well. These particular laboratories are marvels of air handling and plumbing. The air inside is processed clean and safe before it is released and the same is true of all the water that is generated in the facility. The design of the facility has to be specified and certified by NIH and would be inspected and certified annually.

Dr. Ostrander added that if someone were to get off the plane sick, this facility would allow the UH to very quickly figure out what is going on and identify the vectors involved.

Dr. Gaines stated that the University's total vision in the coming years is to be recognized as an area of excellence in the area of tropical infectious diseases. The University is starting in this particular area in the medical school and has hired an expert in that area. The idea would be to move heavily into this area because of the many infectious diseases that are coming out of Asia and the University needs to be ready to play a positive role in that. The University hopes to attract a complimentary facility here from the Center of Disease Control to help the University in the role of being able to respond locally very quickly.

Chairperson Kometani asked whether the Members had any questions and asked whether anyone from the audience wanted to make a statement.

Tercia Ku, Office Manager for Representative Anne Stevens, asked whether any other alternative sites were being proposed outside of Kakaako for the Regional Biocontainment Laboratory.

Dr. Gaines responded that the application was site specific.

Dr. Ostrander added that when the study section reviews the application, they also factor in the site and location and how it would interact with the medical school. In the prior case, with Waimano they were interested in how it would react with public health. Thus, to move it a few miles makes a big difference because another University might argue that they would have been funded had it not scored as high. Ironically, the change in the location would probably be scored higher now.

Ms. Ku asked if the reason Waimano was given consideration was because of the adjacent State laboratory.

Dr. Gaines responded that in December 2004, the University had made no progress in talking about JABSOM Phase II so that was not even something that was on the radar screen at that time.

Nancy Hedlund stated that she serves on the Ala Moana/Kakaako Neighborhood Board. She commented that the community and the people on the neighborhood board would be concerned to know that a site specific proposal was being submitted on April 17, 2006, but was never discussed with the neighborhood board. She agreed with Mr. Dinell that there would be a lot of concern about that. Ms. Hedlund also raised the concern about placing the facility in a tsunami inundation zone.

Dr. Ostrander replied that the NIH process absolutely mandates if they approve the application, the University engage the community and work with the community to see if it is feasible. The University did not want to open up that process and then find out that the NIH did not approve the application anyway.

Secondly, the tsunami inundation zone is a consideration. In a research facility such as this, there are very small rooms or laboratories that would work with the vector (virus), some labs are already located in JABSOM. There would also be regular research laboratories, administrative space, and support facilities, so the idea would be to build upward. One of the plans places the laboratory that would house these vectors or samples coming in from patients in the hospital on the upper floors, which is also a shorter distance for all the air handling systems that would be located below the roof, out of the tsunami zone. Dr. Ostrander stressed that this was not a done deal.

Ms. Hedlund replied that she would be happy to provide contact information for Ala Moana/Kakaako Neighborhood Board Chair John Breinich and also

mentioned that she serves on the UH faculty in the Cancer Research Center as a researcher and could assist in the interpretation of materials.

Dr. Ostrander stated that they welcomed that. He pointed out that the University doesn't know what JABSOM Phase II will look like yet because of all the unknown factors.

Finally on the parking issue, the University proposes in their letter to come back at the end of July with a better picture of the parking. Some of HCDA's projections might be a bit high in terms of what is really needed for parking because the faculty travels back and forth between the two campuses. The University would like the opportunity to finish their study and come back to it in July 2006.

Member Liu commented that he knew this was not an Action Item. The Authority needs to take a look at the letter, consider it and also make reference to how the Legislature proceeds. However, he wanted to register his concern about the proposal regarding the PBRC. Member Liu stated that this has been an ongoing discussion and disagreement. The agreement that the Authority has for December 31, 2006, was discussed with senior levels of the UH Administration. Whereas, the Cancer Research Center maybe dependent on funding for cigarette tax, he didn't see a similar constraint on the relocation of the PBRC. He is extremely concerned about a December 31, 2014, extension. Member Liu explained that there are plans for Kakaako Makai, and there will continue to be plans for that particular area, which is why he is very concerned about pushing that date that far out.

Dr. Ostrander provided information regarding that. He stated that he also serves as interim director of the PBRC and that particular facility has some of the best researchers at UH. He would like to say that since the building is dilapidated and falling apart that they are moving the facility to Hawaii Institute of Marine Biology (HIMB), but that simply doesn't work.

