

SUMMARY - MEETING NO. 309
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

September 6, 2006 – 9:00 a.m.

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

ATTENDANCE

Members Present: C. Scott Bradley; Amanda Chang; Grady Chun; Barry Fukunaga (for Rodney Haraga, DOT); Michael Goshi; Paul Kimura; Jonathan Lai; Theodore Liu (DBEDT); Kay Mukaigawa; Stanley Shiraki (for Georgina Kawamura, B&F); and Katherine Thomason (for Russ Saito, DAGS).

Kalaeloalo Members: Linda Chinn (for Micah Kane, DHHL); Kathy Sokugawa (for Henry Eng, DPP); and Maeda Timson.

Members Absent: William Aila, Jr. and Evelyn Souza (Kalaeloalo Members)

Others Present: Daniel Dinell; Nalani Wilson-Ku (Deputy AG); Matthew Akamu; Gloria Chong; Stanton Enomoto; Pearlyn Fukuba; Arnold Imaoka; Alex Kagawa; Richard Kuitunen; 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 September 6, 2006, by Chairperson Michael Goshi at 9:00 a.m. with the following roll call:

Chairperson Goshi	Present
Member Bradley	Present, Left at 10:54 a.m.
Member Chang	Present, Arrived at 9:05 a.m.
Member Chun	Present, Arrived at 9:15 a.m.
Member Fukunaga	Present

Member Kimura	Present
Member Lai	Present
Member Liu	Present, Arrived at 9:03 a.m., Left at 10:24 a.m.
Member Mukaigawa	Present
Member Shiraki	Present, Arrived at 9:15 a.m.
Member Thomason	Present
Member Chinn	Present, Left at 9:56 a.m.
Member Sokugawa	Present, Arrived at 9:05 a.m., Left at 9:56 a.m.
Member Timson	Present, Left at 9:56 a.m.

MATERIALS DISTRIBUTED

1. Agenda for September 6, 2006, Meeting;
2. Summary Minutes of Authority Meeting of August 2, 2006;
3. Report of the Executive Director;
4. Kalaeloa Status Report;
5. Information Item: Update on the Formation of the Waterfront Advisory Working Group;
6. Information Item: Preliminary Plans for Transition of Kewalo Basin Management;
7. Action Item: Recommend Approval to Authorize the Executive Director to Consent to the Assignment of Two-Thirds Interest in Lease for the Radio Tower Site in Kakaako Makai from Hochman-McCann Hawaii, Inc. to Salem Media of Hawaii, Inc.; and
8. Action Item: Recommend Approval to Revise the Joint Development and Planned Permit (PD 2-05) Approved on December 7, 2005 for the Moana Vista Project, and Authorizing the Executive Director to Administratively Amend the Development Permit for Development of Parcel 40 (TMK: 2-3-3:40) and Set Aside up to \$5.6 Million in Public Facility Funds to Acquire Public Parking Spaces.

Chairperson Goshi announced that Deputy Attorney General Melvin Nishimoto was unavailable; therefore, Deputy Attorney General Nalani Wilson-Ku is filling in for him.

II. APPROVAL OF MINUTES

2. Minutes and Summary

Chairperson Goshi asked whether there were any corrections to the minutes of the regular meeting of August 2, 2006. Member Bradley asked for a

correction on page 27 whereby it states, "...recuse himself from the discussion as his firm may have a potential interest in the project." He stated that his firm does not have an interest in the Moana Vista project, but it did represent developer KC Rainbow in the sales of its sister-project, Moana Pacific and because the matter before the Authority relative to Moana Vista involved transfer of industrial and commercial uses between the two projects, there is a potential conflict. The minutes were corrected to read, "...recuse himself from the discussion as his firm represented KC Rainbow in the sales of Moana Pacific and since there is a transfer of industrial use between the Moana Pacific and Moana Vista projects, there is a potential conflict of interest." It was moved by Member Mukaigawa and seconded by Member Bradley to approve the minutes as corrected. The motion passed 9 to 0, with 5 excused (Members Chang, Chun, Liu, Shiraki, and Sokugawa).

Chairperson Goshi requested that the minutes reflect that Member Liu was in attendance.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Daniel Dinell noted that the full Executive Director's report was enclosed in the packet distributed to the Authority Members, and highlighted and updated the following:

- Mr. Dinell reported that staff is continuing review of the Mauka Area Plan and Rules. Staff is preparing for advisory committee and focus group meetings. Based on public input and comments, project consultant PlanPacific, will address the following concepts and issues at the October Authority meeting.
 1. Identifying and recognizing sub-districts and neighborhoods within the Kakaako district, which will include creating appropriate guidelines for urban design within these neighborhoods and subdistricts.
 2. Focusing on small lot development standards, including higher density for properties, which have enhanced infrastructure provided through an Improvement District.
 3. Emphasizing parks and recreational opportunities for residents.
 4. The need for multi-modal transportation facilities including better streetscapes and bicycle facilities.
 5. A parking plan for the district.

6. Consideration of planning for the Mauka and Makai Areas as one district, which is something, the plan already does, but adjacencies in terms of use and connectivity need to be highlighted.
 7. The possible need for a Supplemental Environmental Impact Statement to assess proposed amendments especially as they relate to density and traffic.
- Staff was asked to examine dedication timing to the City and County of Honolulu (City) of Improvement Districts (ID) and concluded that the work can be built to City standard, but dedication to the City can be delayed. This could, for instance, allow businesses to use the curb lane frontage for parking and can be considered for ID-11, improvements to Queen Street from Kamakee Street to Ward Avenue.
 - There was no notice of intent to bid submitted prior to the deadline for lease of lunch wagon locations at the Kewalo Basin and Kakaako Waterfront Parks. Accordingly, the Invitation for Bid was cancelled; however, since then, two interested vendors have come forward. Staff is considering a month-to-month lease for this use.
 - Mr. Dinell went into depth on park related issues.
 - HCDA Asset Management staff held a meeting with park stakeholders to disseminate the summary of park questionnaire shared at the August 2, 2006 Authority meeting. Staff answered questions posed and stressed that HCDA had a continual interest in receiving the public's suggestions, questions and concerns about park operations. A summary of comments has been posted on the HCDA website along with a request for additional input.
 - Staff has discussed the cleanliness and stocking of the restrooms with State Parks personnel. In addition to regular cleaning during the day, staff has requested that State Parks personnel check all restrooms prior to their shift end. Staff is considering adding an additional comfort station check after park staff leaves at 2:30 p.m. New toilet paper dispensers were installed in the last week of August. This is an ongoing challenge because as soon as dispensers are put in they are often vandalized. Mr. Dinell distributed pictures of the vandalism in the park. State Parks personnel have also advised staff that many times the paper products are stolen right after the comfort stations have been cleaned and stocked. Improved lighting in restrooms and

the possibility of locking the two Makai comfort stations at night is also being considered to enhance safety and reduce vandalism.

