

SUMMARY - MEETING NO. 305
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

May 3, 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; Barry Fukunaga (for Rodney Haraga, DOT); Michael Goshi; Paul Kimura; Jonathan Lai; Theodore Liu (DBEDT); Stanley Shiraki (for Georgina Kawamura, B&F); and Katherine Thomason (for Russ Saito, DAGS).

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

Members Absent: James Kometani; Gary Kondo; Kay Mukaigawa; William Aila, Jr. (Kalaeloa Member); and Maeda Timson (Kalaeloa Member).

Others Present: Daniel Dinell; Melvin Nishimoto (Deputy AG); Matthew Akamu; Stanton Enomoto; Pearlyn Fukuba; Arnold Imaoka; Richard Kuitunen; Deepak Neupane; Teney Takahashi; and Jill Sugihara; (also, see Meeting Attendance Record).

I. ROLL CALL

Vice Chairperson Goshi stated that Chairperson Kometani was unable to attend and that he would be conducting the meeting. The meeting of the Hawaii Community Development Authority (HCDA) was called to order on May 3, 2006, by Vice Chairperson Michael Goshi at 9:05 a.m. with the following roll call:

Member Chun	Present
Member Fukunaga	Present
Member Goshi	Present
Member Kimura	Present
Member Lai	Present, Arrived at 10:00 a.m.

Member Liu	Present
Member Shiraki	Present
Member Thomason	Present
Member Chinn	Present, Left at 9:40 a.m.
Member Eng	Present, Left at 9:40 a.m.
Member Souza	Present, Left at 9:40 a.m.

MATERIALS DISTRIBUTED

1. Amended agenda for May 3, 2006, Meeting;
2. Summary Minutes of Authority Meeting of April 5, 2006;
3. Report of the Executive Director;
4. Kalaeloa Status Report;
5. Action Item: Recommend Approval for the Filipino Centennial Celebration Commission to Install a Commemorative Plaque at Kewalo Basin Park in Honor of Mr. Florentino Das; and
6. Information Item: PowerPoint presentation regarding the Proposed Establishment of an Advisory Committee to Recommend the Most Beneficial Use of the Waterfront Lands included in the January 12, 2005, Request for Proposals (distributed via e-mail).

II. APPROVAL OF MINUTES

1. Minutes and Summary

Vice Chairperson Goshi asked whether there were any corrections to the minutes of the regular meeting of April 5, 2006. There were none. It was moved by Member Thomason and seconded by Member Souza to approve the minutes as written. The motion passed 10 to 0 with 1 excused (Member Lai).

III. ITEMS FOR ACTION – DISCUSSION AND/OR DECISION MAKING

2. Recommend Approval for the Filipino Centennial Celebration Commission to Install a Commemorative Plaque at Kewalo Basin Park in Honor of Mr. Florentino Das

Vice Chairperson Goshi reminded the Kalaeloa Members that they would not be voting on this issue as it was a Kakaako-related matter.

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

Mr. Kuitunen reported that this item was presented as an Information Item at the April 2006 Authority meeting. Mr. Kuitunen stated that the plaque honoring Mr. Florentino Das would be located at the Kewalo Basin Park pavilion on a column facing Mauka so that visitors would easily be able to see it.

In allowing for commemorative memorials, staff developed the following requirements:

- 1) It is associated with events that have made important contributions to the broad patterns of history related to Kakaako and the park areas in particular;
- 2) It is associated with the lives of persons important to the history of Kakaako and the park areas in particular;
- 3) It embodies distinctive characteristics, works, events or artistic achievements relative to Kakaako and the park areas in particular;
- 4) It provides a lesson or message that has significance for both Hawaii residents and visitors;
- 5) It has important value to native Hawaiian people, or to another ethnic group of the state, due to associations with cultural practices once carried out, or still carried out, achievements or events in Kakaako and the park areas in particular associated with the group's history and cultural identity; and
- 6) It has a sponsoring organization that will be responsible for the ongoing upkeep and maintenance of the memorial.

Mr. Kuitunen stated that the proposal met all of the above requirements. Therefore, staff recommends approval for the Filipino Centennial Celebration Commission to install the commemorative plaque at Kewalo Basin Park in honor of Mr. Florentino Das and to authorize the Chairperson to enter into an agreement with the Congress of Visayan Organizations for the ongoing maintenance and other conditions related to the plaque.

