

SUMMARY - MEETING NO. 316
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

April 4, 2007 – 9:00 a.m.

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

ATTENDANCE

Members Present: Mark Anderson (for Theodore Liu, DBEDT); C. Scott Bradley; Amanda Chang; Grady Chun; Michael Goshi; Paul Kimura; Jonathan Lai; Kay Mukaigawa; Glenn Okimoto (for Barry Fukunaga, DOT); Robert Piper (for Georgina Kawamura, B&F) and Russ Saito (DAGS).

Kalaeloa Members: Linda Chinn (for Micah Kane, DHHL); Evelyn Souza and Maeda Timson.

Members Absent: William Aila, Jr. (Kalaeloa Member); and Henry Eng (DPP, Kalaeloa Member).

Others Present: Daniel Dinell; Melvin Nishimoto (Deputy AG); Matthew Akamu; Gloria Chong; Pearlyn Fukuba; Richard Kuitunen; Cal Machida; Steve Miyamoto; Deepak Neupane; Susan Tamura; and Jill Sugihara (also, see Meeting Attendance Record).

I. ROLL CALL

The meeting of the Hawaii Community Development Authority (HCDA) was called to order on April 4, 2007, by Chairperson Michael Goshi at 9:00 a.m. with the following roll call:

Chairperson Goshi	Present
Member Anderson	Present, arrived at 9:03 a.m.
Member Bradley	Present
Member Chang	Present
Member Chun	Present, arrived at 9:07 a.m.
Member Kimura	Present

Member Lai	Present
Member Mukaigawa	Present, arrived at 9:04 a.m.
Member Okimoto	Present
Member Piper	Present
Member Saito	Present
Member Chinn	Present, left at 9:59 a.m.
Member Souza	Present, left at 9:59 a.m.
Member Timson	Present, left at 9:59 a.m.

MATERIALS DISTRIBUTED

1. Agenda for April 4, 2007 Meeting;
2. Summary Minutes of Authority Meeting of March 7, 2007;
3. Summary Public Hearing of March 7, 2007;
4. Report of the Executive Director;
5. Kalaeloa Status Report;
6. Hawaii Public Housing Authority Status Report;
7. Action Item: Recommend Approval to Authorize the Executive Director to Consent to the Addition of One Transmitter to the Radio Tower by Salem Media of Hawaii, Inc. and Adjust Rent;
8. Action Item: Recommend Approval to Authorize Executive Director to Expend Funds to Prepare a Supplemental Environmental Impact Statement for the Proposed Amendments to the Kakaako Community Development District Mauka Area Plan and Rules; and
9. Action Item: Recommend Adoption of Amendments to Chapter 15-210, Hawaii Administrative Rules, entitled "Rules, Regulations, Charges, and Fees for Public Parks."

II. APPROVAL OF MINUTES

1. Minutes and Summary

Chairperson Goshi asked whether there were any corrections to the minutes of the regular meeting of March 7, 2007. There were none. Chairperson Goshi asked whether there were any corrections to the summary of public hearing on March 7, 2007. There were none. It was moved by Member Souza and seconded by Member Saito to approve both minutes as written. The motion passed 11 to 0, with 3 excused (Members Anderson, Chun and Mukaigawa).

Chairperson Goshi clarified that at the March Authority meeting, he created a Task Force to tour Kalaeloa on March 28, 2007, and to investigate the purchase of Navy brokered lands. Since more than a quorum of the Authority signed up for the tour, the

tour was publicly noticed as a regular meeting. Therefore, the Task Force was not necessary and he disbanded the Task Force.

Chairperson Goshi also thanked Member Lai for chairing that meeting in his absence and the absence of Vice Chairperson Paul Kimura and thanked the Members who participated in the tour.

III. REPORT OF THE EXECUTIVE DIRECTOR

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

- Mr. Dinell reported that on March 16, 2007, the Authority held a Workshop to familiarize Authority Members on plans for establishing the Kakaako Makai Area Advisory Working Group (AWG). HCDA consultant, Townscape, Inc. presented the proposed responsibility, membership, and organizational structure of the AWG and there was a good dialogue amongst the Authority and attendees.

A community meeting to discuss membership of the AWG with stakeholders would be held on Tuesday, April 10, 2007, from 5:30 p.m. to 7:30 p.m. at the Honolulu Design Center, community room. Notification of the community meeting was sent to community members and stakeholders. Notice of the meeting was also been posted on HCDA's website.

- Staff met with tenants and representatives of Kewalo Boaters Group twice following the March Authority meeting to discuss the proposed Administrative Rules. The tenants felt that all the terms of the existing Department of Transportation (DOT) rules should be followed. Staff suggested that perhaps the best approach to address tenant concerns and still make the operation financially viable would be a two-tiered rate structure whereby existing users would pay the DOT rates plus the Consumer Price Index (CPI), or inflation index for Honolulu over the last 10 years since the rates were last raised, and pay no Common Area Maintenance (CAM) charges at this juncture.

New users and existing users who choose to move slips would pay the rate proposed in the rules, which would also be indexed to the CPI. After 2010, everybody would move to the new rates and pay CAM as lease renewals occurred. This approach was in response to the sentiment that HCDA would be charging "too much, too soon" so staff proposed to spread out the fees.

Staff is in active discussions with tenants of Kewalo Basin and hope to bring back more information as the transition deadline is quickly approaching.

The Legislature also took up various measures related to Kewalo Basin. Resolutions about Kewalo Basin request that DOT continue to operate the Harbor were heard and deferred in the House. HCDA has provided comments on this proposal to the appropriate Committees explaining the process and reasons why HCDA is seeking a property manager to continue the day-to-day operations of the harbor, and to improve services and facilities such as addressing deferred maintenance, replacing condemned piers, ensuring public health and safety. Another legislative measure tasks the Aloha Tower Development Corporation to work with DOT and HCDA on the harbor development including developing the fast lands.

The House Committee on Finance amended the Executive Biennium Budget by changing the \$5.5 million in reimbursable General Obligation bonds for Kewalo Basin improvements to DOT special funds and funding DOT's continued operation of Kewalo Basin. Staff is working with the Senate Committee on Ways and Means on how to best move forward.

- Mr. Dinell reported on the status of legislative bills that HCDA has been testifying on.
 - HB 1667 authorizes the issuance of revenue bonds for the necessary infrastructure and the acquisition of land within the former Barbers Point Naval Air Station by HCDA to develop the Kalaeloa Community Development District. The bill passed the House; however, it was held in the Senate subject matter committee. Funding could still be provided in the State budget, and the measure would still be alive for the next session. This bill is not moving for this session.
 - An Administration proposal, HB 1283, HD 2, SD 1, to allow HCDA to sell a fee simple interest in reserved housing units in Kakaako passed the House and Senate subject matter committees, and on April 3, 2007, the Senate Committee on Ways and Means amended the measure to include unrelated provisions from SB 1838, SD 2, which establishes the Kakaako central small business district and other changes in HCDA's enabling statute. While HCDA feels this measure will provide one more tool to address Hawaii's housing crisis by helping to prevent "windfall" profits from the sale of reserved housing units during buyback periods, adding other items do not help to address the very difficult funding issues that revolve around improvement districts and the funding of public facilities.