- Staff is researching alternative graffiti removal products that may result in easier clean up, but recently the parks are being increasingly targeted.
- One strategy to combat the graffiti is to zebra paint the graffiti. The taggers don't like this type of paint over because it ruins their work and does not provide a fresh canvas from which to do more damage.
- In regard to the wall around the Children's Discovery Center, staff is considering planting an ivy type plant or painting a mural when the parking lot is constructed to serve as a deterrent to graffiti. Staff is in contact with the Outdoor Circle on the best type of planting.
- In response to a suggestion about video surveillance, staff does not recommend doing so, due to cost, vandalism, monitoring, liability if injured parties have relied on surveillance and the poor quality of the image.
- Since the number of homeless people has increased in the park, there has been an increase in general debris and complaints from regular patrons of intimidation and feeling uncomfortable. It is a challenging situation because people have a right to be in the park between the hours of 6:00 a.m. and 10:00 p.m. as long as they follow the park rules. The general approach is to treat all with respect and ask those, for instance, monopolizing tables or storing items that the park belongs to all people and to be respectful of others. With regard to trash, in addition to State Parks personnel, HCDA utilizes people whom the courts have assigned to community service as well as volunteer groups for clean up efforts. Staff is working with State Parks to increase the number of trash bins for users as well as the frequency of emptying the large bins so trash does not accumulate.
- HCDA currently has a \$107,000/year contract that provides private security guard service as well as a minimum of four hours daily, with a maximum of 35 hours per week, of special duty Honolulu Police Department (HPD) officers. Since special duty is optional, it cannot be guaranteed, but in analyzing the actual experience between March and July 2006, HPD special duty officers average 4.78 hours in the parks, six days a week. The contract objective is five hours a day, seven days a week, which is six hours a week short of the coverage

goal. The HPD special duty shifts are random so as not to give the criminal element an opportunity to know when they are in the parks.

- Star Protection provides random patrols seven times a week between 8:00 p.m. and 5:30 a.m., spending at least two hours in the parks during their nightly three stops. A wand system is in place to monitor their patrol, as well as HPD special duty officers. The security agency completes and sends in daily log reports. Staff has budgeted a \$15,000 allowance in the security contract, which would allow for an additional coverage. For HPD special duty the hourly rate of \$33 plus overhead would only buy a bit over one hour more of coverage per day on an annual basis. For the private security, at \$18 an hour, that could provide 830 more hours a year, which translates to 2.3 hours more per day. Staff will try out having Star Protection provide a dedicated security officer patrolling the parks for an additional two consecutive hours on site. After 30 to 60 days, the program will be evaluated. If it proves to be successful it will be continued, otherwise another approach will be tried.
- HCDA wrote to Police Chief Boisse Correa in March requesting additional regular police patrols. Though a response has not been received, staff has noticed an increase in HPD drive by patrols and also ATV patrols in the park.
- HCDA has contacted the State Hawaii Public Housing Authority to seek additional security from the State Sheriff's office due to the impact of residents from the Next Step emergency homeless shelter.
- As a no-cost item, staff plans to facilitate regular sharing of information and contact numbers amongst HPD and tenants in the area. For instance, the John A. Burns School of Medicine has a 24-hour security detail and the Next Step program has overnight security. Combined with others in the area staff hopes to implement a watch program.
- Mr. Dinell stressed that if the public or Authority Members see any issues or problems in HCDA's parks, to please notify staff so that it can be addressed, but if it is an emergency, to please call 911.
- The required annual report on collection of Park User Fees is included in the Executive Director's report. For Fiscal Year ending June 30, 2006, no special fees were established. However, \$400 was collected from four park users for application fees for sporting events not

sponsored by 501(c)(3) organization and \$100 was collected from a tour bus company utilizing the park as a stopover for their patrons.

- The August 2006 HCDA newsletter was printed and distributed to over 9,000 residents and businesses in Kakaako as well as Legislators and those who request to be on the mailing list. The newsletter is also posted on the HCDA website.
- The Hawaii Capitol Cultural District outreach meetings are mentioned in the newsletter. Mr. Dinell thanked the Children's Discovery Center for hosting the session scheduled for Saturday, September 9, 2006, and encouraged all interested parties to attend. He said that culture is a key component of economic development and neighborhood vitality; in fact, it is part of HCDA's mission statement.
- HCDA is closely working with the City on transit-oriented development (TOD) in both Kakaako and Kalaeloa. Staff will be participating in incoming trips to study how to incorporate TOD as part of an economic and social revitalization effort.
- Links to business resources have been added to HCDA's website. Mr. Dinell noted in particular the Enterprise Zone program, which is available throughout Kakaako and Kalaeloa. It is designed to help existing and new businesses in targeted industries, including: manufacturing, wholesaling/distribution and biotechnology research.
- Mr. Dinell announced that the next Authority meeting would be held on Wednesday, October 4, 2006.

Chairperson Goshi requested that the record reflect that Members Chang, Chun and Sokugawa were in attendance. Chairperson Goshi asked whether Members had any questions.

Member Thomason had a question on the financial report. She referred to Page I.1 in the financial report of the Hawaii Community Development – Kakaako Community Development District Administrative Expenditures, line 16 under insurance. The fiscal year to date budget was listed as \$18,500; however, the annual budget amount was \$17,575. She questioned why the annual figure was lower; stating that it should either be the same or more.

Mr. Dinell responded that he would look into the matter and report back.

Member Sokugawa announced that City agencies had a meeting amongst themselves about coordinating construction work along Kapiolani Boulevard and in the vicinity. The City is encouraging HCDA, whether it is private or public contractors working in or along Kapiolani Boulevard, to consult very closely with the City. The area will be extremely congested and may result in delays because the street can only be closed so much for construction at any given time. Thus, there may have to be some coordination in sequence in terms of allowing construction activities to occur in the street.

Mr. Dinell stated that staff has been coordinating HCDA's ID-11 plans with the City's sewer work on Kamakee Street, but he thanked Member Sokugawa for pointing out the need to coordinate with private sector developers as well. Staff will contact those developers and facilitate a meeting, should one be desired.

Member Kimura asked whether there was a proposed solution for the graffiti.

Mr. Dinell responded that one of the proposed solutions was to zebra paint over the graffiti. This discourages the taggers because it ruins their work and there is no new canvas to paint on. The problem with that is that it doesn't look very attractive. Staff was told that this was a very effective method to encourage taggers to go somewhere else.

Member Kimura asked for clarification on the number of hours for the security.

Mr. Dinell replied that for the HPD special duty, HCDA's target is five hours a day, seven days a week and the actual is a little over four hours a day, six days a week. Special duty is on a voluntary basis. If the officers want to work, they get paid extra and are paid directly. The ideal would be to have coverage 24 hours a day, seven days a week; however, the budget is not sufficient.

Member Kimura questioned whether it was possible to have the security watch the park in the early morning hours because that is usually when the problems occur.

Mr. Dinell responded that staff would look at the different shifts. Currently, staff believes that it would be more cost effective to utilize the private security because they are less expensive and an additional two hours per day could be received from that route. Staff is targeting 10:00 p.m. to midnight because the park closes at 10:00 p.m. and that would help to prod the people out of the park. However, staff could try to target the early morning hours as well. The park reopens at 6:00 a.m. Mr. Dinell asked Member Kimura whether there was a reason why he felt that the early morning hours were more problematic than the late night.

Member Kimura answered that it was geared more towards the Children's Discovery Center. He understood that there were a lot of homeless people that congregated there at night and were there early in the morning. If the security were there, that would help discourage the homeless, some of who urinate around the building, from being there.

Member Liu asked whether staff already knew what the time patterns were and when the most effective deployment of the limited man-hours should be concentrated towards, late in the evening or early in the morning.

Mr. Dinell asked Richard Kuitunen, HCDA Asset Manager, to respond as he receives the daily logs and it was his suggestion to implement new patrols between 10:00 p.m. to midnight.