Mr. Kuitunen pointed out that Mr. Jun Colmenares, Commissioner with the Filipino Centennial Celebration Commission, was in attendance to answer any questions that Members may have.

Vice Chairperson Goshi asked whether Members had any questions. There were none.

Vice Chairperson Goshi requested a motion to adopt staff's recommendation. It was moved by Member Fukunaga and seconded by Member Thomason to adopt staff's recommendation. A vote was taken and the motion was approved 7 to 0 with 1 excused (Member Lai) and excluding Kalaeloa Members.

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 in response to Member Kimura's question at April's Authority meeting, the dirt mounds by the Children's Discovery Center is excavated material from ID-12 (improvement of Ahui/Ohe/Olomehani Streets). The dirt is being stockpiled there because that is the location of the new parking lot and some of the material will be used as fill. The material is also being used to backfill the trenches for the new infrastructure. The rest of the material is scheduled to be taken off site. The contractor, Hawaiian Dredging, had planned to remove some of the mound and start filling the area earlier; however, due to the recent heavy rains, the material got saturated and they are now waiting for it to dry out. Hawaiian Dredging is planning to move out the material and start grading the area in the next month, weather permitting.
- As of Monday, May 1, 2006, the State's housing agency, the Housing and Community Development Corporation of Hawaii (HCDCH), established an emergency transitional homeless facility in Kakaako. It's an initiative called "Next Step" which underscores the transitional intent of the project. This came as a result of a meeting held on Monday, April 24, 2006, with State officials, faith based groups, and service providers because of the impending crisis in which the churches could no longer accommodate the homeless who were displaced from Ala Moana Park. HCDCH's goal is to provide a facility that is safe and secure for the women, children and men to sleep at night and store items during the day.

Various government agencies were asked to consider what facilities they may have to meet this goal. CFS#3 warehouse, a facility owned by HCDA located Ewa of the Kakaako Waterfront Park, was selected as the most favorable of all the sites reviewed. HCDA granted HCDCH a revocable month-to-month

lease at \$1 per month plus utility expenses. Since this was within the powers and purview of the Executive Director, no Authority action was required.

The facility is open from 5:00 p.m. to 8:30 a.m. daily. Security and the quiet enjoyment of tenants and neighbors is a high priority for staff along with the safety of those utilizing the facility. Interior and exterior security are being provided. HCDA has placed stringent requirements in the lease with regard to undesirable behavior/activity. HCDCH contracted outside vendors to provide management and services for this initiative.

While the immediate focus is on those displaced from Ala Moana Park in March, other homeless individuals and families will be accommodated on a space available basis. The goal is to transition individuals and families out of this location as soon as the person is ready and there is space available in a transitional shelter or rental accommodation. The period of time the facility will be in use is expected to be eight to ten months. HCDA is also working with HCDCH on possible transitional housing to help with the next step.

Mr. Dinell thanked Richard Kuitunen and Alex Kagawa from the Asset Management staff and Deputy Attorney General Mel Nishimoto for expediting the necessary paperwork in this crisis situation. Staff from the Department of Accounting and General Services (DAGS) should also be commended for transforming the warehouse facility into something livable in a three-day period.

- The Housing Subcommittee met twice in April 2006. The Subcommittee expressed a need to ensure that the public is fully involved in the review and revision process of any of HCDA's reserved housing rules. As a result, the policy recommendations will undergo public review and discussion for all interested parties with consideration given to Kalaeloa as well. Revisions will be researched, and recommendations for Rule Amendments will be made to the Authority in the future.

The proposed Rule Amendments will then be reviewed by the Small Business Regulatory Review Board and a public hearing scheduled thereafter. A second public informational meeting will be scheduled before the public hearing to ensure that the final Rule Amendments include significant public involvement. An Action Item is anticipated in early 2007, followed by a recommendation by the Small Business Regulatory Review Board to the Governor. Staff anticipates the new rule changes could go into effect sometime next year.