- HB 718, SD 1 requires HCDA to set aside specific land adjacent to Kewalo Basin for use by the Kewalo Keiki Fishing Conservancy and to proceed with any necessary environmental remediation. The Senate Committee on Ways and Means deferred decision-making twice and on April 3, 2007, passed it with technical amendments. HCDA has offered alternative accommodations to the program and the Attorney General has expressed concern about its constitutionality.
- Legislative measures relating to the Asia Pacific International Research Center for high technology in Kakaako are moving through both Houses.
- A measure to appropriate funds for the relocation of Honolulu Marine from Kewalo Basin to Keehi Small Boat Harbor passed out of the Senate Committee on Ways and Means. HCDA has provided comments on the measure, most notably that the monies to be appropriated are not in the Executive Biennium budget.
- HB 1072, HD 2, SD 1, which establishes and funds the Kakaako affordable housing development program to provide incentives to developers building or rehabilitating affordable housing units in Kakaako, appears dead for the session.
- SB 1957, SD 1, HD 1, requires public disclosure of financial interest of members of nine boards and commissions including HCDA. The House passed the measure. It has been transmitted to the Senate to disagree with the House amendments and go to conference, or agree and send it to the Governor for her action. Chairperson Goshi provided testimony against this bill noting that: 1) it may discourage unpaid volunteers from serving on the Authority; 2) disclosure already takes place with oversight by the Ethics Commission; and 3) making this bill effective upon approval is unfair to those members who accepted appointments under a different set of understandings as it related to their personal financial matters.
- The House Committee on Finance reduced the requested General Obligation bond request for life safety improvements of the open drainage canal in Kakaako by \$800,000. However, the committee funded it for \$1 million. They also moved the \$1.1 million for Kalaeloa safety improvements from HCDA General Obligation bonds to DOT Highways special funds for enhanced lighting and American with Disabilities Act compliance for sidewalks. Staff is working with the Senate Committee on Ways and Means to properly fund all of these important initiatives.

- Dexter Okada and Christopher Kobayashi were nominated by the Governor to be considered for the HCDA board for terms starting July 1, 2007, and expiring on June 30, 2011. The Governor selected each from a list of names submitted by the Speaker of the House and Senate President, respectively. Their confirmation hearings were scheduled on March 30, 2007, along with those for Members Chun and Kimura. All of their confirmations passed unanimously and will move to the Senate for a vote. Stanton Enomoto has also been nominated to serve as Hawaiian Cultural Specialist for Kalaeloa; that confirmation hearing has not yet been scheduled.
- Recognizing that perceptions and expectations among HCDA constituents contribute to HCDA's image in the community, as part of the community outreach effort for the AWG approved by the Authority on November 1, 2006, a communications audit of HCDA was undertaken. The audit included a comprehensive review of printed material, electronic means of communication, and interviews with various constituents including community members, legislators, and the news media.

Several suggestions were made:

- Making the public feel more welcomed at Authority meetings – one specific suggestion that is in the process of being implemented is making public parking available, another will be that for meetings where a large audience is expected, to consider holding it in a larger facility than the current board room. Mr. Dinell announced that beginning with the next Authority meeting on May 2, 2007, staff will send out a notice of free parking during Authority and community meetings at the new parking lot on the realigned Ohe Street next to the Children's Discovery Center.
- Creating a consistent visual identity system for communication pieces whatever their form (print or electronic).
- Staff is also working on implementing an e-mail system to proactively send out information to those interested parties with links to postings on the HCDA website, although there was still a desire expressed for a printed newsletter.
- Additional recommendations that are systemic in nature are more difficult to implement, or may not be in the direct control of the Authority. These include having no "community" members on the Authority and a feeling that the staff makes recommendations, and the

Authority takes action, without adequate input. Staff, and the consultants who conducted the audit, believe that only through actively seeking/listening to stakeholder concerns/input and the building of trust, will these perceptions change over time.

Chairperson Goshi requested the record to reflect that Members Anderson, Chun, and Mukaigawa were present. Chairperson Goshi asked whether there were any questions for the Executive Director.

Member Timson wanted to follow up on the March meeting discussion on the Kalaeloa Director of Planning and Development position. She stated that another month has passed and the position remains unfilled. She believes that the Administration is holding it up; but, no one has responded to her request for an explanation. Member Timson expressed that she thought it was rude and disrespectful to the Authority. She thought that the selection process was not acceptable to begin with because there was no Kalaeloa Member on the committee.

Member Lai stated that Member Chinn was on the selection committee.

Member Timson responded that no one from the community was on the panel. She thought that Member Chinn didn't know the community since she did not live in the area. Thus, she thought that the process was wrong. Member Timson asked who runs the Authority, was it the Administration or the Executive Director. The position has been vacant for five months and commented that applicants must have dropped out, which either would leave fewer choices, less qualified candidates, or force the Authority to begin the process all over again. Member Timson thought it was unacceptable and disrespectful that no one from the Governor's Office had the courtesy to return her calls. She owed it to the Kapolei community to find out the status of the hiring because that is the reason that she sits on the Authority. Member Timson stated that she asked the Chairperson last month and Executive Director Dinell several times to find out the status. She wanted to know what was going on.

Chairperson Goshi thanked Member Timson for her concern. He stated that from the onset the Authority considered the filling of the Kalaeloa Director position to be a serious matter, so the HCDA officers met with the Administration to stress that.

Member Timson questioned why the key people did not include the people who live in the community.

Chairperson Goshi replied that the Authority officers were more concerned about how to move the process expeditiously. Since Member Timson raised the question at the March meeting, Chairperson Goshi stated that he called the Governor's Office. The Administration wanted to interview the candidates for the position so a few weeks were necessary to arrange that. The Administration followed through and held

the interviews. Chairperson Goshi echoed Member Timson's sentiments, but believed that the Administration was close to making a decision. He stated that Member Timson's message was delivered to the Administration and they were aware of her concerns. Chairperson Goshi and Mr. Dinell have been monitoring the progress and met to discuss this particular issue.

Member Timson stated that close is unacceptable. She wondered why if the Administration interviewed the candidates could they not finally move on it. She asked for clarification on who was running the Authority.

Mr. Dinell responded that the answer is in HCDA's enabling legislation, Hawaii Revised Statutes Chapter 206E. The Members of the Authority set the policy for HCDA. With regard to personnel matters, HCDA is attached administratively to the Department of Business, Economic Development, and Tourism (DBEDT). Thus, personnel matters pass through DBEDT. That is the process that staff follows. Mr. Dinell clarified that sitting on the interview panel were Member Chinn from the Department of Hawaiian Home Lands (DHHL), a Kalaeloa Member, Member Lai, and himself. The panel was assembled to get the broad representation without getting too unwieldy for scheduling purposes.