Mr. Kuitunen responded that after the 10:00 p.m. closing, there are often campers who are asked to leave. However, after the security leaves, the campers return. With the additional two-hour timeframe that would discourage that practice. Also the images of people who are believed to be the taggers were taken from the University's security cameras shortly after midnight. Thus, if there were a presence there, that would discourage people from loitering. Implementation could be done on a trial basis and the private security agency is very amenable to testing various approaches.

Member Liu commented that the campers and overnighers are one thing, but asked about the patterns for the vandalism and graffiti.

Mr. Kuitunen replied that it generally occurs at night. However, the damage to the comfort stations previously mentioned occurred after the park caretakers left at 2:30 p.m. because staff received reports at 5:30 p.m. that it had already happened.

Member Liu commented that it goes back to HCDA's vision of having eyes on the street. By having more people in Kakaako there would be people present at all hours which is the principle way to deter this type of activity.

Chairperson Goshi commented that he recently took a walk in the park and encouraged everyone when they had the chance to do so as well. He noticed there was a change and he wanted to get the others comments. He asked whether security was covering the part of the park near the Children's Discovery Center.

Mr. Kuitunen responded that the security contract is for the park itself and the area where people park across from the Discovery Center is part of the park. In addition, the security will check on cars that are illegally parked or creating a nuisance in that area.

Chairperson Goshi commented that he also noticed there was more trash. There was an area where trash was thrown on the ground. It looked like an area where a trash bin could have been, but maybe it was taken. Therefore, when the wind blew, it scattered the trash through the park and that adds to a negative atmosphere.

Mr. Kuitunen replied that he received reports from the caretakers that some of the homeless leave their clothing and food products and walk off. They have had altercations when the homeless come back and their things are gone. HPD has advised that if the homeless are not there to be accountable for their property then the property should be considered abandoned.

Member Kimura stated that he would like to see more security at night from midnight to 4:00 a.m. then during the day. People are around during the day and they can call if there are any problems; however, at night no one is around. His preference would be to have security from midnight to 2:00 a.m. and from 3:00 a.m. to 5:00 a.m. or 4:00 a.m. to 6:00 a.m. or four or five hours straight.

Mr. Dinell suggested that at the next Authority meeting, staff would report back on the various shifts tested and incidents. There seemed to be a consensus that staff should focus on the closed park hours which is between the hours of 10:00 p.m. and 6:00 a.m. Mr. Dinell noted that security does allow fishermen to traverse the park and to fish overnight because public access to the ocean is allowable by law. If people are carrying fishing poles, it is obvious that they are there to fish and not in the park to cause trouble so the security uses their judgment on that. The parking lot is closed after 10:00 p.m. and remaining cars are towed away after that time. There seems to be a desire for more security coverage; however, the additional allowance will only cover two hours of incremental coverage. Therefore, staff may have to request additional funds if more security is desired.

Member Bradley commented that if the security budget is expanded, but will only increase by one or two man-hours at a time, there may not be a noticeable difference. He suggested concentrating those hours into shorter periods a month. Then Kakaako will build the reputation that if you are doing something unlawful you will get caught. Once you get the intensity going, then it can be done at intervals instead of seven days a week.

Mr. Dinell responded that staff will try different things out.

Tom Sebess, a member of the audience, commented that all the benches at Kewalo Basin Park are broken. He wondered why they were not being fixed, who was responsible and questioned when it would be repaired.

Mr. Dinell answered that the Kewalo Basin Park is part of HCDA's jurisdictional area and it is HCDA's responsibility to fix the benches in question. He noted that staff is aware of the problem and that there is a hardscapes capital improvement program in place.

Mr. Kuitunen added that the 677 Ala Moana building owner donated five tables and benches to HCDA, three of which will be installed at Kewalo Basin. Staff is looking at the next couple of weeks to get those installed in the vicinity of the net shed.

Member Liu asked whether the benches were broken due to lack of maintenance or vandalism.

Mr. Kuitunen responded that it was due to vandalism.

Michelle Matson requested to address the Authority on the Executive Director's Report. The subject is an update on the Kewalo Basin issue. She claimed that Mr. Dinell omitted it in his report.

Ms. Matson stated that HCDA's governing statute requires that HCDA shall preserve historic sites and culturally significant facilities, settings or locations.

Ms. Matson reported that for two months the Save Our Kewalo Basin group was precluded from providing the Authority with a presentation on the value of preserving and restoring the historic fishing complex at Kewalo Basin Cove, which has since been torn down and the ice chute disassembled. This historic site was the heartbeat of the harbor, telling the story of the past fishing era where the Hawaiian sampans loaded with ice, fuel, bait and supplies.

Ms. Matson commented that with restoration under National Historic Preservation guidelines, the original character of the structure could have been brought out. The building could have been lowered to serve as a small fishing museum and headquarters for the Kewalo Keiki Fishing Conservancy. Ms. Matson further stated that the site was mischaracterized as being horribly contaminated when the Brownfields assessment maps and data show no such contamination at the cove site.

The State Historic Preservation Officer required that the ice chute be protected and preserved and become a part of the development at Kakaako Makai to represent the harbor's history. Ms. Matson asked Member Fukunaga and Mr. Dinell whether the ice chute had been properly disassembled.

Mr. Dinell pointed out that there was nothing about the Kewalo Basin GRG site in the Executive Director's Report, but Chairperson Goshi allowed Ms. Matson's comments. Mr. Dinell reported that the chute had been dismantled and is being stored in a warehouse, so it is under cover and protected. The ice chute will become part of a future development as required by the State Office of Historic Preservation. Mr. Dinell pointed out that HCDA does not make determinations on what is, and is not, historic. The State Office of Historic Preservation does so and they've provided documentation to that effect. Relative to the Keiki Fishing Conservancy, HCDA has offered them alternative accommodations, but they have not responded.

Michael Kliks requested to speak on the security issues at the park. He represents the users of Kakaako Waterfront Park. On August 11, 2006, after attending the briefing by HCDA on the park questionnaire he noticed some security concerns walking back to his car around 3:00

p.m. He noticed four families camping on the grounds. There were four large vans in the parking lot idling their engines and taking up multiple parking spaces. There was a female at the corner of Ahui and Ilalo Streets who had at least five shopping carts filled with cat cages feeding the cats on the streets. There was a female at the Point Panic parking lot that was broadcasting food to a bunch of cats in an area that is not a registered feeding area. He also noticed cat feces near the main entrance to the park. The point he was making was that all these incidents are occurring during the daytime. He suggested engaging the community of users to form a community walk to encourage behavior that is acceptable in the park.

V. 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 Governor signed and approved the Kalaeloa Master Plan on August 23, 2006. Upon receiving word of the Governor's approval, staff issued a Notice to Proceed to Townscape Inc. for the preparation of the development district rules that would establish the zoning and other entitlements for the area. Staff met with Townscape on August 31 and work is progressing under that contract.

The State Department of Transportation (DOT) has approved three major roadways in Kalaeloa as part of the State Highway System: Roosevelt Avenue, Enterprise Avenue and Coral Sea Road. With this designation, these roads now become eligible for State Highway funds as well as federal funds. DOT has been maintaining the entrances along Roosevelt and Enterprise Avenues and most recently did some extensive brush cutting. Staff has received thank you calls from residents in the Veteran Affairs shelters regarding this. Mr. Enomoto expressed his gratitude to DOT for its hard work.

