

SUMMARY - MEETING NO. 322  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
State of Hawaii

AMENDED  
October 3, 2007 – 9:00 a.m.

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

ATTENDANCE

Members Present: Barbara Annis (for Russ Saito, DAGS); C. Scott Bradley; Amanda Chang; Grady Chun; Michael Formby (for Barry Fukunaga, DOT); Michael Goshi; Paul Kimura; Christopher Kobayashi; Jonathan Lai; Dexter Okada; and Robert Piper (for Georgina Kawamura, B&F).

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

Members Absent: Theodore Liu (DBEDT); and Kay Mukaigawa.

Others Present: Teney Takahashi; Melvin Nishimoto (Deputy AG); Matthew Akamu; Pearlyn Fukuba; Neal Imada; Arnold Imaoka; Richard Kuitunen; Cal Machida; Tesha Malama; Deepak Neupane; 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 October 3, 2007, by Chairperson Goshi at 9:02 a.m. with the following roll call:

Chairperson Goshi	Present
Member Annis	Present, arrived at 9:03 a.m.
Member Bradley	Present
Member Chang	Present, arrived at 9:05 a.m.
Member Chun	Present
Member Formby	Present

Member Kimura	Present
Member Kobayashi	Present, arrived at 9:20 a.m.
Member Lai	Present
Member Okada	Present
Member Piper	Present
Member Chinn	Present
Member Eng	Present
Member Enomoto	Present
Member Souza	Present
Member Timson	Present

### MATERIALS DISTRIBUTED

1. Agenda for October 3, 2007 Meeting;
2. Summary Minutes of Authority Meeting of September 5, 2007
3. Report of the Interim Executive Director;
4. Kalaeloa Status Report;
5. Kalaeloa Navy Report;
6. Executive Session: Discussion of Basin Projects Lease Negotiation;
7. Action Item: Recommend Approval to Authorize the Interim Executive Director to Consent to the Assignment of Lease for the John Dominis Site in Kakaako Makai from Basin Project Inc. to Ocean Investments, LLC; and
8. Action Item: Recommend Approval to Authorize the Interim Executive Director to Expend Funds for Kakaako Makai Community Planning Advisory Council.

### II. APPROVAL OF MINUTES

1. Minutes of the Regular Meeting of September 5, 2007

Chairperson Goshi announced that approval of the minutes would be taken up later in the agenda when all the Kalaeloa Members were present.

Member Annis joined the meeting at 9:03 a.m.

### III. EXECUTIVE SESSION

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

2. Discussion of Basin Projects lease negotiation, pursuant to Section 92-5(a)(3) and (4), Hawaii Revised Statutes, to deliberate concerning the Basin Projects Ground rent negotiations, and to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

It was moved by Member Piper and seconded by Member Formby to enter into Executive Session. The motion carried 9 to 0 with 2 excused (Members Chang and Kobayashi), and excluding Kalaeloa Members.

Chairperson Goshi requested that Deputy Attorney General Melvin Nishimoto; Interim Executive Director Teney Takahashi; and Asset Manager Richard Kuitunen join in the Executive Session discussions. Paul Sato, Attorney for Basin Projects, and Scott MacKinnon, Attorney for Ocean Investments, LLC, would be available to answer any questions.

Members adjourned to the small conference room so that the audience could remain in the room.

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The Hawaii Community Development Authority entered into Executive Session at 9:04 a.m.

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Member Chang joined the Executive Session at 9:05 a.m.

Member Kobayashi joined the Executive Session at 9:20 a.m.

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

The meeting was reconvened at 10:49 a.m. in the large conference room.

#### IV. ITEMS FOR ACTION – DISCUSSION AND/OR DECISION MAKING

3. Recommend Approval to Authorize the Interim Executive Director to Consent to the Assignment of Lease for the John Dominis Site in Kakaako Makai from Basin Project Inc. to Ocean Investments, LLC

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

Mr. Kuitunen explained that this Action Item was brought before the Authority at the September 5, 2007 meeting. At that meeting, the Authority deferred action on the item to allow staff to gather additional information and resolve outstanding questions that Authority Members had.