Member Timson stated that a member of the community should have been included.

Mr. Dinell replied that her concern was noted.

Member Timson stated that the Authority is criticized so often because of the political involvement. She is doing her job by being candid, but nobody else wants to speak up. Member Timson asked Chairperson Goshi when he would call the Governor's Office.

Chairperson Goshi commented that the Authority answers to DBEDT as it relates to personnel matters and that DBEDT is aware of the Authority's concerns. He also stated that he called the Chief of Staff, Bob Awana.

Member Timson stated that she has also called Mr. Awana's office.

Chairperson Goshi echoed her sentiments.

Member Timson asked Chairperson Goshi whether he would call the Governor's Office today.

Chairperson Goshi responded that he had already placed a call in the morning.

Member Timson stated that Chairperson Goshi should call them everyday. She also requested that this discussion be summarized in the meeting minutes in detail because she felt that this was an important issue.

Chairperson Goshi noted Member Timson's request and asked whether there were any other questions for the Executive Director.

Member Lai commented that he could not remain silent any longer. He acknowledged Member Timson's opinions, but stated that she should not disrespect Member Chinn just because she does not live in the area. Member Lai stated that the interview panel spent hours interviewing the candidates. He thought that Member Timson should not discount Member Chinn's perspective just because she didn't live in the Kalaeloa area. Member Lai stressed that everyone is on the Authority together and that Member Timson should not dictate what the Chairperson should do. Chairperson Goshi is doing his job and everyone is doing their best.

Member Timson commented that nothing has been done in five months. She stated that she didn't disrespect Member Chinn because she does a good job. However, Member Chinn does not represent the community because she hasn't been in the community long enough. Member Timson stated that she has been working over 14 years to try to redevelop the area and knows the concerns of the community. She knows that the Kalaeloa Director has a tough job, which is why she is concerned about Executive Director Dinell trying to be everywhere. Member Timson said that she is not disrespecting anyone on the selection panel, but thought that the panel should have included someone from the community.

Chairperson Goshi asked whether there were any other questions on the Executive Director's report.

Member Anderson commented that he read a periodical about the Cancer Research Center and wondered whether there was any update about the University's plans.

Mr. Dinell stated that staff continues to meet with the Cancer Research Center and UH officials, but staff didn't have a ground lease yet to bring back to the Authority, which would be the next step. Staff has also made the University aware of the Advisory Working Group process.

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

IV. ITEMS FOR INFORMATION

A. Kalaeloa Status Report

Pearlyn Fukuba summarized the Information Item distributed to the Authority concerning this matter.

Ms. Fukuba reported that the Kalaeloa Public Safety group continues to meet on a monthly basis. Next month will mark the one-year anniversary of this group's formation. It has grown from five agencies to include 11 agencies from the Federal, State, and City and County levels. The group has also evolved from the original intent to coordinate enforcement efforts to also include maintenance issues, and a place to voice their concerns about public safety issues in the district.

At the March 22, 2007 Public Safety meeting, the Federal Fire Department confirmed that they would conduct inspections of Federal lands in Kalaeloa. They would assist and identify camp fire violations, hazardous waste dumping and brush fire hotspots. For minor infractions, their main focus would be to educate and inform the person of proper ways to do things while major incidents would be forwarded to the Honolulu Police Department (HPD) or Navy Security for action. Navy security officers have indicated that the homeless population at White Plains Beach campgrounds is increasing and they are seeing more permanent structures. Enforcement officers requested that the Department Directors from the City and County Departments of Parks and Recreation and Environmental Services be invited to the April meeting and Executive Director Dinell has extended those invitations.

About four or five of the agencies that participate in the Public Safety group also participate in the Kalaeloa Community Network meetings. The Kalaeloa Community Network meets on a monthly basis and consists of landowners, businesses, and people who live, work and play in the area. Word is spreading within the community about this group and more people want to join.

At the March 1, 2007 meeting, the Kalaeloa Community Network continued to discuss the transportation and pedestrian concerns in Kalaeloa. A lot of the businesses start early in the morning while it is still dark, and the lack of street lights compounds the problem of pedestrian visibility. The group is trying to brainstorm ways to improve safety conditions for pedestrians. It was suggested that during the pre-dawn and evening hours, the shelter operators provide something similar to a bicycle strobe light or flash light to improve illumination.

The shelter operators also indicated that they would address these issues in their operations meeting.

The group continues to work on reinstating the reduced hours at the Barbers Point Post Office. State Senator Mike Gabbard attended the March meeting and indicated that he was circulating a petition to try to reinstate the post office hours.

The group is also working on a design for the main entrance beautification project. A variety of resources are being consulted such as the City's Special area plan, area cultural practitioners, Board of Water Supply's list of xeriscape plants, and the Kalaeloa Master Plan design guidelines that details a list of preferred trees, plants and landscaping design.

The next meeting is April 5, 2007, and Todd Apo, Councilmember for the area, is expected to attend. There is also a planned presentation by HPD's Neighborhood Watch program.

The Kalaeloa Community Network continues to address maintenance projects in Kalaeloa. An example of such collaboration is the clearing of overgrowth on Essex Road, which runs parallel along Haseko's Ocean Pointe property and widely used by beach goers. Before and after pictures were attached as Exhibit A to the Kalaeloa Status Report. Haseko cleared not only their side of the road, but both sides, converting the road from one lane to two lanes.

Approximately 50 volunteers from the Kiwanis Club held an Easter egg hunt at Onelauena and Onemalu shelters.

The U.S. Coast Guard announced that they adopted Coral Sea Road under the DOT's Adopt a Highway program. The Coast Guard participates in both the Public Safety and Community Network groups. They not only picked up litter in the area, but they also used their manpower and equipment to clear some of the brush.

On March 21, 2007, Executive Director Dinell and representatives from Hawaii Public Housing Authority (HPHA) as well as Kanani Bulawan, the Executive Director from the Onelauena transitional shelter, met with Councilmember Apo. The focus of the meeting was to discuss the transportation issues in Kalaeloa. Onelauena is expecting to receive a bus from H-5. Since they already have several residents with Commercial Driver's Licenses (CDL) within their population, it is just a matter of repairing the bus and transmitting it to the shelter. Currently, City bus service is provided in the early morning and late afternoon. Ms. Fukuba said that Ms. Bulawan from Onelauena indicated that they could use additional service.

It is preferable to have an additional route in the morning after school starts so the residents can get their children off to school and then run their errands and then another trip to return in the early afternoon so they can get back into Kalaeloa before the children arrive home from school. Councilmember Apo indicated that he would look at two other possible solutions: 1) extend bus service; and 2) ask a private operator to do runs during their down time from Kalaeloa to the transit center in order for residents to catch a commuter to town or Waianae.