Staff is continuing to coordinate monthly public safety meetings. The last meeting was held on August 25, 2006, at the Kapolei Police Station which, in addition to regular attendees, also included the U.S. Coast Guard, City Department of Design and Construction, and City Department of Facility Maintenance.

As a follow up to the suggestion at the August Authority meeting on closing off or blocking some of the non-essential roadways in Kalaeloa, Mr. Enomoto brought it up at the public safety meeting. The idea was well

received; however, there are ongoing discussions with the Navy, HPD and others. While there are obvious benefits, the area would also be restricting access to emergency personnel in the event of a brush fire or in the pursuit of criminal activity.

HCDA also informed the public safety meeting participants about the State's homeless plans. HPD also reported that there is a growing number of homeless population in Kalaehoa and staff will be following up with Kaulana Park, the Governor's representative on the Leeward Coast homeless initiative, on that issue.

Also, as a follow up to the August Authority meeting, staff is looking at programming life safety improvements and various services into the biennium budget and that request will be going forward. Some of the things that are being considered are the possibility of increased security patrols; signage; street lighting; signalization of Roosevelt and Enterprise Avenues intersection; and other improvements to the area. The next public safety meeting is scheduled for September 21, 2006.

Volunteer activities in the district were held on August 25 and 26 by the congregations of New Hope Kapolei and Hope Chapel Kapolei. They conducted litter pick ups along Coral Sea Road as well as the City licensed beach park.

In regard to the homeless shelters being proposed, according to Mr. Park, the vacant lot owned by the State Hawaii Public Housing Authority is no longer under consideration. Currently, the only two transitional shelters that are being pursued are Building 50, which is adjacent to the Onemalu Family Shelter, and Building 36, which is owned by UH.

The renovations to Building 50 are underway and there has been some media coverage to that effect. The goal is to have it operational towards the end of the year. Staff has conveyed to Mr. Park and others in the Governor's office of the need to provide enhanced security as well as integration with area schools, increased City bus service, traffic and road improvements to the ingress and egress out of Kalaehoa in anticipation of increased population.

Mr. Enomoto summarized the recent site visits by Navy officials from Washington, D.C. Staff has been in discussion with the Navy regarding the Kalaehoa Master Plan and the conveyance of the remaining Base Realignment and Closure (BRAC) lands and brokered lands.

When Secretary of the Navy Donald Winter was in town, he made remarks about the possibility of bringing the aircraft carrier Carl Vinson to Hawaii. However, a few days later, it was reported in the Honolulu Advertiser that Senator Daniel Inouye was less optimistic about that possibility. A decision from the Navy is expected early to mid 2007.

The Power Point Fitness Center and Kona Breeze Pool is scheduled to be closed on October 1, 2006. Staff has been working closely with various City and State as well as community organizations to find an operator for that facility.

Staff took the Governor and Lt. Governor and their staff on a site visit in Kalaeloa on August 20, 2006. This site visit was a follow up to the briefing that was given on August 8, 2006, to the Governor on the Kalaeloa Master Plan. The site visit was intended to provide a first hand view of the district and an opportunity to view Building 50 renovations and the Kona Breeze Pool.

Congress is now back in session; however, there has been no change through August on the National Defense Authorization Act of 2007. Staff will continue to track this federal legislation as it moves through the remainder of the fiscal year that ends on September 30, 2006.

Chairperson Goshi asked whether Members had any questions or comments.

Member Timson expressed her thanks to the Governor for approving the Kalaeloa Master Plan and was encouraged to see her support. She questioned whether the plan needed to be sent to the Mayor.

Mr. Enomoto responded that in the amendment process, the Mayor does not have to approve the Kalaeloa Master Plan. However, staff coordinated with the City in the development of the plan and received input from various City departments that were included in the plan.

Mr. Dinell further noted that he and Mr. Enomoto also met directly with the Mayor on the plan as well as took him on a site tour of the area so the City has been, and continues to be, well aware of the plans.

Member Timson commented that Mr. Park attended the Makakilo Neighborhood Board meeting and presented a report on the homeless situation. She noted that the community was not against assisting the homeless, but the community expressed concerns that in the past, the U.S. Department of Housing and Urban Development was not interested in doing

any housing because it would give a ghetto impression. Member Timson asked how has that changed. The community was concerned about the services that the homeless would receive and about providing bus service. At the Neighborhood Board meeting, Mr. Park said that bus service would be provided; however, the City has not mentioned it yet. She is not sure that bus service could be provided in the area since it is not ADA compliant. The concern is to make sure that the homeless people can get to appropriate support services. There are no crosswalks at the entrances and exits on both sides of Kalaeloa, so this creates a dangerous situation for the homeless families that will be walking back and forth. The community is concerned about the quality of life while the homeless are staying in Kalaeloa. Member Timson asked staff to pursue that.

Member Timson requested that on security issues, consideration should also be given to Kalaeloa because all the Kakaako park issues are the same problems that Kalaeloa is having. There should be some kind of allotment to secure the area.

Member Timson also noted that other Kalaeloa Members were not present again.

Member Sokugawa commented that the City acknowledges that Kalaeloa has a Special Area Plan that was approved by the City Planning Commission and the City Council by resolution. She suggested that time should be reserved either before or after the rules are adopted for approval by the City.

Mr. Dinell commented that working with the City is part of the Townscape's scope of work.

Mr. Enomoto replied in the affirmative.

Member Timson recommended that the rules go to the City before it is adopted and not after.

B. Kalaeloa Navy Report

Mr. Enomoto introduced Lynn Tanaka from the U.S. Navy.

Ms. Tanaka reported that at the end of August, there were several high visibility visitors in town that included Secretary of the Navy Donald Winters, Assistant Secretary of the Navy for Installations and Environment B.J. Penn, and Doug Gilke from the Western U.S. District Base Realignment and

Closure (BRAC) office. Messrs. Penn and Gilke were given a tour of Kalaeloa. The Navy is looking at expediting the transfer of the remaining BRAC parcels and the open lands that were previously put on hold. Navy staff would like to get those moving forward as well as the Navy's concurrence on the Master Plan. Those two things are being taken up the chain of command to Washington, DC.

Ms. Tanaka reported that a letter will be issued shortly to all City and State government agencies in regards to helping the Navy take over the operations of the Kona Breeze Pool and Power Point Fitness Center. Councilman Todd Apo viewed the site and he seemed very interested and mentioned that the Mayor was also interested. The Navy is standing by to see if there are other agencies that might want to operate the facilities. There is also some interest from private entities.

Member Timson asked whether the Navy would consider an extension of another month before closing the facilities as the Navy gave such a short notice of the closing. Her concern was that if another month was given, at least everyone could say that we tried our best. Once the facility is closed, it will deteriorate quickly.

Ms. Tanaka responded that she knows there is a strong interest from a variety of agencies, but the Navy would need to have a solid proposal fairly soon.

Member Timson commented that the cost is quite large so a City or State agency may not be able to get it together in three weeks, which is why she was asking for a reasonable time period.

Ms. Tanaka stated that was something they could look into.

Member Chinn asked whether in the discussions in Washington, DC about the conveyance of lands, if DHHL lands could also be included on the fast track.

Ms. Tanaka replied that it is part of the package.

Chairperson Goshi expressed his concern regarding the pool equipment because once it is shut down the water quality becomes poor.

Ms. Tanaka responded that the Navy is aware of that.

Chairperson Goshi suggested that the Navy's budget allow the pumps to keep running for the pool even if the facility is closed to users.

