

SUMMARY - MEETING NO. 323
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii

November 7, 2007 – 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; Joseph Dwight, IV; Barry Fukunaga (DOT); Paul Kimura; Christopher Kobayashi; Jonathan Lai; Theodore Liu (DBEDT); Kay Mukaigawa; Dexter Okada; Robert Piper (for Georgina Kawamura, B&F); and Russ Saito (DAGS).

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

Others Present: Teney Takahashi; Melvin Nishimoto (Deputy AG); Pearlyn Fukuba; Neal Imada; Annette Kawasaki; Richard Kuitunen; Cal Machida; Tesha Malama; Steve Miyamoto; and Jill Sugihara (also, see Meeting Attendance Record).

I. ROLL CALL

Vice Chairperson Kimura stated that Chairperson Goshi's last meeting was October 2007, as his term expired. Therefore, Vice Chairperson Kimura would be conducting the meeting until a new Chairperson was elected. The meeting of the Hawaii Community Development Authority (HCDA) was called to order on November 7, 2007, by Vice Chairperson Kimura at 9:02 a.m. with the following roll call:

Vice Chairperson Kimura	Present
Member Bradley	Present, arrived at 9:10 a.m.
Member Chang	Present
Member Chun	Present, arrived at 9:15 a.m., left at 11:30 a.m.
Member Dwight	Present
Member Fukunaga	Present
Member Kobayashi	Present, arrived at 9:15 a.m., left at 11:20 a.m.

Member Lai	Present
Member Liu	Present
Member Mukaigawa	Present
Member Okada	Present
Member Piper	Present
Member Saito	Present
Member Enomoto	Present, arrived at 9:24 a.m., left at 11:43 a.m.
Member Kane	Present, left at 11:43 a.m.
Member Sokugawa	Present, left at 11:43 a.m.
Member Souza	Present, left at 11:43 a.m.
Member Timson	Present, arrived at 9:05 a.m., left at 11:43 a.m.

MATERIALS DISTRIBUTED

1. Agenda for November 7, 2007 Meeting;
2. Summary Minutes of Authority Meeting of October 3, 2007
3. Report of the Interim Executive Director;
4. Kalaeloa Status Report;
5. Kalaeloa Navy Report;
6. Hawaii Public Housing Authority Status Report;
7. Action Item: Recommend the Amendment of 206E-3(b) and 206E-191(c), Hawaii Revised Statutes, Relating to Members of the Hawaii Community Development Authority;
8. Action Item: Recommend Approval to Authorize the Interim Executive Director to Transfer Piers 1 and 2 to the Board of Land and Natural Resources; and
9. Action Item: Recommend Approval to Expend Revolving Funds for Supplemental Landscape Maintenance Services at Kakaako Waterfront Park, Kakaako Makai Gateway Park, and Kewalo Basin Park.

Vice Chairperson Kimura welcomed the newest Authority Member, Joseph “Kepa” Dwight, IV, who replaced Michael Goshi. Mr. Dwight is President of First American Title Company, Inc. Prior to joining First American Title Company, he practiced law with the firm of Stubenberg & Durrett, Attorneys at Law. He is a member of the Young President’s Organization and also serves as a trustee of the Le Jardin Academy.

Vice Chairperson Kimura called a recess at 9:05 a.m. to begin the Public Hearing on the Repeal of Subchapter 10 of Chapter 20, Title 15, Hawaii Administrative Rules, Relating to Kakaako Improvement District 11.

It was noted that Members Bradley, Chun, Kobayashi, and Timson arrived during the Public Hearing portion of the meeting.

Vice Chairperson Kimura reconvened the meeting at 9:16 a.m.

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

1. Election of HCDA Vacant Officers Positions

Vice Chairperson Kimura explained that since Chairperson Goshi's term expired, the Chairperson's position was vacant. He opened the nominations for Chairperson.

Member Liu thanked the current officers for their service over the years and nominated the following slate of officers: Jonathan Lai as Chairperson, Paul Kimura to continue as Vice Chairperson, and Amanda Chang as Secretary. Member Lai served as Secretary; thus, if he were to be elected as the Chairperson, the Secretary position would become vacant.

Vice Chairperson Kimura asked whether there were any other nominations. There were none. He asked for a motion to close the nominations. It was moved by Member Mukaigawa and seconded by Member Saito to close the nominations. The motion carried 17 to 0 with 1 excused (Member Enomoto).

Vice Chairperson Kimura called for a vote to approve the slate of officers as nominated by Member Liu. The motion carried 17 to 0 with 1 excused (Member Enomoto).

Member Liu requested that Vice Chairperson Kimura continue to preside over the rest of the meeting with Chairperson Lai presiding over the next meeting. Chairperson Lai had no objection to that request. Thus, Vice Chairperson Kimura continued the meeting. He announced the new officers are: Jonathan Lai, Chairperson; Paul Kimura, Vice Chairperson; and Amanda Chang, Secretary.

III. APPROVAL OF MINUTES

2. Minutes of the Regular Meeting of October 3, 2007

Vice Chairperson Kimura asked whether there were any corrections to the minutes of the October 3, 2007 meeting.

Member Sokugawa stated that page eight of the minutes incorrectly stated that City employee Tim Houghton was a Director; his title is Executive Assistant, with the Department of Environmental Services. The title of "Director" was stricken from the October 3, 2007 minutes. It was moved by Member Piper and seconded by Member Souza to approve the minutes as corrected. The motion passed 17 to 0 with 1 excused (Member Enomoto).