Mr. Dinell commented that the process is not as fast as some Members may want, but there is a need to balance speed with opportunities for public input. On April 12, 2006, Mr. Dinell participated in a panel discussion at the Legislature organized by the House Committee on Housing on “How to Build Affordable Homes in Hawaii.” One of the challenges mentioned by those participating on the panel whose organizations provide affordable housing was that a big cost was the long governmental approval process. Other items identified as impediments to the creation of affordable housing include: lack of financing, scarcity and high price of land, and the cost of offsite infrastructure.

- The Department of Transportation (DOT) Harbors continues work on demolishing the vacant GRG, or fish auction, site buildings. The contractor was nearing completion of demolishing the structures and hauling out the debris, but was directed to stop work by the State Office of Historic Preservation because the Save Our Kakaako Coalition requested a historic review of the ice chute and adjacent building. Since the demolition was fully permitted and contracted, delays will cause economic damages. The DOT-Harbors and HCDA are attempting to reach an accord with the State Office of Historic Preservation in order to complete the job.
- Based on the University of Hawaii (UH) report at April’s Authority meeting, HCDA responded to their letter on the Cancer Research Center of Hawaii (CRCH) acknowledging the UH’s challenges in providing a definitive development program until funding was approved by the Legislature. The Legislature is acting on a bill that would increase the cigarette tax and provide a portion of its revenue to fund the center. Staff has asked the UH to inform the Authority once it makes a firm decision on the development of the CRCH, so that discussions can begin again on their land needs in Kakaako.

The Hawaii Science and Technology Council will be hosting a community discussion on Thursday, May 25, 2006, regarding the proposal to locate a Regional Biocontainment Laboratory on the campus of the Medical School. At the April 2006 Authority meeting, the Authority commented on the need to incorporate community input into the University’s process. Mr. Dinell also brought the issue up at the Ala Moana/Kakaako Neighborhood Board meeting in April.

- Mr. Dinell presented the legislative recap and noted that for the bills being reviewed, the Governor still needs to decide whether to sign it into law, let it become law without her signature, or veto it.

- SB 2090 will make procedural changes for HCDA - requiring the Authority to separate a decision-making meeting from public hearing and notifying the Senate President and Speaker of the House of any public hearing and provide a follow-up report.
- SB 2487 adds two more Members to the Authority; one to be selected by the Governor from a list of three names recommended by the Speaker of the House and the other from another list recommended by the Senate President.
- Confirmation hearings were held for the reappointment of Kalaeloa Members Souza and Timson; vote on their respective confirmation by the full Senate is scheduled for May 4, 2006. Additionally, replacements for Chairperson Kometani and Member Kondo have been named and were confirmed on May 2, 2006. They are Amanda Chang-Kwak and C. Scott Bradley whose terms begin on July 1, 2006.
- HB 1880 transfers ownership of the lands Ewa of Forrest Avenue from the Kakaako Community Development District to the Department of Land and Natural Resources (DLNR) and grants administrative authority to DOT and the Foreign-Trade Zone.
- HB 2555 prohibits the sale of fee simple interest in any HCDA-owned lands. The bill also prohibits residential use in all lands Makai of Ala Moana Boulevard; this would affect privately owned parcels as well as HCDA parcels.
- House Concurrent Resolution 30 urging the HCDA to immediately rescind any contract or agreement awarded, or commitment made, for the development of the Kakaako Waterfront area, has passed with an amendment in the Senate that the House has agreed to. The resolution urges the Authority to establish a Working Group to help determine the future of the Waterfront lands. An Informational Item is on the agenda to discuss this in further detail.
- A resolution (HCR 218) requesting the High Technology Development Corporation to collaborate with HCDA, UH, Department of Education (DOE), DLNR, Kamehameha Schools and the Hawaii Science and Technology Council on a comprehensive medical and life sciences research and technology park in Kakaako, passed both the House and Senate.

- Another resolution (HR 233) requesting HCDA to work in collaboration with the DLNR, Department of Budget and Finance, and Department of Business, Economic Development and Tourism (DBEDT), to develop a viable financial plan to assist Honolulu Marine with the construction of its facilities at Keehi Lagoon, passed the House.
- The Senate passed a resolution (SR 43) requesting the Legislative Reference Bureau study and evaluate the feasibility of establishing an economic redevelopment agency for the urban core of Honolulu. HCDA is being asked to serve as a resource based on its success in delivering reserved housing and creating a vibrant urban fabric. The committee report stressed that establishment of such an agency would likely fall under the City.
- A concurrent resolution (HCR 75) was passed focusing on the establishment of McKinley High School's physical education and athletic programs and facilities. The DOE is to report on the possibility of a design-build approach on the site of the former Kapiolani Community College on the corner of Pensacola and Kapiolani. This is within the Kakaako Community Development District. Moreover, the resolution urges a public-private approach with developers in the area to build the facility for the school.