Ms. Fukuba thanked the Authority Members for attending the Kalaeloa tour. There were 11 Members in attendance as well as a few members of the public and the media along with Executive Director Dinell and staff.

Congresswoman Mazie Hirono will tour the area on Friday, April 13. She is interested in the child care facilities in the district – the child development center and the shelter’s traveling pre-school. She will also be visiting the Coast Guard and the airport to look at air transportation issues. Executive Director Dinell will give a windshield tour of different sites in Kalaeloa, pointing out certain aspects of the master plan and its relationship to the surrounding area. This will be Congresswoman Hirono’s third visit to the district in the last year. Ms. Fukuba asked whether there were any questions.

Member Timson thanked Ms. Fukuba for her hard work, especially since she was doing part of the Director’s duties. She reiterated that her concern was the transportation issue from the beginning. Member Timson suggested continuing talks with the State because the State was the one that put the shelter in Kalaeloa and it is part of their job to take care of those people. She was not sure how effective the strobe lights for the pedestrians would be. Member Timson suggested getting someone to give a lesson on pedestrian safety to the shelter residents as there are no crosswalks and sidewalks.

Member Mukaigawa thanked Ms. Fukuba for the Kalaeloa tour; she thought it was very good. The tour enlightened her. She commented that educating everyone about how the shelter works maybe a key factor in getting more donations and creating awareness. The public’s perception about homeless on the news is negative. Member Mukaigawa was impressed with the program and really wanted to help more. She thought that the public should be made aware of the “village bucks” system and all the different classes that the residents have to attend. By making the public aware of this, perhaps more organizations would be willing to get involved and make it more successful. Member Mukaigawa mentioned that people would be willing to donate items and bring them down to their building lobbies if someone was available to pick it up.

Mr. Dinell added that the philosophy of the shelter was not to give a hand out, but a hand up. If someone does not have a job, then he or she will have to go to classes or do chores. He thought that one of the points that Member Mukaigawa was making was that some people have the perception that the shelter is a place where the residents sit around all day and that is not it at all.

Member Mukaigawa commented that she didn't think the average person realized how hard the shelter residents worked.

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

Michelle Matson from the audience asked whether the Authority would take questions on the Executive Director's report.

Mr. Dinell responded that Chairperson Goshi already did so and they were now on another agenda item.

Ms. Matson stated that she had a question on the status of HB 718. She stated that the measure was passed out of the Senate Ways and Means Committee on April 3, 2007.

Mr. Dinell replied that he had already reported to the Authority that HB 718 was passed out of the Senate Committee on Ways and Means.

Ms. Matson thanked the Authority.

B. Kalaeloa Navy Report

Pearlyn Fukuba introduced Lynn Tanaka of Navy Region Hawaii.

Ms. Tanaka mentioned that she missed the last Authority meeting and noticed that there were some questions on the short-term leasing program. The Navy started the initiative a couple of years ago to get tenants into some of the vacant buildings and areas and do some improvements in the general area of the Navy lands that were retained. The agreement was that the Navy has a lease with Ford Island Ventures and they sublease to other tenants.

The Navy asked Ford Island Ventures for an update in regards to SWR who was storing cars for military personnel. A written statement was going to be issued, but the Navy never got it. Ms. Tanaka stated that she would press Ford Island Ventures to get an update from SWR. SWR had erected fences that blocked Nassau Road. There was a question from the Authority in March

whether that road could now be reopened. It is dependent upon what happens to the SWR property; they may not need the road closed any more. The Navy will wait and see what happens with SWR.

There is a potential tenant for the fitness center and pool that was closed in October. The Navy has not gone through the official turnover, but they expect to do so in a few weeks.

The next lease is the auto hobby shop. The original prospective tenant pulled out because of issues with wasps in the area. They are now looking for a new tenant.

There is a short list of organizations that is looking at the chapel. But there are still some internal repairs that need to be completed before anyone can move in.

Ms. Tanaka asked whether there were any questions.

Member Timson thanked the Navy for extending the maintenance of the pool pumps because it was just going to be extended for a few months. With the extension of the maintenance, the value of the pool continues and the possibility of community use remains.

Member Souza commented that the Navy sat on the parcels for so long that some of them are beyond repair. The Navy has done a dismal job. She has known at least five churches that wanted to use the chapel and it has sat empty for nearly two years.

Ms. Tanaka stated that the Navy has to do environmental screening documents and work through the internal rules. She agreed that the process was slow.

Member Souza noted that someone she knew was interested in a site and went to the website for Monroe and Friedlander and noticed that some of the pictures of the properties displayed the most unattractive side of the property.

Ms. Tanaka replied that they noticed that.

Member Souza wanted to relay to Ms. Tanaka that she was looking at the fitness center, but the picture presented on the website was the loading dock and it was not the building that was described there. She also commented that two years is a long time and asked whether things would get better.

Ms. Tanaka stated that the Defense Authorization Act has a September 30, 2008 deadline for the Navy to come to a binding agreement to sell or lease, or

a combination thereof, the 499 acres of brokered lands to a public (non U.S. Department of Defense) or private entity. The Navy could not move forward until a decision on the aircraft carrier was made. The Navy has started the environmental screening documentation.

Member Bradley asked Ms. Tanaka to describe the process if the State did not purchase the brokered land.

Ms. Tanaka commented that the Defense Authorization Act refers to the Ford Island Development Authority. There are four options: 1) under the master development agreement, which is an agreement that the Navy signed with Ford Island Ventures, the Navy could sell the lands directly to them; 2) the Navy could use Ford Island Ventures as the Navy's broker to market the lands and depending on the price, Ford Island Ventures may receive a little bit more of a commission; 3) the Navy could competitively put the land on the market and conduct a request for proposals; or 4) lease the lands. The Navy is still working through the preferred options. For some options, it needs to be done competitively and the Navy is working on that.

Chairperson Goshi asked whether there were any questions. He commented that most of the time the Authority is talking about the issues and problems in the area. Those are the symptoms; the real problem is the lack of economic development. The 499-acre land proposal is a bold step. Chairperson Goshi found it to be encouraging to see that the ball is rolling. He asked that all Authority Members talk about it to others. Something like this is needed, otherwise the Authority will be dealing with the problems forever. He hoped that things could be discussed with the Navy to make things work. Chairperson Goshi thought that HCDA owning the land would help solve the core problem.

Member Timson commented that she thought that the core problem was the infrastructure. Without water and electricity, no one wants to invest in the area.

Chairperson Goshi stated that was the reason why HCDA needed control of the lands. If HCDA had control of the lands then HCDA could take the initiative and begin the necessary infrastructure upgrades.