Ms. Tanaka replied that the Navy has the same concerns. The people who operate the pool pumps understand and are sensitive to that. They know that once the facility is shut down, it would probably be vandalized.

There being no further comments, Chairperson Goshi called for a recess at 9:56 a.m. to allow the Kalaeloa Members (Members Chinn, Sokugawa, and Timson) to depart, as the remaining agenda items were Kakaako related.

The meeting reconvened at 9:59 a.m.

C. Update on the Formation of the Waterfront Advisory Working Group

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

Mr. Neupane explained that the Kakaako Waterfront development needs to be a combined effort of the community and HCDA with the objective of formulating development plans and selecting the best available alternatives for the location. It needs to be a two-way learning process of dialogue, negotiation and decision-making that engages the community and HCDA. Since both parties have their own agendas, mandates and responsibilities, the challenge is to identify and agree upon actions that would fit in with both.

The purpose of forming the advisory working group is to meaningfully engage the public in the planning process and develop a land use plan for the waterfront with an analysis of various alternatives. The advisory working group needs to reach out to several constituencies in a multiple of ways. It must engage the stakeholders to create a sense of ownership, foster dialogue on values and priorities, educate the public on cost and benefits of options, gather feedback on plans and tradeoffs, and finally bolster the plan during implementation.

There are several commonalities on the approaches being explored; some of those are the need to establish agreed upon guiding principles and goals. Background information as well as technical consultant support also needs to be provided, not just facilitation services, but also for planning, financial, real estate, and whatever else is required. Also the advisory working group members will serve pro bono and meetings will be properly documented, publicly noticed and open to the public.

There are some distinctive characteristics of each approach.

1. Approach one, the talk story approach is where HCDA consultant would go out to the constituents, talk about the needs and aspirations, ask for participation and develop a consensus. Participation would have to be actively managed by a facilitator as the group may end up being fairly large.
2. With the second approach, the jury/mediation approach, the core group identifies who will participate in their advisory committee. It will use more focused all day meetings within the group. Authority members and staff will not participate. The consultant would shuttle between the advisory group and the staff members and Authority members on the issues, so that there will be no deal breakers.
3. The third approach starts with the vision, but takes a step back and get into the needs and aspirations in a bottom up planning process.
4. Lastly, the fourth approach is modeled after the National Charrette Institute where the advisory group would serve as a steering committee and the public would be convened to reach consensus on the plan. It would require extensive publicity; make material available on-line; and offer extended hours for those who can't make regular sessions.

Regardless of the approach that is taken, the end result would be a strategic plan for the waterfront that identifies land uses, recommendations and rationale for the land uses, means of funding for both capital and operational needs, and analysis of alternatives considered.

The purpose of this discussion is to solicit feedback from the Authority and the community. After the feedback, staff will return to the Authority with a specific proposal for consideration and cost estimates including funding sources.

Chairperson Goshi asked whether there were any questions or comments.

Member Liu had several questions on the process. He wanted to know what would happen in terms of the Authority's decision-making and whether there would be recommendations at future Authority meetings that Members vote on.

Mr. Dinell replied that staff felt that it was important to survey possible approaches with the recognition that there is probably not one perfect way to go. It is also a good opportunity to hear from the public on what they want to

see, rather than staff proposing a single approach. For instance, a key consideration is whether Authority members and staff should be involved in the process. There have been successful facilitations where they are and there have been successful facilitations where they are not. There are some considerations on Sunshine Law, but the details aren't as important as the overall framework. The four approaches aren't mutually exclusive, there maybe aspects of one approach and another approach that is preferred. The important thing is the end result and to start with the guiding principles.

Mr. Neupane added that there are many possible approaches. Staff talked with experts in the field and the four approaches were used before and were successful, but there is also no reason why there couldn't be a fifth or sixth approach.

Member Bradley commented that it was sketchy information about each approach and there was not much detail about what the best practices have been in other communities that have created successful outcomes with public input. He requested staff to elaborate more on educating the members so that they would be able to come to a consensus on one of the approaches.

Mr. Dinell responded that staff didn't want to get into too much detail at this stage, but he explained that staff met with three different facilitators and that is how the three approaches were formulated. The fourth approach was an approach introduced through the American Planning Association. Staff can provide more detailed information on case studies if that is what the Authority desires.

Member Bradley thought it would be useful to go back and look at best practices. There is urban renewal and revitalization going on in communities across the country some of them are failures and some are success stories. Member Bradley suggested reviewing what models worked or did not work as opposed to trying to recreate the wheel from scratch.

Chairperson Goshi commented that the facilitator knows the process well and that their experience should be trusted. He noticed that there has been a vision change in the last 20 to 25 years and he thought that the focus of the community transcends the philosophy and guiding principles.

Member Bradley agreed and the last time it appeared that there was a vision for the Waterfront and the plan the Authority came up with was outstanding, but there was a disconnect between what the community and legislators wanted with what the Authority came up with. Member Bradley stated that he didn't want to go down the same path. Therefore, if HCDA were to use

existing successful models to create part of the vision and process and get community involvement in creating the guiding principles, as you move forward there would already be an agreement in place on the framework before the plan is actually developed. He also expressed his concern about limiting the input to a panel of 12 or 15 people because it would be difficult to reach out. He is aware that it would take more time and resources to get more people involved, but with only 12 people, the outcome might be predisposed.

Member Bradley relayed that he visited Washington, DC a couple of months ago and met with the planning group and economists with the National Association of Realtors. He queried them on experiences they had. They talked about the charrette model where anybody can come and participate. It starts off with intensive media blitz to make sure that everyone is aware. Member Bradley thought the Authority made a good effort in getting the public involved in the Waterfront RFP as far as public notices and holding public hearings, but most people didn't hear about it until it was too late. He believes that it is essential to create different avenues for people to participate, starting off with a visioning session and setting up the guidelines. Then let the professionals do their job. Take that input and get a variety of different proposals with cost estimates so that people can weigh the proposals and see whether it can actually be funded. It is a process that has been used in other communities. Member Bradley expressed his concern that the process hasn't been explained with what has been practiced and worked in other communities. For instance, in approach #3, the project used as an example had tremendous community opposition, so he was not sure if that was necessarily a model.

Chairperson Goshi thought that people were looking for fairness. HCDA used the Request for Proposal route, but that route is very competitive by nature and it is not a public process. For the first cut, he suggested listening to the facilitator because that is their job to be unbiased. Chairperson Goshi thought that having a broad base would be worth it. He suggested taking the broad base and taking certain key groups that represent the broad base so that it could be manageable.

Member Thomason stated that she participated in a charrette through a church organization. They had facilitators and it took six or seven months to complete it. She saw the church as a microcosm of a community with all the different needs and wants and thought the process worked very well. It was inclusive and well publicized.

Member Chang commented that whatever approach is decided on should include public input. The working group should not be limited to a few, but

rather have an open door policy to collect input from as many people who are interested to come and participate.

Chairperson Goshi stated that as an architect and planner, his experience has been that these groups are 60 to 80 people representing a broad cross section of government, private sector and various organizations. It takes commitment from the group. He suggested that HCDA follow the process and take the necessary time because there are no set agendas.

Chairperson Goshi asked whether anybody from the audience had any comments.