Included in the Members' packet were the revised consent documents which added language that the Assignor would remain liable under the lease and the consent does not authorize any change in usage nor further assignment. A letter from the buyer's attorney acknowledged the following:

- Annual rent renegotiations for the specified periods as defined by the appraisal were accepted; and
- Should there be improvements to the property there may be an adjustment to the annual rent, payment of dues to the Kakaako Waterfront Association, and presentation to the Kakaako Makai Community Planning Advisory Council for their recommendation.

Questions that were raised by the Authority at the September meeting included how much Floor Area Ratio (FAR) had been built out on the property. The improvements within the existing building are 13,835 square feet. The allowable building under the current zoning is 55,860 square feet.

The purchaser also assured staff that pursuant to the lease term, they would provide the required insurance coverage of \$2 million for the property, \$1 million for personal injury and \$2 million in general aggregate insurance.

Mr. Kuitunen stated that staff recommended that the Authority authorize the Interim Executive Director to consent to the assignment of the lease for the John Dominis site from Basin Project, Inc. to Ocean Investments, LLC and also approve the rent redetermination for the next ten year periods of \$320,611 per year. Paul Sato, who represented the seller, and Scott MacKinnon, who represented the buyer, were present to answer any questions from Members.

Chairperson Goshi asked for a motion to adopt staff's recommendation. Member Piper moved to approve staff's recommendation. Member Formby seconded the motion. Chairperson Goshi asked Members whether they had any questions. There were none.

Chairperson Goshi asked whether anyone in the audience had any comments.

Jack Hamada from the audience asked whether there would be any changes in the liquor license. He expressed his concern that the license would be changed to a cabaret license.

Mr. Kuitunen responded that the Authority does not grant liquor licenses.

Chairperson Goshi further explained that the liquor licensing is out of HCDA's jurisdiction and it would be the purchaser's prerogative on how they operate their business. The Authority's action was to determine the assignment of the lease only.

Paul Sato attorney for the seller stated that the liquor license was not transferable so the purchaser would have to apply for a new liquor license.

There being no further discussion. Chairperson Goshi reminded the Members that there was a motion on the table to adopt staff's recommendation and called for a vote. The motion was unanimously approved 11 to 0, excluding Kalaeloa Members.

4. Recommend Approval to Authorize the Interim Executive Director to Expend Funds for Kakaako Makai Community Planning Advisory Council

Deepak Neupane summarized the Information Item distributed to the Authority.

Mr. Neupane reported that at the September 2007 Authority meeting, staff provided an update on the progress of the Kakaako Makai Community Planning Advisory Council (CPAC) and presented a recommendation from the group on selecting the Spark M. Matsunaga Institute of Peace at the University of Hawaii as the facilitator for Phase II of the planning process. Staff also presented a budget for Phase II proposed by the group.

At its September meeting, CPAC agreed on a decision-making procedure and selected spokespersons for the group.

The facilitator would assist the group in developing the vision and guiding principles and action steps for developing the Kakaako Makai area.

Mr. Neupane stated that staff recommended approval to authorize the Interim Executive Director to contract with University of Hawaii, Spark M. Matsunaga Institute of Peace and expend up to \$52,800 for facilitation services subject to the approval and release of funds by the Governor.

Spokespersons for CPAC were in attendance to answer any questions.

Chairperson Goshi asked for a motion to adopt staff's recommendation. Member Bradley moved to approve staff's recommendation. Member Formby seconded the motion. Chairperson Goshi asked Members whether they had any questions. There were none.

Chairperson Goshi asked whether anyone from the audience wished to make a statement. There were none.

Chairperson Goshi called for a vote. The motion was unanimously approved 11 to 0, excluding Kalaeloa Members.

Kalaeloa Members Chinn, Eng, Enomoto, Souza and Timson joined the meeting.

## II. APPROVAL OF MINUTES - Continuation

### 1. Minutes of the Regular Meeting of September 5, 2007

Chairperson Goshi asked whether there were any corrections to the minutes of the September 5, 2007 meeting. There were none. It was moved by Member Piper and seconded by Member Okada to approve the minutes. The motion passed 16 to 0.