The problem is that the researchers depend on a constant source of seawater. They are doing evolutionary biology, development biology and research with marine organisms with application to biomedical research. They collaborate with the Cancer Center, but there is no other place to put them. Because of the problems in HIMB in Kaneohe Bay, the researchers can't move the organisms back and forth. There is no source of seawater on the Manoa campus. Researchers have literally spent 30 or 40 years developing these model systems and to change the source of seawater would completely shut down what they have been doing.

The University has a lease for the PBRC site that extends another 20 to 25 years. Since that particular patch of land is only anticipated to be a park, if Dr. Ostrander could tell his faculty that they have seven years to close down their research program or move their research programs in a different direction that would potentially work better for them.

That is the reason behind the extension, it is not the University being difficult, but these are some difficult situations for these particular faculty members.

Member Liu stated that he appreciated Dr. Ostrander's comments. However, whether or not the site is a park, or restaurant, or whatever the plans are, there are other implications of not being able to have access to the site should other things be happening around it which was an issue for the attempted aquarium for that particular site. A lot of thought has been given to this particular issue. Member Liu was curious whether or not specific attempts were made to identify alternative relocation sites.

Dr. Ostrander stated that the building is old and there are problems with the elevator and other systems. One of the first things when he came on board was to try to move those researchers. Because HIMB is on an island, his faculty can't park there and the faculty members and graduate students are doing experiments around the clock, which causes some difficulties. The University has been talking to the National Oceanic and Atmospheric Administration and the U.S. Navy. They also brought in a developer to find out how much it would cost to rebuild the facility and decide if it would be part of the Cancer Center. They have also talked to Kamehameha Schools about their development. There has been a lot of work looking at alternative options and the University will continue to do that.

Since there were no further comments, Chairperson Kometani moved on to the next item for information.

Member Liu departed at 11:11 a.m.

E. Request to Erect a Commemorative Plaque at Kewalo Basin Park in Honor of Mr. Florentino Das

Richard Kuitunen summarized the Information Item distributed to the Authority concerning this matter.

Mr. Kuitunen reported that in February 2006, the Governor received letters from the Filipino Centennial Celebration Commission (FCCC) and the

Committee on Florentino Das Memorial requesting her support in allowing a marker commemorating Mr. Das' voyage from Hawaii to the Philippines to be installed at Kewalo Basin Park.

On March 1, 2006, the Governor responded and pledged her support suggesting that the committees meet with the Department of Transportation (DOT) – Harbors Division and HCDA to discuss the proposal. Copies of the letters were included in the Members' packet.

On March 17, 2006, staff met with DOT and FCCC and suggested some revisions to the proposal. A follow up meeting was held on March 29, 2006, that included representatives from FCCC and HCDA staff and Ronald Yamakawa, Executive Director of the State Foundation on Culture and the Arts. At that meeting, the revised proposal was presented and the marker is now proposed to be a plaque to be installed at the pavilion on a column facing the Mauka side so it is visible to the visitors to the park.

Since this is not a usual practice for the parks to allow such markers, staff recommended criteria to evaluate such requests. Those suggestions include:

- 1) It memorializes a historical event that has a nexus to Kakaako and the Parks in particular;
- 2) It has a general interest to the public;
- 3) It has a sponsoring organization that is responsible and willing to maintain the memorial; and
- 4) It provides an ongoing lesson or message that has significance to both residents and visitors.

Staff felt that it was important for this Informational Item to be presented to receive the Authority's, as well as the public's comments. An Action Item for approval is needed to actually approve the installation of the plaque.

Mr. Kuitunen introduced Mr. Jun Colmenares to explain more about Mr. Das' trip, answer any questions, and provide more information on wording for the plaque.

Mr. Colmenares stated that on behalf of the FCCC, he would like to thank HCDA for giving them this opportunity to talk about their proposal. He introduced Mr. Rene DeLaPena who is the President of the Oahu Visayan Council and Chair of the Committee. This year is the centennial anniversary of the Filipino community of Hawaii. The FCCC has come up with a year long program of events and activities to commemorate this occasion. One of

the events that they would like to commemorate is the 50th anniversary of the completion of Florentino Das' solo voyage from Hawaii to the Philippines.