Member Timson stated that she spoke to developers in Kapolei who commented that they wouldn't touch the area with a 10-foot pole unless the City or State gets the utilities in because they wouldn't want to pay for it.

Chairperson Goshi reiterated that is why it is important for HCDA to have control. For this type of project only the State would take the risk and put in

the infrastructure. Mr. Dinell is talking to groups and Chairperson Goshi understands that it will take time, but he is encouraged that the ball is rolling.

Member Timson commented that it has been 14 years. The Legislature won't buy the land. In the early years, it was estimated that the cost to redo the infrastructure would cost \$6 million so it is probably three or four times that amount now. Hawaiian Electric Company has said that it would have to cut the lines and redo everything from the beginning.

Chairperson Goshi stated that Authority needs to stay focused and encouraged. He thanked the Navy for trying to do more for HCDA.

C. Hawaii Public Housing Authority Status Report

Pearlyn Fukuba introduced Brian Johnson from the Hawaii Public Housing Authority.

Mr. Johnson reported that last month the board requested data statistics on information collected from the unsheltered homeless and it was attached to his written report. The data on the causes of homelessness that was collected is broken down into different categories: income, health, family and other. The issue was how many unsheltered people have problems paying rent or cannot afford the rent, which is the reason why they become homeless. The data shows 70 percent in that category and also tied into that category are those that are evicted; it shows 81 percent. Most of the people that are evicted cannot pay the rent so that is why it is tied into that category.

In regards to the transportation for the Kalaeloa shelter, Mr. Johnson spoke to the wife of Utu Langi, who runs H-5. Mr. Langi is currently out of state. Mrs. Langi stated that they are currently doing the paperwork to transfer the title and obtain the insurance on the buses. Mr. Johnson will inform the Authority of the status at the next meeting.

Hale Ulupono, located in Building 39, is the shelter that is run by Steadfast Housing. This is the homeless shelter for people with mental illness. The shelter has been transitioning people to public housing since they are placed on the priority list if they have children.

HPHA has installed two pay phones at the Kakaako Next Step shelter for the residents to use. Phone lines were installed for staff because prior to that they were using cell phones.

Mr. Johnson asked whether there were any questions.

Member Timson thanked Mr. Johnson for moving forward on the bus situation. She asked whether the State would purchase the strobe lights for the residents and have them sign in and out for their use.

Mr. Johnson replied that he could see if the non-profit agency could put it in their budget.

Member Timson asked whether that could be done immediately.

Mr. Johnson responded that they would discuss it.

Member Timson stated that she attended the Easter egg hunt with her granddaughter. She thought that it was incredible to see the 130 children having fun. The people at the shelters were very grateful and respectful. She thought that the program was working well. Member Timson thought that the interaction with the community was great because it was open to the public and everyone was having a good time.

Mr. Johnson reported that a non-profit organization called, "Tutu and Me" receives Department of Human Services funding. The program includes grandparents of homeless children in the shelter and they teach and mentor the children. Tutu and Me will also do a pre-school project there. They set up a tent in the back of Building 50. HPHA plans to put in some portable buildings.

Member Timson pointed out that it is great to have more integration with the surrounding community. She thought that the interaction was useful and that some of the programs should include the general public.

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

There being no further comments, Chairperson Goshi called for a recess at 9:59 a.m. to allow the Kalaeloa Members (Members Chinn, Souza, and Timson) to depart, as the remaining agenda items were Kakaako-related.

Chairperson Goshi reconvened the meeting at 10:03 a.m.

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

2. Recommend Approval to Authorize the Executive Director to Consent to the Addition of One Transmitter to the Radio Tower by Salem Media of Hawaii, Inc. and Adjust Rent

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

Mr. Kuitunen explained that the Action Item was deferred from the February and March meetings. Salem Media of Hawaii requested an additional transmitter to the radio tower site. A copy of the Action Item from the February 2007 meeting was included in Members' packets as well as a letter from The Carl T. Jones Corporation, a consultant for Salem Media. At the February meeting, the question was raised about the electro-magnetic radiation (EMR) and the impact to the public.

The opinion by The Carl T. Jones Corporation is that the cumulative EMR fields are within the Federal Communication Commission (FCC) guidelines. Mr. Kuitunen explained that the report was rather difficult to understand for the layperson. Thus, Member Manayan offered to assist staff and asked Ernie Nearman of Broadcast Resources Company to review the report. Mr. Nearman confirmed the credentials of The Carl T. Jones Corporation, and also opined that the conclusions in the report were in line with what was anticipated.

Member Manayan also spoke to Field Officer John Raymond from the Honolulu office of the FCC. Unfortunately, the FCC would not issue a written confirmation of the measurements being within the guidelines, but verbally indicated that the work from The Carl T. Jones Corporation was in line with the anticipated EMR and was safe to the public.

In conclusion, Mr. Kuitunen stated that staff recommended that the Authority authorize the Executive Director to consent to the addition of one transmitter to the radio tower by Salem Media of Hawaii, Inc. and adjust the rent an additional \$27,500 per annum, prorated as appropriate from when Salem Media installs the transmitter. Salem Media has agreed to the rent adjustment.

Chairperson Goshi asked for a motion to adopt staff's recommendation. Member Anderson moved to approve staff's recommendation. Member Lai seconded the motion. Chairperson Goshi asked Members whether they had any questions.

Member Kimura asked whether the EMR was guaranteed to stay under the accepted level or whether stipulations needed to be added that it had to stay within the safe level.

Mr. Kuitunen stated that he believed that Salem Media had to test it and share the information with the FCC. They had a subsequent report that they gave to staff on another request showing approximately 43 percent of the maximum guidelines that would be allowed at this time.

Member Saito questioned what the total EMR was and how much is being added with the additional antenna.

Mr. Kuitunen clarified that it was an additional transmitter and not an antenna.

Mr. Dinell stated that The Carl T. Jones Corporation Report shows that the total power input increased by 9.8 percent. As stated in the report, the radio station has to be in compliance with the FCC guidelines. HCDA is not the regulatory body, but rather the landowner. HCDA has to rely on other government agencies that have the regulatory authority to ensure the public's safety. However, the added information from the qualified engineer is part of the due diligence process.

Member Saito asked whether there have been any complaints about radio frequency interference.

Mr. Kuitunen replied in the negative.

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

3. Recommend Approval to Authorize Executive Director to Expend Funds to Prepare a Supplemental Environmental Impact Statement for the Proposed Amendments to the Kakaako Community Development District Mauka Area Plan and Rules.

Susan Tamura summarized the Action Item distributed to the Authority and presented the staff's recommendation.