Nancy Hedlund stated she serves on the Ala Moana/Kakaako Neighborhood Board, but did not speak for the board, but as a person who is concerned about the community. She suggested two groups - stakeholders and beyond stakeholders, which would be flurries of input from the community. Those directly linked or concerned about the area might become the people who would serve and be more willing to make a commitment to the advisory group. She has done strategic planning in organizations, but not in the community. Ms. Hedlund still believes that the model holds, but there needs to be principle of layers of input. She stated that it might be interesting to name the group first and then have some of the decision-making become a joint collaboration of the group so that it is not a top down prescription for the method. Ms. Hedlund stated that people like her would love to serve on the advisory committee and be part of the decision-making process because they think they are informed participants.

Ms. Hedlund stated that she would be attending a conference in Portland on waterfront planning. It is a broad based model, more than what a realtor planning development model would be. She hoped to bring back good ideas for this process. Ms. Hedlund stated that she was working with the good faith assumption that things such as low interest sale of state lands or building residential units would not be introduced to the Legislature in January. She also commented that when the members of the public get up to speak, that Authority Members should respect what they are saying by listening and not having side conversations because it makes them feel that they are not welcomed to speak. She suggested that by making the climate more user-friendly would remedy the break between the community and HCDA.

Mr. Dinell explained that the side conversation was about the need to attend that conference in which Ms. Hedlund referenced. Mr. Dinell stated that HCDA is working with Ms. Hedlund who will bring back the information on

the conference. Mr. Neupane will also be attending a conference in Chicago that impacts waterfront developments as well.

Member Liu departed at 10:24 a.m.

Michelle Matson explained that on June 7, 2006, the Authority voted unanimously to establish the advisory committee. She thought that the advisory committee was an excellent way to pull things together. She also believed in wide public outreach. She suggested starting off with the public outreach and then bringing it back to a more focused discussion which might help facilitate the process and expedite it. Ms. Matson will also be attending the waterfront conference in Portland as well as attending a meeting in New York with the Central Park Conservancy Trustees.

Brian Shimokawa, a member of Save Our Kakaako coalition and Friends of Kewalo Basin Park Association, presented a letter to Mr. Dinell on behalf of President Ronald Iwami who was not able to attend. The letter was in reference to the formation of the advisory committee in accordance with respect to House Concurrent Resolution 30 (HCR 30) which was adopted this past legislative session. Mr. Shimokawa stated that Mr. Dinell was advised that the date on the letter was predated a few months ago and that it should be ignored. Mr. Iwami was told that there would be no decision-making at this meeting.

There was a request to read the letter to the audience.

Mr. Dinell replied that the letter would become public record as testimony and that he would distribute a copy to the Members. If anyone wanted a copy of the letter, they should contact Mr. Dinell after the meeting.

Tom Sebess, a concerned citizen, stated that he has been following the group although he is not a member. He commented that the people of Hawaii have spoken and that there is going to be no residential condos in Kakaako Makai. HCDA has received a booklet with over 30 letters to the editor asking for a park. HCDA has the People's Preferred Plan. He was puzzled as to why there was not a Member who does park development such as when the Kakaako Park was developed.

Mr. Dinell asked whether he meant Authority Members.

Mr. Sebess responded in the affirmative saying that two new members were appointed by the Governor and they are both real estate brokers.

Mr. Dinell answered that the appointment of the Authority Members are stipulated by law. They serve their four-year terms, subject to confirmation by the State Senate, and they have different backgrounds. He wasn't sure whether there was anyone on the Authority who was a specialist in park development at the time the Waterfront Park was developed.

Mr. Sebess said that the reason why he was asking was that there needs to be a blueprint of who built the original park because that might be one of the proposals. He stated that there would be three proposals – one that would be 100 percent park, the People's Preferred Plan and another proposal for an RFP without the condos.

Chairperson Goshi addressed Mr. Sebess' comments. He explained that there is no plan. Currently, HCDA is trying to get input. Chairperson Goshi stated that everyone has their own agenda, but what needs to be done is to get input from everybody and determine what the principles are, starting with the vision and what philosophy can be drawn from the public broad base group that can be embraced.

Mr. Sebess thought that it would be more logical to actually have the three proposals before bringing it to the public.

Chairperson Goshi replied in the negative and stated that HCDA will start with the principles and don't want to get into the physical elements right now.

Michael Kliks commented that there is a lot of expertise in real estate development, business, trade unions, investment brokers and counselors sitting on the Authority, but there is no one representing recreational park land use development nor does anyone use the park. That is the problem. Addressing the comments that the public should have input, State law requires that there be public input, it is not an option. Mr. Kliks commented that perhaps if the process was followed, there might already be a park at that site. He questioned what the problem was in giving the people a park. The lands are State or ceded lands which are controlled by HCDA and holds as a public trust for the people of Hawaii. Mr. Kliks stated that HCDA needs to put the "community" back into Hawaii Community Development Authority. HCDA needs to think about the community and Mr. Kliks recommends that HCDA put the people who have been through the process for the last 20 years to be part of the advisory committee. He suggested that the committee be called, "Waterfront Community Advisory Committee" not the Waterfront Development Advisory Committee. Mr. Kliks said that they are the people who use the park, their children and their grandchildren will use the park. The lands should be protected. He stated that they would resist any commercial

development that does not meet the needs of the people, not Neiman Marcus, but mom and pop stores. Those are thoughts that were relayed in the People's Preferred Plan. Mr. Kliks wanted some of their people appointed to the advisory group as required under HCR 30. He thanked Mr. Neupane for his work. Mr. Kliks stated that he personally opposes the charrette process because a mainland East Coast group would be interceding between the group and the HCDA and would filter out the group's needs. He commented that the group can work with HCDA.

There being no further comments, Chairperson Goshi moved on to the next item for information.

D. Preliminary Plans for Transition of Kewalo Basin Management

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

DOT Harbors Division has informed HCDA that it intends to relinquish management and jurisdiction over the harbor as of July 1, 2007. When the Kakaako Waterfront RFP was being processed, the plan was that the developer would manage Kewalo Basin. The subject is not the RFP developable land; staff is just addressing the transition of the management of the harbor at this time. Even though the Authority terminated the RFP in June 2006, DOT has still indicated that it intends to relinquish the management and jurisdiction of the harbor.

In order to effectively take over the management of the harbor, there are various activities that staff needs to do. These include entering into new leases with all the monthly tenants as the existing revocable permits the DOT uses will expire. New vendor contracts and certain services that DOT has the ability to provide such as harbor security will have to be privatized.

Pointing to the aerial photo of Kewalo Basin, Mr. Kuitunen explained that the herringbone in Kewalo Basin is the pier that is perpendicular to Ala Moana Boulevard and going Mauka to Makai are Piers A, B, and C. The reports on Piers B and C in the herringbone indicate that there are mudline cracks that make them structurally unsound. There is a chain link fence after the first two slips on Pier B because it is unsafe. Staff is looking to enter into a public private partnership and put that out for an invitation for bid to have a private developer, at their expense, rehabilitate and replace the pier. It would be in the form of a long-term lease with a buy out provision, should the future

development in and around Kewalo Basin necessitate taking that leasehold interest back.

On December 7, 2005, the Authority approved a task force to facilitate drafting of administrative rules. The task force is composed of DOT personnel, harbor users from three different groups – the long liners, the charter fishermen, and the tour boat operators, as well as two HCDA employees. The group worked on the draft of the administrative rules, which are anticipated to be heard in a public hearing in January 2007. During the process of working on the rules, the users indicated dissatisfaction with the condition of the harbor and the amenities of the harbor. Staff issued a survey that was sent to all of the harbor tenants and is summarized in the Members' packet. There are a number of items that can be addressed and improved that would meet and exceed the expectation of the harbor users.