Items that have died or have no impact on HCDA include:

- A bill to convert existing exempt positions to civil service passed, but excluded HCDA in the final language.
- All legislation requiring legislative pre-approval for sale of state lands, not just for HCDA, but other agencies as well did not pass.
- A resolution calling for a management audit of HCDA by the Legislative Auditor passed the House, but did not clear the Senate. The Auditor only conducts audits when both houses concur.
- The bill establishing a new Kakaako central small business district, giving that area to the City and stopping all infrastructure and street improvements, failed.
- The bill to establish a new community development district in the Liliha-Palama area under the jurisdiction of HCDA has also died.

Bills affecting the Kalaeloa district include:

- HB 2833 calling for a prison in Kalaeloa cleared the House, but was not heard in the Senate.
 - No monies were included in the State budget for Kalaeloa despite some proposed legislation.
 - The motor sports facility tax credit has died. Although there were news reports on the efforts at the City-level for acquiring the existing raceway park, which is outside of Kalaeloa district boundaries, continues to be pursued.
- A clean up effort at the Historic Ala Moana Pump Station is scheduled for Sunday, May 21, 2006. Mr. Dinell used this opportunity to remind the Authority that there will be some site improvements on the Diamond Head side of the property to create a small parking lot, and install a water meter and irrigation system. Any revenue generated is earmarked for further preservation and stabilization of the Pump Station. There was a short article that appeared in the Honolulu Advertiser on May 2, 2006, calling for public comment to the draft Policy and Development Strategy Plan, which is posted on HCDA's website. Comments are due on May 3, 2006.
 - The latest issue of HCDA's newsletter has been distributed and posted on the HCDA website. The newsletter is sent out three times a year to 8,500 addresses, mostly in Kakaako, but includes all elected officials at all three levels of government as well as anyone who expresses an interest to be on the mailing list. A featured story is the call for public input on the draft plan for the Historic Ala Moana Pump Station and developable lands in the Ewa portion of the Kakaako Makai Area. So far, the only feedback received was from attendees at the last HCDA meeting. Another article features the Mauka Area Plan and Rules review. A public information meeting is being scheduled for late May/early June. Mr. Dinell announced if anyone is interested in being notified of such meetings in the future to e-mail or call as directed in the article.
 - The Salvation Army announced an \$80 million grant award for the establishment of the Kroc Community Center just Mauka of the district boundary along North-South Road. While not in the district itself, the center is to be located on a Department of Hawaiian Home Lands (DHHL) parcel, which can be effectively connected with the mixed-use development along the northern edge of Kalaeloa. Along with this development, the acceptance of the Master Plan should fuel the momentum to move Kalaeloa forward.

- Mr. Dinell announced that he would be on vacation from May 17 through June 2, 2006, returning to the office on June 5, 2006, during which time Teney Takahashi will be in charge of the office.

Vice Chairperson Goshi asked whether there were questions on the Executive Director's Report.

Member Liu echoed Mr. Dinell's thanks to the staff on their efforts for the emergency transitional shelter for the homeless. A comment at the blessing was that rarely have people seen State Government move so fast, and it was for an important and worthy cause. Member Liu commented that people are surprised to hear how much reserved housing, additional park space and infrastructure improvements HCDA has been able to provide in the Kakaako district. Due to recent attention surrounding the Kakaako Makai, people lose sight of the fact that HCDA has delivered a lot of reserved affordable housing for the residents of Hawaii. The homeless shelter is another example of the great contribution and service that the Authority can make to supply the needs of those in the community. Ironically, the shelter is located in the Kakaako Makai area and is not the typical residential units some people thought the Authority was focused on.