Ms. Tamura explained that at the February 2007 Authority meeting, the need for a Supplemental Environmental Impact Statement (SEIS) for the proposed

amendments to the Mauka Area Plan and Rules pursuant to the Environmental Quality Commission Declaratory Ruling 80-01 was discussed. The Declaratory Ruling No. 80-01, issued in May 1980, determined that an Environmental Impact Statement must be submitted for the Kakaako Development Plan. The Declaratory Ruling also stipulated that an SEIS should be submitted for substantial amendments to the plan. In consultation with the Deputy Attorney General, it was determined that an SEIS was necessary for the proposed amendments because the amendments represented a significant change from assumptions assessed in the Final EIS prepared in 1982.

The SEIS proposes to assess the amendments in accordance with Chapter 343, Hawaii Revised Statutes, and Chapter 200 of Title 11, Department of Health Administrative Rules.

At the February 2007 Authority meeting, staff was granted approval to proceed with the selection process to identify a qualified consultant that offers the best value to the State.

Pursuant to Chapter 103D, Hawaii Revised Statutes, and Hawaii Administrative Rules, a selection committee was formed and after review of qualifications and interviews, a ranked list of three qualified professional service providers for the project was determined. In addition to the ranking of qualified professional service providers, staff completed its due diligence in determining the best value to the State for the project.

The estimated budget for the entire SEIS project was \$850,000 and would include a comprehensive transportation study and infrastructure master plan. It was anticipated that the transportation component would cost approximately \$250,000 and would include a capacity analysis of all planned streets within the context of a multi-modal transportation plan. The infrastructure master plan component was estimated to cost \$295,000 and would include a report that would document the existing conditions, methodology, projected flows and demands, estimated costs, and recommended improvements for water, sewer and drainage, electrical, telephone and cable systems in the Mauka Area. Ms. Tamura explained that the dollar figures presented were a little different from what was provided to the Authority in the Members' packets. The reason for that was that staff was able to get a more accurate breakdown of the traffic components. The project is anticipated to take 12 months to complete.

Ms. Tamura concluded by stating that staff recommended approval to expend funds, not to exceed \$850,000, from the leasing and management sub-account of the HCDA Revolving Fund, to prepare a Supplemental Environmental

Impact Statement for the proposed amendments to the Kakaako Community Development District Mauka Area Plan and Rules, subject to availability of funds and approval of the Governor.

Chairperson Goshi asked for a motion to adopt staff's recommendation. Member Mukaigawa moved to approve staff's recommendation. Member Anderson seconded the motion. Chairperson Goshi asked Members whether they had any questions.

Member Anderson stated that there is a Mauka Area and Makai Area Plan and Rules. He wondered if it made sense to eliminate the division of rules and just treat the Makai Area as a separate neighborhood; where only one EIS would be needed to cover the whole Kakaako district.

Ms. Tamura responded that the comprehensive review of the Mauka Area looked at the district as a whole, including the Makai Area. The Makai Area is shown as an adjacent neighborhood. Ms. Tamura stated that community members also voiced their opinion that the areas should not be treated separately, so there was a conscious effort to include the Makai Area in the planning context. However, from an administrative standpoint, staff is unable to combine both Plan and Rules document into one.

Member Anderson commented that the Trip Generation Model that is used in the district is based on an island wide average, and doesn't take into account the fact that people may choose to walk to work or might not need as much road capacity or parking; however, if the general measure was adopted then the streets would be very wide.

Ms. Tamura replied that in addition to a capacity analysis of all existing and proposed streets, the transportation study will take into account all modes of transportation including pedestrian, bicycle, public transit and the high capacity transit system in determining traffic capacity.

Member Kimura asked whether the traffic study would look at changing the one-way street to two-way streets.

Ms. Tamura responded that the revised Mauka Area Plan is proposing to eliminate the one-way Queen and Halekauwila Street couplet.

Member Kimura asked about changing Punchbowl Street into a two-way street.

Ms. Tamura replied that the transportation plan is proposing two-way streets on Pensacola and Piikoi Streets only. However, through the SEIS process, changes to Punchbowl Street could also be included in the study.

Member Kimura asked whether it would be feasible for South Street to be a two-way street.

Member Saito asked whether the SEIS would cover both the Mauka and Makai Areas.

Ms. Tamura stated the SEIS will cover the Kakaako District, as well as the areas immediately surrounding the district. The surrounding areas include the Makai Area, Ala Moana, Sheridan Tract and the Central Business District.

Member Saito asked whether the EIS would cover only the Mauka Area.

Ms. Tamura responded in the affirmative. However, one of the primary objectives of the Mauka Plan is to strengthen connections to surrounding neighborhoods and districts. Therefore, the SEIS will assess the Mauka Area within the context of the larger urban Honolulu.

Member Saito understood, but wanted to get a sense of how much would apply to the Makai Area. His concern was if the SEIS just took into consideration the Makai Area as opposed to covering the whole area, if there are changes to the Makai Area later, HCDA wouldn't have to go through the SEIS process again. Member Saito asked for the status of the procurement process and asked whether Mr. Dinell negotiated the figure.

Mr. Dinell responded that staff followed the professional services process list. There are three staff members, who reviewed the qualifications and then ranked consultants based on project criteria. After the ranking, staff initiated negotiations with the top ranked consultant, which reflects the updated project costs that Ms. Tamura presented.

Member Saito asked whether there was a short list that would be given to Mr. Dinell to negotiate.

Mr. Dinell stated that he didn't receive the rank order list yet.

Ms. Tamura stated that once the Authority approves the request to authorize the Executive Director to expend funds to prepare the SEIS, the negotiation process would be initiated.

Member Bradley commented that for the Small Lot Task Force there was feedback that HCDA should work with the City to gain exceptions on some of the requirements on street sizes, parking requirements and off-site street. He asked where that would fit into the SEIS process.

Ms. Tamura replied that the revised Mauka Plan proposes streets and pedestrian environments that are not necessarily planned to meet City standards. For example, alleyways are proposed that will not require a 60-foot right of way that standard streets require. Staff has consulted with the City Department of Planning and Permitting and Department of Transportation Services on the Mauka Area transportation plan. Through the consultation process, it is hoped that an agreement can be reached with the City on the Mauka Area proposals.

Member Bradley commented that he thought staff has done a good job in trying to reach out to the central Kakaako business district landowners and businesses to incorporate their thoughts. He asked whether staff was comfortable with the feedback from the stakeholders about the types of streets that they would like to see and whether it was consistent with what was planned to negotiate with the City.

Ms. Tamura responded that staff has a general idea, but through the SEIS process staff will continue to work with the community to get their feedback. In addition, the SEIS contract includes a comprehensive transportation study that will assess and determine if the transportation plan would work for the Kakaako district.

Member Bradley stated that some of the feedback the Task Force got was that people were cautiously optimistic, but without visual aids there was reluctance to give full support. He requested that renderings to be done so that when the plan goes out for public review, they will know what the community would look like.

Ms. Tamura replied that staff is expecting drawings from the consultants by the end of the week. Staff is planning to present the draft plan to the Authority in May. After it is presented to the Authority, staff intends to present the Draft Mauka Plan to the community through a public meeting. The public will also have ample opportunity to review and provide comment on the Draft Mauka Plan and Rules through the SEIS and Administrative Rule making process.