## V. REPORT OF THE EXECUTIVE DIRECTOR

Teney Takahashi 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. Takahashi reported that General Growth Properties, Inc. advised HCDA staff that it intended to apply for a master plan designation for its Mauka properties. Any landowner with over 10 acres has the right to apply for a master plan so they can include all of their property in one plan. General Growth has obtained the required corporate approvals and funding, but will take several months to generate a plan for HCDA's review. There is no immediate action required; however, staff would eventually request assistance from an Authority Task Force to help review the proposal.
- HCDA has contracted with Loihi Communications to provide government and community relations services, and is preparing for the upcoming legislative session.

- Authority Members requested that an item be placed on the agenda to discuss the reclassification of two Kalaeloa Members to become Members of the whole. Since this legislative proposal involves the membership of the Authority, staff will place it on the November regular meeting agenda.
- Mr. Takahashi explained that Chairperson Goshi's term would expire on October 12, 2007. HCDA bylaws require an election to fill the officer's vacancy at the meeting in which the vacancy exists, which would be the November meeting. Therefore, the election would be the first item on the agenda. Hawaii Revised Statutes 206E states that the Member may serve on the Authority until his replacement has been appointed and qualified.

Mr. Takahashi shared his personal experience working with Chairperson Goshi as a civilian. He stated that after meeting with a group of international developers who described their project preferences, Mike and his partner stayed up all night drawing a full set of plans; about three months work in 12 hours. The developers were flabbergasted at the amount and quality of work. Years later when the developer had another project, they asked Mr. Takahashi to track down Design Partners to be their architects. That work ethic has typified the brief time that Mr. Takahashi worked with Chairperson Goshi at HCDA as well. Mr. Takahashi has marveled at how Chairperson Goshi works pro bono for HCDA as hard as he works during his day job. He has been one of the most involved and conscientious Chairpersons that HCDA has had. On behalf of the staff and Members of the Authority, Mr. Takahashi thanked Chairperson Goshi.

Member Timson thanked Chairperson Goshi for all the work that he had done in helping to put Kalaeloa on the map and thanked him for his support.

Chairperson Goshi thanked everyone for their kind words and stated that it had been eight wonderful years. The staff and Members of HCDA are great people and each has made a meaningful and important contribution to Hawaii. Though the job has had its ups and downs, he will cherish the staff and the Authority for their support and also thanked the members of the public for the opportunity to talk to them. He wished the best for the Authority and its work.

#### IV. ITEMS FOR INFORMATION

##### A. Kalaeloa Status Report

Tesha Malama summarized the Information Item distributed to the Authority concerning this matter.

Ms. Malama reported that HCDA met with Townscape Inc. on September 18, 2007, to finalize the Kalaeloa Advisory Team plan. The Kalaeloa Advisory Team meetings have been set for the last Monday of each month. The first two sessions would be training type sessions that would include some history, master plan and the conduct of the standard meetings, their purposes, their roles and responsibilities.

The Public Safety and Security Issues Team are reviewing the plans for the \$250,000 that the Authority approved at the September meeting. There was a request to consider the use of cold plane on the pathways to get more residents off the main roads. The temporary walkway could be used instead of installing sidewalks because the City and County is requiring drainage. Thus, the use of cold plane would be considered in the finalized project.

The Kalaeloa Community Networks Group met on September 13, 2007, and a new member to the group was the Adult Day Care Center. They are experiencing vandalism and graffiti. This was conveyed to the Public Safety Group to seek their assistance.

At the request of Member Timson for a Kalaeloa newsletter, HCDA staff now has a combined newsletter called, "Connections" as opposed to its previous title, "Kakaako Connections." The HCDA staff sent the newsletters to the printers and Members should have received an e-mail copy and a hard copy would also be mailed to them.

On Thursday, September 13, 2007, HCDA called an all hands meeting for all the government agencies that are interested in the Kalaeloa brokered properties and met with Congressman Neil Abercrombie and General Robert Lee. Chairman Micah Kane (DHHL), Director Lester Chang (City and County Parks), and Tim Houghton discussed the need to protect the public benefit entities that sit on the brokered properties such as: the commissary, mini mart, Pointer and Pride fields which are heavily utilized. The Navy heard everyone's concerns and discussed how to move forward in addressing the land conveyance with Hunt's Development.