Member Liu suggested that HB 2555, which puts some condition on the sale of HCDA-owned lands, be placed on the next Authority's meeting agenda for discussion. Not only does the bill subject any transfer of fee of HCDA-owned lands in Kakaako Makai, but it also bans residential in all of Kakaako Makai which impacts private land owners in the area as well. That is a question that will need to be looked at. The Authority needs to determine whether it wants to take a position or not.

Member Shiraki agreed with Member Liu, but also thought it should be more than a discussion and that the attorneys and staff should look at the pros and cons of the issue.

Member Fukunaga commented that regardless of the position one takes on any of the issues brought forward, this particular session of the Legislature was unusual in the amount of activity dedicated on Kakaako and Authority issues. He recognized and acknowledged Mr. Dinell's efforts in representing the Authority at the Legislature and commended him on a job well done.

Vice Chairperson Goshi also commented that it was a tough and challenging session and sometimes the message is easily forgotten, but Mr. Dinell was able to carry the message across.

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 Kalaeloa Master Plan copies have been transmitted to the Governor and the U.S. Navy for their respective approval and concurrence, and action is pending.

The DBEDT Director approved the selection committee's recommendation on the ranking of the qualified consulting firms to begin the community development Administrative Rule making process. Staff is in discussion with the first ranked consultant. Should staff be unable to negotiate an agreement with the first ranked consultant, they will proceed to the second ranked consultant. Mr. Enomoto noted that by statute the notice to proceed cannot be issued until the Governor approves the Master Plan. He further noted that once the rules go through the public hearing process and are adopted, they will supersede all other zoning and planning rules for the district.

Mr. Enomoto reported that the Chaminade University Business Club conducted a second litter clean up in Kalaeloa on Sunday, April 16, 2006. Previously, members of the club cleaned the area along Roosevelt Avenue and this time they worked at the City-licensed beach park. It has turned out to be a good partnership with them and Ms. Fukuba continues to coordinate the volunteer activities in the district.

As a follow-up from comments raised on public safety issues at the April Authority meeting, staff has scheduled a meeting with the Navy Security Office and the Honolulu Police Department on Monday, May 8, 2006.

Mr. Enomoto reported that the U.S. House of Representatives Armed Services Committee passed the military construction budget which included specific language to Kalaeloa in regards to the Ford Island Development. This legislation was introduced by Congressman Neil Abercrombie. At the time the base closed, the Navy retained land mostly along the northern portion of Kalaeloa to assist in its development at Ford Island. The lands there could be sold or leased with the proceeds used to make improvements at Ford Island. However, with the discussion of homeporting the aircraft carrier, the lands became dormant. The intent of the legislation is to motivate the conveyance or leasing process, which in turn would encourage development of the area especially with the amount of growth in the Kapolei region and impending

mass transit decision. The language in the Armed Services Committee bill directs the Navy to sell or lease approximately 500 acres of land by September 30, 2008. The bill has to move through the full House before making its way to the Senate. Mr. Enomoto will continue to track this piece of legislation.

Mr. Enomoto also noted that the Kroc Community Center is located just Mauka of the Kalaeloa boundary. However, with the proposed extension of a connector road into Kalaeloa, it would be in close walking distance, making it very accessible to the Kalaeloa community as well as to the commercial development on DHHL's 60-acre parcel.

Vice Chairperson Goshi asked whether there were any questions. There were none.

B. Kalaeloa Navy Report

Mr. Enomoto introduced Lynn Tanaka from the U.S. Navy and Claude "Buff" Shaw, the U.S. Navy Region Public Safety Director, and asked them to provide updates and respond to comments raised at the April Authority meeting.

Ms. Tanaka reported that the Navy's short-term leasing program team is inspecting the area with their broker, Colliers Monroe Friedlander. They have discovered that some buildings are in disrepair. The Navy is looking at cleaning up the grounds and contemplating an adopt-a-block program; however, they need to look at the environmental and safety issues involved. When they realized that they were in close proximity to Barbers Point Elementary School, they decided to clear the overgrown grass, shrubs and trees surrounding the vacant buildings.

Ms. Tanaka introduced Claude "Buff" Shaw to address the issues on public safety and patrol of the areas.