Member Saito asked what the cost of the original EIS was.

Mr. Dinell responded that back in 1982 with all the planning and everything included, it was several million dollars. The current planning contract to amend the Mauka Area Plan and Rules is \$300,000.

Ms. Tamura stated that initially when the Authority determined that a Mauka Plan review and revisions were needed, the project manager at that time, proposed a scope of work that included the review and revision of the Mauka Plan and Rules, a transportation study and EIS. But the Authority declined the request, stating that the planning should be done first, which is why staff is proceeding with the request for an SEIS separately.

Member Saito asked whether the planning was completed.

Ms. Tamura replied in the negative. The planning portion will produce a draft proposal and then it will need to go through the public process and adjustments will be made through the SEIS process.

Member Saito asked for clarification that the planning portion was only \$300,000.

Ms. Tamura replied in the affirmative.

Mr. Dinell stated that the plan that is in placed today was formed between 1976 and 1982. It cost several million dollars back then to get everything done.

Chairperson Goshi asked whether there were any other questions. Before taking questions from the audience, he thanked Members Bradley, Chang and Chun of the Small Lot Task Force for their work in helping to develop some of the programs.

Chairperson Goshi asked whether there was anyone from the audience that wished to make a statement.

Jack Hamada from the audience asked whether the new proposed Halekauwila Place project with 496 units would be governed by the new EIS.

Chairperson Goshi stated that the Mauka Plan is more of a zoning and land use study.

Mr. Hamada stated that is why he wanted to know whether it would be governed by the new or old EIS.

Mr. Dinell stated that it would be based on the current rules.

Dexter Okada from the audience echoed what Member Bradley pointed out, that the EIS sounds like a finality and there are still ongoing discussion.

Ms. Tamura replied that the draft Plan is not intended as a final document. Staff intends that the draft Plan will go through a series of public review, input and revisions that will accommodate public comments and concerns.

Member Saito asked whether the EIS was final. The public may be thinking that an EIS would be done for every project and that is not the case. The EIS would cover the whole area. Member Saito thought that the \$850,000 figure might not be adequate to cover the cost and thought that the Executive Director should be given the flexibility to negotiate the pricing. With his recent experience with design and planning, he didn't want to hamper the process in the event \$850,000 wasn't enough.

Mr. Dinell stated that staff was trying to be fiscally prudent and asked whether he had a figure in mind.

Member Saito replied that he would give the Executive Director the discretion.

Chairperson Goshi asked whether an amendment could be made.

Mr. Dinell replied in the affirmative, but staff would recommend some kind of ceiling.

Member Mukaigawa asked whether \$1 million would be reasonable.

Deputy Attorney General Nishimoto stated that the recommendation could be amended, and then the amendment is voted upon.

Member Saito stated that rather than cutting back on the scope of work, the amount should be increased.

Member Mukaigawa stated that a motion needed to be made on the amount.

Mr. Dinell clarified that the amendment would be to not exceed \$1 million from the leasing and management sub-account of the HCDA Revolving Fund to prepare a Supplemental Environmental Impact Statement for the proposed amendments to the Kakaako Community Development District Mauka Area Plan and Rules, subject to availability of funds and approval of the Governor. Staff is actually working towards getting it under \$850,000, but it would be

useful in terms of contingency or unanticipated expenses to increase the ceiling.

Chairperson Goshi stated that the amendment was to allow the Executive Director discretion to adjust the amount to a not to exceed figure of \$1 million and asked for a motion to adopt that amendment. Member Mukaigawa moved and Member Anderson seconded the motion. A vote was taken and the motion carried 11 to 0, excluding Kalaeloa Members.

Chairperson Goshi asked for a vote to authorize the Executive Director to expend the funds. The motion was unanimously approved 11 to 0, excluding Kalaeloa Members.

4. Recommend Adoption of Amendments to Chapter 15-210, Hawaii Administrative Rules, entitled “Rules, Regulations, Charges, and Fees for Public Parks”

Gloria Chong summarized the Action Item distributed to the Authority and presented the staff’s recommendation.

Ms. Chong reported that staff was proposing amendments to update Chapter 15-210 concerning the rules, regulations, charges and fees for public parks. A public hearing on the subject rule (“Rules”) adoption was conducted on March 7, 2007. One individual representing The Friends of Kewalo Basin Park Association testified in support with no objections to the proposals. Ms. Chong stated that the proposed amendment to the Rules would improve the usage of the park for the good of the public.

Ms. Chong explained that the Rules apply to three specific parks under HCDA’s jurisdiction - Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks (“Parks”). The proposed subject amendments are intended to maximize the general public’s enjoyment/use of the Parks.

The amendments include operational updates or housekeeping adjustments. Recently, there have been some undesirable activities occurring at the Parks such as washing clothing and household items and hanging or laying the articles to dry in the park. Staff proposed to establish new Rules to prohibit these undesirable activities as well as prohibit parking in unmarked stalls, staking, and wading pools, dunking tanks, inflatable pools, or portable hot tubs that could damage the sprinkler system.

In addition, there are several sections in the Rules to address clarity, one of which is the definition for abandoned property and another amendment to correct an inadvertent reference.

Staff also recommended establishing a park usage fee schedule for commercial activity because there have been increased inquiries by commercial entities for usage of the Parks. Under the current system, should a profit venture wish to use the Parks for commercial purposes, it would need to obtain a revocable license or right of entry from HCDA. Since no fee schedule currently exists, the revocable license or right of entry agreement has been treated independently. The fee schedule is proposed so HCDA can be fair and consistent with regard to commercial activities.

At the March 7, 2007 public hearing, there was discussion on how the rates were set. When compiling the fee schedule, staff listed all possible activities and special events that could occur at the Parks. The listing of activities was based on a combination of sources consisting of: actual experience or user requests over the past years, inquiries from potential users, as well as a comparison for similar or equivalent usages with the City and County of Honolulu fee schedule. The amounts were derived on what the permittees were willing to pay after discussing with them what the value is worth to them and the impact to the Parks from their usage associated with their activity.

Ms. Chong explained that the proposed fee schedule pertains to events involving commercial activity only. Non-profit entities with a 501(c)(3) status are exempt from these fees provided that all the proceeds collected from the activity inure to the charitable purpose.

There is also a provision in the Rules that allows the Executive Director to waive the fees on a case-by-case basis. For instance, this may apply in the category of commercial filming, photography and videotaping. DBEDT's Film Industry Office does not like to charge production companies for filming as its goal is to promote Hawaii and the film industry so most state locations are free to use for filming with a few exceptions. Under HCDA Rules, the Executive Director would have the ability to waive the fees.