To help facilitate harbor transition, staff proposes to introduce the core users of the harbor into a new advisory task force. Experienced individuals of harbor usage will be brought into the group to help guide staff through the transitional phase in the planning process by gathering all the necessary documentation and permits. The group would interface with the Waterfront advisory working group.

Mr. Kuitunen explained that staff proposes to continue monthly meetings with the Kewalo Basin Task Force to seek their input and will keep the Authority advised. Staff is working on gathering information from DOT to prepare a budget and will be back to the Authority at the December meeting with a preliminary budget as well as a more concrete business plan than the preliminary outline presented today.

Chairperson Goshi asked the Members whether they had any questions. There were none. He thanked Mr. Kuitunen and commented that it was a challenging task.

V. ITEMS FOR ACTION – DISCUSSION AND/OR DECISION-MAKING

2. Recommend Approval to Authorize the Executive Director to Consent to the Assignment of Two-Thirds Interest in Lease for the Radio Tower Site in Kakaako Maki from Hochman-McCann Hawaii, Inc. to Salem Media of Hawaii, Inc.

Richard Kuitunen summarized the Action Item distributed to the Authority and presented the staff's recommendation.

Mr. Kuitunen explained that the radio tower is located next to the John Dominis restaurant. The lease for the radio tower was originally entered into in 1980 with four different users. Over the years there have been a multitude of assignments that HCDA has been asked to review and approve. The original term of the lease was for a 55-year period commencing May 5, 1980.

Last year, through the appraisal process, staff renegotiated the lease to its current \$82,500 per year, which will go for another nine years before it comes up for renewal again. Improvements beside the tower are two small ancillary buildings that house equipment. Currently, three different radio stations broadcast from the tower. The current tenants are Salem Broadcasting with a one-third interest and Hochman-McCann with a two-thirds interest. The assignment in this case is for Salem to acquire the interest of Hochman-McCann. The consent form is similar to the consent form used when Salem acquired its interest from Chagel Hawaii in 2000.

Staff recommends that the Authority authorize the Executive Director to consent to the assignment of the two-thirds interest in the lease for the Radio Tower site from Hochman-McCann Hawaii, Inc. to Salem Media of Hawaii, Inc. subject to receipt from the parties of tax clearance by the State of Hawaii, Department of Taxation, and the Internal Revenue Service, as may be required by State law.

Chairperson Goshi asked whether Members had any questions.

Member Shiraki asked whether the lease was revocable or whether it could be cancelled.

Mr. Kuitunen responded that HCDA doesn't have cancellation rights, but does have condemnation rights.

Member Shiraki asked whether the tower fits into the plan for the area.

Mr. Dinell stated that in preliminary discussions with the lessee, they would be happy to relocate; they just want the State to pay for the relocation. HCDA could condemn the lease, but would then have to pay the fair market value of the remaining term. However, they are amenable to moving. It is a fairly desirable site for the radio tower as there is a benefit to being close to the ocean because it helps the signal.

Member Mukaigawa questioned whether there was some research done on whether it was considered to be fair market value rent at this time and whether a security deposit was collected.

Mr. Kuitunen responded that at the time the rent was renegotiated in 2005 HCDA ordered a third party appraisal, but the lessee initially objected to the value determined. The lessee did some research and may have gotten appraisal advice and came back approximately three or four months later, agreeing to HCDA's proposed rent. The security deposit is not paid in cash, it is paid by way of bond and HCDA does have the bond that is required by the lease.

Mr. Dinell elaborated that last year, when the rent renegotiations occurred, an appraisal was done and the lease allows the parties to get their own appraiser, which they chose not to do. The lease rent for the prior period was \$43,000 per annum. When the appraisal was done, it came in at approximately double that amount. The radio tower currently carries three radio stations, but they could add a fourth, which because the number of stations would be increased would trigger another opportunity for HCDA to renegotiate the lease rent.

Mr. Kuitunen added that the lease provides that any time they have a capital improvement to the site, which includes adding another transmitter that allows HCDA to reconsider the rent under the lease.

Chairperson Goshi commented that the issue is a long-term lease and whether there is a clause to cancel.

Member Fukunaga stated that the issue is that the State has a lease and HCDA has obligations under it, but it seems positive to have a single lessee rather than multiple ones.

Chairperson Goshi asked whether there was any comment from the audience regarding this matter.

Michael Kliks asked for the height of the tower.

Mr. Kuitunen replied that it is 275 feet.

Mr. Kliks commented that he was supportive of Member Shiraki's comment that most of the community would agree that it is no longer appropriate to have the radio tower structure there. He stated that he didn't want to see HCDA waste a lot of money in litigation or to buy them out or relocate; a 30-

year buy out from an \$85,000 lease would be several million dollars. It might be cheaper to have them move to Kalaeloa.

Chairperson Goshi requested a motion to adopt staff's recommendation. It was moved by Member Lai and seconded by Member Chun to adopt the staff's recommendation. Chairperson Goshi called for a vote. The motion was unanimously approved 10 to 0, with 1 excused (Member Liu) and excluding Kalaeloa Members.

3. Recommend Approval to Revise the Joint Development and Planned Development Permit (PD 2-05) Approved on December 7, 2005 for the Moana Vista Project, and Authorizing the Executive Director to Administratively Amend the Development Permit for Development of Parcel 40 (TMK: 2-3-3:40) and Set Aside up to \$5.6 Million in Public Facility Funds to Acquire Public Parking Spaces

Member Bradley recused himself from this item and departed the meeting at 10:54 a.m.

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

Mr. Akamu explained that this Action Item proposes revisions to the Moana Vista project. At the July 2006 Authority meeting, the Authority was informed of this request. Mr. Akamu stated that he would provide an overview of the project, discuss recent developments, and present the applicant's proposed revisions and staff findings and recommendations.

The Moana Vista project is located along Kapiolani Boulevard, Kamakee Street, and Waimanu Street. One part of the project known as Parcel 40 is designated as a public facility.

Mr. Akamu presented an overview of the project as it was approved in December 2005. It is a Planned Development with 3.8 FAR, and this includes about 63,000 square feet of industrial use bonus floor area. It is a Joint Development with the applicant KC Rainbow Development 2 (KC Rainbow) and the neighboring properties Obun Hawaii and Public Storage. Moana Vista is composed of a Kapiolani site and Parcel 40 site.

The plan that was approved includes a 400-foot tower along the Kapiolani site and on the Parcel 40 site there would be a public parking structure and some reserved housing. KC Rainbow's modifications were approved for Waimanu Street, which would provide for pedestrian friendly amenities such as seating

areas and open space along the street. The industrial uses that would be transferred from the Moana Pacific project amounts to about 65,000 square feet of industrial use; combined with the bonus floor area of 63,000 square feet, the total would be about 128,000 square feet of industrial use in this project.

At the July 2006 Authority meeting it was announced that Obun Hawaii dropped out of the Joint Development and consequently construction of a parking structure and reserved housing on Parcel 40 cannot start as planned.

The proposal is for the approval to delete Obun Hawaii from the Joint Development and to delete the provision of interim parking during construction on Parcel 40.

With the loss of Obun Hawaii, the land and floor areas are reduced, and the number of residential units are reduced to 492. However, the commitment for reserved housing remains for at least 124 units and the number of units could possibly increase. For the public parking, there is a commitment to provide 100 to 200 public parking stalls.