Mr. Shaw stated that there were a few specific questions that came from the previous meeting on the Navy's presence of security in the district. He reported that the Navy has a 24-hour daily patrol in that area. The second question asked was about setting up a substation in Kalaeloa and Mr. Shaw responded that they do not have the resources to do that. Mr. Shaw stated that they have gone forward to ask permission to establish a second patrol that would be in the area and have been given that authorization; however, they have not been provided resources for that yet. They are currently looking at budget costs to establish the patrol and then secure additional officers. The

Navy Security Office Personnel will meet with the Honolulu Police Department - Kapolei Station command officers to discuss issues to establish response protocols for Kalaeloa.

Vice Chairperson Goshi asked Members whether there were any questions. There were none.

There being no further comments, Vice Chairperson Goshi called a recess at 9:40 a.m. to allow Kalaeloa Members (Members Chinn, Eng, and Souza) to depart, as the remaining agenda item was Kakaako related.

The meeting reconvened at 9:45 a.m.

C. Proposed Establishment of an Advisory Committee to Recommend the Most Beneficial Use of the Waterfront Lands included in the January 12, 2005, Request for Proposals

Vice Chairperson Goshi reminded the audience that this was an Informational Item and that no action would be conducted at this time.

Teney Takahashi summarized the Information Item in a PowerPoint presentation.

Mr. Takahashi reported that over the past few months, both the community and Legislature have complained that that Waterfront Plan did not get enough public input. The problem may have been that most of the public dialogue took place in the mid to late 1990's so people may have forgotten about it. However, the reality is that in order to make any progress, HCDA will have to solicit more public participation. Therefore, staff acknowledges this practical reality and proposes a concept to garner more public involvement.

If the Authority concurs, HCDA will establish a Waterfront Advisory Committee by: appointing committee members; defining tasks; setting schedules; and providing staff and consultant support. The Waterfront Advisory Committee will involve key stakeholder groups and may consist of 10 to 15 committee members who will serve pro bono. The committee membership will involve members from Kakaako community groups, professional organizations, economic and labor organizations, area landowners and tenants, environmental organizations, and HCDA.

The Executive Director will first ask stakeholder groups to participate. The stakeholder groups will then propose a committee member candidate. The Executive Director will recommend the committee member candidates to the

Authority and the Authority will approve or disapprove committee member selection. No substitutes will be allowed if a member cannot attend a meeting.

HCDA will be responsible for appointing the advisory committee, establishing the mission, setting initial meetings, suspend the RFP process, select an interim facilitator to organize the committee, and provide funding to support the entire process.

The organizational agenda will include establishing the mission, schedules, operating rules, and selecting an acceptable facilitator.

The Waterfront Advisory Committee will be responsible to set the goals; review existing proposed plans, rules and processes (including procurement law); conduct community meetings; communicate with the groups they represent; consider development alternatives; provide recommendations and the rationale for its recommendations; identify the means for funding development and maintenance of the waterfront project; and recommend an implementation sequence. The process should also include review of the selection process because State procurement laws prohibit public review of the development proposals prior to selection which could impede community input.

Before proposing an Action Item, staff intends to wait until adjournment of the Legislature so the effects of any legislation can be assessed. In the meantime, staff intends to identify stakeholder groups and committee candidates and determine if they are able to participate.

Vice Chairperson Goshi asked whether the Members had any questions.

Member Liu requested clarification on the concept of a facilitator.

Mr. Takahashi responded that staff anticipates that these sessions will be full participation of 10 to 15 members so someone is needed to orchestrate that many people at the same time. In addition, the facilitator can steer or keep in mind the mission/objectives of the group. The facilitator would remain impartial, but will help maintain decorum in sticking to the subject matter.

Mr. Dinell added that staff thought to kick off the process there would be an interim facilitator. Since the agency is subject to procurement rules, three or four suitable professional facilitators would be asked to present to the advisory committee how they would operate the meeting and make their proposal, the advisory committee would then select its own facilitator.

Member Liu stated that HCDA would provide the funding to pay for the facilitator's services. The key factor is that it would be an independent professional facilitator who would not represent a particular point of view, but would be beholden to a process to get everybody into a consensus decision.

Mr. Dinell responded in the affirmative and added that the facilitator would be selected by the advisory committee itself.

Mr. Takahashi added that the facilitator needed to be independent and affordable.

Member Thomason asked how staff would go about educating the committee on the procurement process.