On Monday, September 17, 2007, staff held a follow-up meeting with the Base Realignment and Closure Program Management Office in regards to Building 36, which is the last transitional public housing in Kalaeloa. The process was finalized and the Navy announced that they secured \$100,000 to complete Lead Paint Abatement and Regulatory Impact Summary Consolidation assessments. Work should be done congruently with the Navy and Department of Accounting and General Services by the end of the year.

Ms. Malama asked whether there were any questions. There were none.

Chairperson Goshi thanked Members Liu, Mukaigawa, Okada, Enomoto, Souza and Timson for sitting on the Kalaeloa Homeless Investigative Task Force. Since the problem was resolved, Chairperson Goshi dissolved the Task Force.

Chairperson Goshi asked for volunteers to join the Kalaeloa Advisory Team, who would assist in crafting the Kalaeloa Community Development Administrative Rules. Along with Authority Members, there would be representatives from neighborhood boards, and elected officials who would be participating in the group. The first training session is scheduled for November and monthly meetings would follow. Members Chinn, Enomoto, Piper, Souza and Timson volunteered to sit on the Kalaeloa Advisory Team.

Ms. Malama announced that the monthly meetings would be held on the last Monday of the month from 6:30 p.m. – 8:00 p.m. at the Kalaeloa Airport Conference Room.

Chairperson Goshi thanked the Members for volunteering.

B. Kalaeloa Navy Report

Tesha Malama stated that Lynn Tanaka of Navy Region Hawaii was in attendance earlier, but had to leave. The Navy provided a written report, which was included in the Members' packets.

Ms. Malama reported on behalf of the Navy that there have not been any new leases. She brought everyone's attention to the map of the Kalaeloa Brokered Parcels and Navy Retained Areas. In previous maps the parcels along the golf course (denoted with X's) were scattered in between the golf course and the Navy agreed to compile those parcels and post the same acreage to the North of the property which would allow for better land use.

Chairperson Goshi asked whether there were any questions that Ms. Malama could relay to Ms. Tanaka. There were none.

C. Hawaii Public Housing Authority Status Report

Tesha Malama noted that there was no one from the Hawaii Public Housing Authority to present an update and no written report was submitted.

Chairperson Goshi announced that he, Jonathan Lai and Deepak Neupane attended the Hawaii Congress of Planning Officials Conference held in Kona. He asked Member Lai whether he wanted to report on the conference.

Member Lai stated that it was an eye opening conference because it focused on sustainability and the environment. He thought it was helpful to see the balance between development and environmental issues, and thought that the conference was worthwhile.

Mr. Neupane added that it was a good chance to meet with other professionals in the same field who are from different counties. He attended a seminar on Leadership in Energy and Environmental Design (LEED). The LEED projects that have been done are fairly small. Staff would like to use LEED in the Mauka Area Plan and are thinking about the possibility of having a high rise building that can accommodate some of the LEED design. Mr. Neupane also thought it was a good conference.

VII. EXECUTIVE SESSION

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

5. Status update on the selection of the new Executive Director pursuant to Section 92-5(a)(2), Hawaii Revised Statutes, to consider the hire of an employee where consideration of matters affecting privacy would be involved.

It was moved by Member Chang and seconded by Member Souza to enter into Executive Session. The motion carried 16 to 0.

Chairperson Goshi requested that Kathy Inkinen, President of Inkinen and Associates, join in the Executive Session discussions.

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The Hawaii Community Development Authority entered into Executive Session at 11:17 a.m.

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It was moved by Member Piper and seconded by Member Chang to reconvene the regular meeting. The motion was carried 16 to 0.

The meeting was reconvened at 11:59 a.m.

VII. ADJOURNMENT

There being no further business, it was moved by Member Piper and seconded by Member Chang to adjourn the meeting at 11:59 a.m. The motion passed 16 to 0

Respectfully submitted,

/s/

Jonathan Lai  
Secretary