Mr. Colmenares explained that Florentino Das, then a resident of Maili, Waianae, left Kewalo Basin on May 14, 1955, aboard his 24-foot wooden boat which he called the "Lady Timarau." He constructed the boat himself from scrap material. He had no modern communication devices or navigational instruments to guide him, except for a simple compass and the stars. The boat was powered by two 25 horsepower outboard motors and a canvas sail and, of course, the sailor's strong will and determination. Mr. Das encountered several typhoons, faced life threatening situations and had to stop and repair his boat for several months on Ponape in the Micronesian islands. With the dangers and difficulties that he faced, his sponsors instructed him to abort the voyage and return to Hawaii. But he refused saying that, "Filipino national pride was at stake." So Mr. Das continued on his voyage. He passed by Truk and Yap Islands and reached the island of Siargao off the Northeastern part of Mindanao, Philippines on April 23, 1956, almost 12 months after departing from Honolulu. For his remarkable feat, he was received by then Philippine President Ramon Magsaysay who bestowed on him the Legion of Honor and made him an honorary commodore of the Philippine Navy.

Florentino Das was born in 1918 in Samar, Philippines. He stowed away to Hawaii in 1934 and died in Manila, Philippines in 1964. He was a fisherman, a prize fighter, a carpenter and a former Pearl Harbor Shipyard worker.

Mr. Colmenares explained that the FCCC selected this event because of its historical significance, its educational value and of course, the fact that it is a source of Filipino pride. This being the Filipino Centennial year, a project such as this is one way of reminding the Filipino community in Hawaii of the unique achievements of one of its own and has selected Kewalo Basin Park as the site for this project because it was there that the incredible journey started.

The FCCC is proposing to install a 20 by 24 inch bronze plaque on one of the central columns of the picnic pavilion at the Kewalo Basin Park. The plaque will be installed by a licensed contractor and will be maintained by the Congress of Visayan Organizations based on the agreement that will be entered into with HCDA. The plaque will be unveiled in ceremonies that will be held on May 14, 2006. The unveiling ceremonies will be open to the public and will include a mini exhibit of the replica of the boat and some photographic materials.

The FCCC has talked to Brian Shimokawa of the Friends of Kewalo Basin Park Association about this project and they raised no objections to it.

In closing, Mr. Colmenares emphasized that they have a May 14, 2006 target date for the unveiling of the plaque and would appreciate questions or concerns from Members of the Authority.

Chairperson Kometani asked whether there were any questions.

Member Lai asked whether there would be an Action Item in May for this project.

Mr. Dinell replied in the affirmative. The timetable is extremely aggressive because the sponsors would like to hold the dedication on May 14, six weeks from now. It takes about five weeks to fabricate the plaque itself. However, staff did not want to schedule this for action prior to receiving input from Authority Members and the public. Thus, any input would be appreciated.

Staff also wanted to control what types of memorials would be placed in the park and suggested criteria for these requests. Mr. Dinell cautioned Authority Members that should they approve this request in May, it may open the door for other organizations requesting similar memorials. Thus, it would be a good time for feedback if this is something that the Members are comfortable with or not.

Chairperson Kometani commented that he thought it was okay if the criteria were followed.

Member Mukaigawa thought it was a good thing, but was concerned about the timetable. She asked whether the May 14 date could be changed.

Mr. Colmenares responded that they would like to have the dedication on May 14, because it is the date of the anniversary, so the date is very important. If the plaque is not ready, it is possible that they may still go ahead with a ceramic plaque and then install the bronze plaque later.

Member Goshi asked whether it would be a problem if the plaque is placed at the pavilion and 20 years from now may have to be relocated somewhere else in the park.

Mr. Colmenares replied that it wouldn't be a problem because the FCCC would be entering into an agreement with HCDA.

Mr. Dinell added that this item will be placed on the agenda for action at the next meeting and staff will attach the draft agreement that was presented to the FCCC. In it, HCDA will reserve the right to relocate the plaque at its own discretion. The other thing is with the salt water; the pavilion may deteriorate and will need to be rebuilt. He asked Mr. Colmenares whether his committee had any concerns should HCDA invoke that clause and relocate the plaque sometime in the future.

Mr. Colmenares responded that as long as the plaque was in the same general area there would be no objection.

Chairperson Kometani asked whether there were any other questions. There were none.

V. ADJOURNMENT

There being no further business, it was moved by Member Goshi and seconded by Member Lai to adjourn the meeting at 11:25 a.m. The motion passed 8 to 0, with 1 excused (Member Liu) and excluding Kalaeloa Members.

Respectfully submitted,

/s/

Paul Kimura
Secretary