Mr. Takahashi suggested having at least one staff member to go over the basic constraints with the committee so there would be an appreciation by the committee members as to what they may have to deal with. Also the entire process may have to be scrutinized by a procurement attorney and the procurement office.

Member Liu asked whether the group would review existing proposals and entertain new proposals.

Mr. Takahashi responded in the affirmative, but commented that since the proposals were so encompassing, it would be difficult to come up with new ideas and those would be subject to State procurement law.

Member Thomason commented that she thought this project was a big economic decision. She asked whether someone from the business community with accounting or finance background would be on the committee because often people may think a project looks good, but they are unsure whether the cost is reasonable.

Mr. Takahashi stated that one of the measurements was to ensure that the results identified the means.

Member Thomason responded that it was intended that the membership would include a financial person that could assist the group as part of the team.

Mr. Takahashi replied in the affirmative. Key points for the Waterfront development have already been established and one of them is an economic balance between the proposals and the reality to build and operate it.

Member Liu commented that the business community participation would be very important. He cited the \$80 million Kroc Community Center as an example. The funding to create the facility was nice, but creating the funding to maintain the building became the challenge. Don Horner, First Hawaiian Bank Chief Executive Officer is raising an endowment fund to maintain the facility.

Member Shiraki questioned whether suspending the RFP process meant termination.

Mr. Takahashi responded that it could be either. A large part depends on the desire of the Authority. He mentioned that HCDA and A&B Properties, Inc. have no legal obligations to each other at this time.

Member Liu added the Authority could also choose to do nothing.

Vice Chairperson Goshi commented that one of the things the group can do is to reevaluate the philosophy of what HCDA is trying to do. The ideas were generated in the 1970's and times change. It may be a good time to go back and reestablish those kinds of basic philosophical criteria.

Mr. Takahashi responded that several points were made about reiterating the mission and that would be the basis of which all the work would be done. He agreed that there was a need to reestablish where the agency was headed.

Member Liu commented that by the list of participants it looked like HCDA's involvement would only be one or two members.

Member Thomason questioned whether HCDA membership would be from staff or Authority Members.

Mr. Takahashi responded that the current thinking was Authority Members.

Member Liu added that it could be a mix.

Mr. Takahashi replied that staff would be needed for the technical questions that routinely come up.

Member Thomason commented that this is an unusual subcommittee and asked whether it would be subject to Sunshine Law requirements.

Deputy Attorney General Melvin Nishimoto responded that he had a call into the Office of Information Practices (OIP) regarding that question and OIP is looking into it.

Mr. Dinell pointed out that the Economic Momentum Commission, which was formed by the Governor without Legislation, chose to be subject to Sunshine Law. Staff is researching the issue and will know more after OIP responds. Even if OIP says it does not have to follow the Sunshine Law, the Authority can still choose to subject the committee to Sunshine Law in order to raise it to a higher public standard.

Member Thomason commented that Members of the Legislature have been invited from time to time to participate in advisory committees and asked whether there were any plans to include anybody from this district on the committee.

Mr. Takahashi responded that the Legislature is one of the stakeholder groups that have been identified, but he was unsure whether the Speaker of the House or Senate President would participate themselves.

Vice Chairperson Goshi noted that many times the facilitator will create a list of potential members.

Member Fukunaga questioned what process was being envisioned and whether the specific proposal would be brought up for adoption at the next Authority meeting.

Mr. Takahashi responded that the Action Item would likely be brought up for adoption a couple of Authority meetings down the road since it would take some time to organize the structure and invite the participants.

Vice Chairperson Goshi commented that the idea is to keep an open mind and to organize it in a way to get feedback from interested parties.

Mr. Takahashi noted that the genesis of this idea concept came up after Member Anderson provided an article about a public-private development in Vancouver, Canada in which an advisory committee was made up of professionals on one hand and lay people on the other. Therefore, this was an idea that staff had been thinking about for quite some time because of the way things were going with public and legislative sentiment with regard to the Waterfront RFP.

Member Lai arrived at 10:00 a.m.

Vice Chairperson Goshi asked whether anyone from the audience wished to make a statement. He reminded them to keep their comments related to the agenda item.