The proposed amendments to the Rules would improve the operation of the Parks by making the requirements for commercial activities more transparent and establishing additional guidelines for the enforcement and operation of the Parks. This would make the facilities a safe, pleasant, and enjoyable environment for all patrons.

Staff recommended adoption of the Proposed Amendments to Chapter 15-210, Hawaii Administrative Rules entitled, “Rules, Regulations, Charges and Fees for Public Parks.”

Chairperson Goshi asked for a motion to adopt staff’s recommendation. Member Lai moved to approve staff’s recommendation. Member Chun seconded the motion. Chairperson Goshi asked Members whether there were any questions.

Member Chun was curious whether the Rules would prohibit activities such as the carnival held at Magic Island.

Mr. Dinell replied in the negative and commented that HCDA previously allowed a carnival for the Children’s Discovery Center.

Ms. Chong stated that the key was whether there was commercial activity involved. If the proceeds went to a charitable organization, the fees would not apply.

Mr. Dinell gave the example of the Pacific Handcrafters Guild, which is a non-profit entity that held their quarterly festival at the Makai Gateway Park. Under the fee schedule, festivals would be charged a \$500 daily fee. Since the individual crafters sell their goods and make a profit, it doesn’t go back to the 501(c)(3) organization so in that case the \$500 fee would apply. If the event was for the Children’s Discovery Center and all the proceeds would go to them, then the fee schedule would not apply because they are a non-profit organization.

Member Chun asked whether the Rules prohibit organizations from having a dunking tank if they did not sell anything.

Mr. Dinell stated that the Rules prohibit dunking tanks, due to the damage to the grass and facilities so that type of activity would not be encouraged. Large tents can be erected using water drums to hold down the corners, but not staking. Staff is concerned with protecting the facility itself.

Member Saito questioned whether the Rules were in Ramseyer format.

Ms. Chong replied that it was in the standard final form.

Member Saito asked what the underscores were.

Mr. Dinell stated that it was in final form and in the Public Hearing packet, the Ramseyer format was included. Thus, the underline in the attachment

denotes an underline in the text. Mr. Dinell pointed out that the fee schedule on page 210-31 was new.

Member Saito asked whether any of the fees were previously assessed.

Mr. Dinell replied in the negative; there previously was no fee schedule.

Member Mukaigawa noted that most of the Rules deal with enforcement, but the major change was the fee schedule.

Ms. Chong noted that there were some other amendments.

Mr. Dinell stated that there were some amendments to the Rules themselves such as in the case of washing clothes. The Public Hearing packet contained the Rules in Ramseyer format to easily see the changes.

Member Saito asked if there was only one testifier.

Ms. Chong replied that there were three people in attendance at the Public Hearing, but only one testified and was in support of the amendments.

Member Saito asked whether any changes were made to the proposed fees based on the result of the testimony.

Ms. Chong replied in the negative.

Member Saito asked whether the amended Rules were exactly as heard at the Public Hearing.

Ms. Chong replied in the affirmative, stating that the testimony was in favor of the amendments.

Member Kimura referred to page 210-31 and asked whether that was the proposed fee schedule and commented that \$1,000 would be charged for 100 projected attendees which would be \$10.00 per person surcharge.

Ms. Chong replied that was correct.

Member Mukaigawa stated that it was discussed at last month's public hearing if there was a concert.

Member Kimura stated if he was the promoter of that concert, he would list it as a fundraising event.

Mr. Dinell responded that staff would evaluate the proposal, and if the permittee had a band and sold tickets, but was a 501(c)(3) entity, the fee schedule would not apply.

Member Kimura commented that the Kakaako Improvement Association (KIA) held a concert there and he didn't recall that it was close to that amount. He stated that it would deter most people from holding an event there.

Mr. Dinell recalled that the KIA did the concert as a benefit for the Children's Discovery Center, which is a 501(c)(3) entity so the proceeds went to the non-profit. However, if for instance, the Eagles were to perform at the amphitheater for profit that would be considered as a commercial enterprise.

Chairperson Goshi asked whether the Executive Director had the right to waive the fee.

Mr. Dinell replied in the affirmative.

Chairperson Goshi asked whether the Executive Director had the right to amend the price.

Mr. Kuitunen stated that if the Executive Director could waive the fee, he presumed that he would be able to amend it by reducing it, but not increasing the fee.

Member Saito commented that the Attorney General's opinion was needed for that interpretation.

Deputy Attorney General Mel Nishimoto stated that the language says, "waived," meaning dispense of the charge; it doesn't say, "adjust and amend," only waive.

Mr. Kuitunen asked whether it was all or nothing.

Deputy Attorney General Nishimoto answered in the affirmative.

Chairperson Goshi asked whether the \$10.00 per person charge was run through a promoter to see whether it was competitive cost. He commented that it seemed high.

Mr. Kuitunen responded that there has not been any request in the last three years, it was more of the smaller operators like for surf lessons and fitness classes.

Chairperson Goshi stated that he has seen a lot of concerts in Kakaako.

Mr. Kuitunen replied that they haven't been permitted and are doing it illegally.

Chairperson Goshi stated that the events were ticketed.

Mr. Kuitunen asked if it was within the last couple of years.

Chairperson Goshi stated that there used to be concerts at Kakaako.

Mr. Kuitunen responded that previously there were no rules so it would have to be right of entry or license agreement.

Chairperson Goshi said that monies were exchange and there were fees for the promoters to use the park.

Mr. Kuitunen replied that he was unaware of it and had not seen any documentation of what transpired.

Member Saito said that he was reminded of Hanauma Bay.

Chairperson Goshi questioned whether each time the fees changed if it would have to be presented to the Authority.

Mr. Dinell noted that the Rules require for the Executive Director to report back to the Authority on it annual basis. For the entire Fiscal Year 2006, HCDA collected \$300 in commercial activity fees so staff is not anticipating any huge collections.

Member Saito asked which parks were included.

Ms. Chong replied the parks within HCDA's jurisdiction – Kakaako Waterfront Park, Kewalo Basin Park and Makai Gateway Park.

Member Saito asked that if he wanted to jog in the park, whether he would have to pay \$10.00.

Ms. Chong replied that the charge is only for commercial activities.

Member Saito asked for clarification that there was no charge to the general public.

Ms. Chong replied in the affirmative.

Mr. Dinell added that there would be a charge only for commercial activities and there would be no charge for parking for park and ocean users.

Chairperson Goshi asked whether there was anyone from the audience that wished to make a statement. There were none. There being no further discussion. Chairperson Goshi called for a vote. The motion was unanimously approved 11 to 0, excluding Kalaeloa Members.

VI. ADJOURNMENT

There being no further business, it was moved by Member Mukaigawa and seconded by Member Anderson to adjourn the meeting at 10:54 a.m. The motion passed 11 to 0, excluding the Kalaeloa Members.

Respectfully submitted,

/s/

Jonathan Lai
Secretary