With the withdrawal of Obun Hawaii, the frontage along Waimanu Street will not be 100 percent integrated and Parcel 40 development would lack economies of scale due to loss of floor area. With respect to the provision of interim parking, it is infeasible due to ongoing construction on the Kapiolani site.

The Joint Development with Public Storage would provide 125,000 square feet of industrial floor area for the life of the Moana Pacific and Moana Vista projects. It would provide pedestrian friendly storefronts along Kapiolani Boulevard and Waimanu Street, although it would not be 100 percent integrated and there would also be a loss of sidewalk improvements. The project would provide improved traffic flow on Waimanu Street. There is a portion that bottle necks where the street essentially becomes a one-lane street. The applicant would allow that portion of the street to be improved to create a normal two-lane flow.

There would be a minimum of 124 reserved housing units provided. Based on the proposed number of units (492), the minimum requirement is 20 percent of that, which would be 98 units. The developer is committed to providing a minimum of 124 units and possibly more depending on the design of the potential development of Parcel 40.

The development of Parcel 40 without Obun Hawaii lacks economies of scale as there would be only 17,000 square feet of floor area remaining for that development. Staff has discussed other development scenarios for Parcel 40 including the possibility of the applicant consolidating additional lands, and thus enabling more floor area to be built upon Parcel 40 or HCDA could condemn that property for public use.

Staff's recommendations are to approve the revisions as proposed by the applicant subject to the following conditions.

- Applicant will provide at least 124 two-bedroom reserved units.
- Adjacent lands may be consolidated for Parcel 40 development. In the event Parcel 40 is going to be developed, at least one half of the construction on Parcel 40 must be completed before HCDA would approve the certificate of occupancy for the main tower on the Kapiolani site.
- Temporary parking on Parcel 40 would continue until March 2008.
- The applicant may propose a development of Parcel 40 before April 2007. In that event, HCDA may purchase 100 to 200 parking stalls at the price of \$28,000 per stall. Otherwise, HCDA may condemn Parcel 40 for public purposes.

Staff would also recommend that the Authority authorize the Executive Director to administratively amend the Planned Development Permit to include the development of Parcel 40 if that is needed and to set aside up to \$5.6 million in public facilities funds to purchase up to 200 public parking spaces in anticipation of the development of Parcel 40.

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

Chairperson Goshi asked whether there were any questions.

Member Shiraki wanted to clarify that the proposal is for 492 units and not more than that. He questioned what would happen if the applicant acquired additional land for Parcel 40 and whether that would be included in this proposal.

Mr. Akamu replied that currently there is no development proposed on Parcel 40. The applicant intends to build 492 units. The number may increase, if they are successful in getting approval of a development on Parcel 40.

Member Shiraki asked whether there would be another motion at that time.

Mr. Akamu responded that if the action were approved, the Authority would be authorizing the Executive Director to administratively amend the permit to include the Parcel 40 development. The 492 units are for the tower on the Kapiolani site only so if there were an extra 28 or 50 units on Parcel 40 that would increase the total number of units.

Member Fukunaga noticed that in the recommendation all the reserved units were two-bedroom units. He questioned whether that was part of the agreement with the developer or whether it was something added to condition that.

Mr. Akamu answered that it was part of the initial proposal by the developer because the entire development consists of two-bedroom units.

Member Shiraki asked if the applicant acquires additional lands and develops Parcel 40 whether the Director has the authority under the recommendation to approve that.

Mr. Akamu replied in the affirmative. He stated that no less than 124 reserved housing two-bedroom units would be in the Kapiolani site tower if there was no development on Parcel 40. However, in the event Parcel 40 has a development, the applicant could provide some reserved housing units on the Parcel 40 site, which would reduce the number of reserved housing units on the Kapiolani site. If Parcel 40 were developed, the total number of units would be in addition to the 492 units. The developer is also willing to build at least 20 percent of their residential floor area for reserved housing. Thus, depending on the design on Parcel 40, there is a possibility that 20 percent of the floor area could increase the total amount of reserved units beyond the 124.

Member Chang recollected from the last meeting that the developer would not build higher than six floors on Parcel 40 in order not to obstruct the view of the Kapiolani site. She asked for the total number of two-bedroom units that could be built upon Parcel 40.

Mr. Akamu responded that development on the Parcel 40 could go as high as 200 feet. However, that is subject to review if and when the developer comes

back to HCDA by April 2007. The development on Parcel 40 could be between three or four floors depending on how they design it. There would also be public parking on that site as well which could add to the height.

Member Chang commented that Allen Leong, the developer's representative, stated the development on Parcel 40 would be up to six floors at the maximum.

Mr. Leong responded that it depends on the design.

Member Kimura asked for clarification that the Authority is approving just the main site and not the Parcel 40 site.

Mr. Akamu explained that there may be a proposal for Parcel 40 at which time the Executive Director could administratively amend the permit to include the Parcel 40 development. HCDA would also have the opportunity to purchase public parking stalls and to have the provision of more reserved units.

Mr. Dinell restated the approvals being sought: 1) Temporary parking on Parcel 40 continues; 2) The applicant may propose a development on Parcel 40 before April 1, 2007; 3) HCDA may purchase 100 to 200 parking stalls; 4) If the applicant does not propose any development on Parcel 40, HCDA may condemn Parcel 40; and 5) Allow the Executive Director to administratively amend the Planned Development Permit. So if the applicant were able to consolidate land and do a development on Parcel 40 then it would be done administratively and not return back to the Authority for approval.

Chairperson Goshi asked whether there was anyone in the audience who wanted to comment on the matter.

Michael Kliks stated that he would like to see projects like this one and others go higher and denser. He urged this in order to stop urban sprawl and create a vibrant community in which more people could walk to stores. He thought that restaurants, stores, and malls should be incorporated in the development so that people could walk to them, as long as there is adequate parking and proper traffic control. He suggested having a people mover to get them down to Ala Moana. He would like to see the developments go 200 feet high and have 800 units. Mr. Kliks stated that he would like to keep people in town and asked whatever happened to the urban plan. He reiterated that he would like the developments to go higher and denser to stop urban sprawl.

Jack Hamada is a private citizen. He recommended that the Authority ask the developer to provide 124 low-income units in the main tower. Additionally, if the developer wants to develop Parcel 40 later, the Executive Director can authorize that and also ask that they provide low income housing on that particular site.

Member Chun commented that on the last issue it is recommended that the Executive Director be authorized to administratively amend the Planned Development Permit and asked what was the advantage of being amended by the Executive Director as opposed to bringing it directly to the Authority.

Mr. Dinell stated that it is the Authority's prerogative, but it comes down to timing and certainty for all parties.

Member Mukaigawa commented that the process has taken so long to get to this point and HCDA is trying to work proactively as possible to move this forward.

There being no further discussion, Chairperson Goshi reminded the Members that there was a motion on the table and called for a vote. The motion was unanimously approved 9 to 0, with 1 excused (Member Liu), 1 recused (Member Bradley), and excluding Kalaeloa Members.

V. ADJOURNMENT

There being no further business, it was moved by Member Thomason and seconded by Member Mukaigawa to adjourn the meeting at 11:17 a.m. The motion passed 9 to 0, with 2 excused (Members Bradley and Liu) and excluding the Kalaeloa Members.

Respectfully submitted,

/s/

Jonathan Lai
Secretary