Mr. Les Among, Legislative Aide from Representative Anne Steven's Office and a member of the Waikiki Neighborhood Board, commented that it would be a fantastic idea to have the elected officials who represent the Kakaako district to participate on the advisory board. He noted that Representative Anne Stevens and Senator Gordon Trimble are very much interested in what is happening in Kakaako and their input would be valuable to the committee and play an important role in what the final draft of the Waterfront plans would be.

Mr. Takahashi commented that the protocol would be to extend the invitation to the Speaker of the House and Senate President and they would decide whether they would participate or select someone to represent them.

Mr. Among replied that he understood, but offered his opinion that the Senator and Representative should be on the advisory committee as this was their elected districts.

Ms. Nancy Hedlund is a member of the Ala Moana/Kakaako Neighborhood Board, but spoke as a private citizen. She commended the Authority for the homeless "Next Step" project and commented that it was heartening that something could be done so fast. Ms. Hedlund commented that the advisory committee was a great idea and wonderful beginning to work from. Since she does strategic planning, she commented that participatory planning is messy because everybody wants to pitch in so she thought having a facilitator was a good idea and even better that the group would select the facilitator. Ms. Hedlund noted that the mission has implicit values, but sometime it is good to go all the way back and reach a consensus about the values that need to be respected including what is fair to the environment, community, economics and in humanistic terms.

Another thing Ms. Hedlund mentioned was that listening to people isn't enough. When people are listened to, but have no impact on what's happening, they don't feel like they were listened to. In her opinion, everyday people needed to be included in the process. There are some people who may not feel a stakeholder group represents their best interest so everyday people's input should also be considered. Care would have to be taken to not replicate the HCDA, but to create a process that gives endorsement amidst all the conflict that took place over the past year.

Mr. Ron Iwami, President of the Friends of the Kewalo Basin Park Association and leader of the Save Our Kakaako Coalition, commended HCDA for being proactive in setting up the advisory committee which is something that his group has been asking for with the intent of getting more public input into the process. He stated that the groups that he represents would actively participate and want to be on the advisory committee to give its input into the planning process.

Ms. Shannon Wood, Windward Ahupuaa Alliance, shared that back in the early 1970's she was asked to participate in a group to create a vision for the Kakaako area. Though the group had spent hundreds of hours and turned in their report to the Legislature, they did not hear about it again. She cautioned when asking people to participate in a group such as this, that its work will result into something.

Vice Chairperson Goshi reminded the speakers to keep their comments on the advisory committee.

Ms. Michelle Matson, a leader of the Save Our Kakaako Coalition, thanked the Authority for this informational discussion in accordance with House Concurrent Resolution 30, to establish a working group to meaningfully participate in the development, acceptance and implementation of any future plans for Kakaako Makai. She stated that it would be very important for the proper planning process to improve the public shoreline for future generations.

Ms. Matson requested HCDA to summarize the specific development guidelines outlined in the January 12, 2005 RFP in consideration of the bill adopted at the Legislature, which prohibits both residential development and the sale of state lands in Kakaako Makai.

Ms. Matson stated that the most beneficial use needs to be determined by a consensus that supports the diverse public interest in Kakaako Makai lands, not of isolated private special interests and that after a determination is made, perhaps a revised RFP may be necessary.

Ms. Matson suggested the inclusion of an independent planning expert such as Dr. Luciano Minerbi, a faculty member of the UH Department of Urban and Regional Planning; Senator Trimble; and Representative Stevens, both

elected officials from the Kakaako district; and Nancy Hedlund, Neighborhood Board Member to participate on the advisory committee.

HCDA needs to establish a community based advisory committee for the Mauka side of the Kakaako Community Development District as well. By doing this, the vital small business sector of this community would also be given a voice in their future.

Mr. Dinell clarified that there is a Mauka Advisory Committee that has been established and Dexter Okada serves on that committee representing the small businesses.

Ms. Matson responded that there needs to be a little more inclusiveness.

Vice Chairperson Goshi asked whether there were any further questions. There were none.

V. ADJOURNMENT

There being no further business, it was moved by Member Liu and seconded by Member Thomason to adjourn the meeting at 10:20 a.m. The motion passed 8 to 0, excluding Kalaeloa Members.

Respectfully submitted,

/s/

Paul Kimura
Secretary