IV. REPORT OF THE INTERIM 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 Kamehameha Schools requested an extension to a December 31, 2007 deadline for submission of a development permit application. This was established as a condition for the December 2005 termination agreement for the Pauahi Place Master Plan Permit. After their first meeting, it appeared that the matter could be resolved, and staff would report back to the Authority.
- At the sixth meeting of the Kakaako Makai Community Planning Advisory Council (CPAC), Davis Bernstein, the Brownfields coordinator and his team from the Department of Health, Hazard Evaluation and Emergency Response Branch (HEER), provided a comprehensive review of environmental conditions and remediation options for the Waterfront area. Throughout the redevelopment efforts the HEER branch, as well as the Environmental Protection Agency have been particularly helpful in terms of providing funds as well as services. Mr. Bernstein's recent presentation was a good example of this support.
- A problem is brewing along Queen Street at Improvement District 11. Several abandoned cars have been taken over by a contingent of homeless people, resulting in complaints from the neighbors. The Police Department, Neighborhood Board, and one of the landowners have called staff thinking that HCDA had jurisdiction, but HCDA does not. The problem is the cars are on private property owned by a mainland trust and cannot be legally towed away under current laws. Those who inquired have been advised of this. The Neighborhood Board will continue to try to contact the landowner.
- The sale of the John Dominis Restaurant closed on October 31, 2007.

- Mr. Takahashi stated that although Member Chinn was not in attendance; he wanted to acknowledge that she was named one of the Managers of the Year at the Governor's Award Ceremony honoring outstanding employees. She is the Land Management Division Administrator for the Department of Hawaiian Home Lands where her division generated over \$11 million from leases, licenses and permits which will be used to develop properties for award to native Hawaiian beneficiaries. Her award stated that "Linda is a caring and compassionate manager who regularly seeks her staff's input and opinions."

Vice Chairperson Kimura requested that the record reflect that Member Enomoto was in attendance.

Vice Chairperson Kimura asked whether Members had any questions.

Member Kane appreciated Mr. Takahashi's congratulatory remarks for Member Chinn. He stated that she works hard and takes her position on the board very seriously.

V. 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 staff met with Townscape on promulgating the Administrative Rules and forming the Kalaeloa Advisory Team (KAT). The first meeting was held on October 29, 2007. In addition to providing background information, staff provided a history of the area.

Ms. Malama thanked Members Chinn, Enomoto, Piper, Souza and Timson for agreeing to serve on the task force for the KAT. The meetings have been set for the last Monday of each month. The next meeting is scheduled for November 26, 2007, and will include overview of the Strategic Plan and the Master Plan. A technical advisory team would be brought in as needed.

The Public Safety Group met on October 18, 2007. HCDA staff conveyed some of the concerns that came out of the Kalaeloa Community Network meeting in regards to illegal camping and graffiti taking place at the Hope Chapel Kapolei complex, which is the old fitness center complex. The next

KPS meeting is scheduled for November 15, 2007, at the Kapolei Police Department.

The Kalaeloa Community Network (KCN) met on Thursday, October 11, 2007, to plan the dedication ceremony being held on November 8, 2007, at 9:30 a.m. The signs have been erected together with lighting. There will be a dedication ceremony with one of the members of the Kapolei Hawaiian Civic Club conducting the ceremony. KCN asked the HCDA staff to convey to KPS its concerns about vandalism and graffiti at the Adult Day Care Center. Staff is in the process of moving forward on the \$250,000 life safety projects in the area. The next KCN meeting is scheduled for December 13, 2007, at the Kalaeloa Airport Conference Room.

On Monday, October 15, 2007, staff prepared a fact sheet for Linda Smith, Governor's Policy Advisor, who would be meeting with the Congressional team in Washington. Ms. Smith used the fact sheet as her talking points while requesting to have the rejected Base Realignment and Closure (BRAC) lands and major retained lands conveyed to HCDA.

On Thursday, October 11, 2007, staff held a follow-up meeting with BRAC officials to move forward on the conveyance of Building 36 to HCDA, which will become another transitional shelter run by Hawaii Public Housing Authority. It is currently on track to be up and running by June 2008.

On Thursday, October 11, 2007, staff also met with Kaulana Park, Hawaii Public Housing Authority and U.S. Vets on a U.S. Vets Master Plan that includes housing and a community center. Cloudbreak is their contractor and they offered to make a presentation to the Authority if Members desired.

On Monday, October 8, 2007, HCDA staff met with the Legislative Liaison and consultants to prepare for the upcoming legislative session. It was decided that a formal request to Admiral Alexander be made to have all rejected BRAC lands and major retained lands conveyed to HCDA. The letter was sent on October 15, 2007.

Vice Chairperson Kimura asked whether there were any questions.

Member Kane commented that he attended the meeting on September 13 with Congressman Abercrombie and wanted to know what the status was on the Congressional support.

Ms. Malama replied that meetings are scheduled with Hunt Development for Friday, November 9, 2007. She would report the outcome in her next report.

She was also advised to provide Linda Smith with an update. Congressman Abercrombie's aide Amy Asselbayer called to follow-up on whether the Congressman would need to request an appropriation. That would be the next step.

Member Kane offered his assistance if needed.

Ms. Malama also noted that at the last Kapolei Neighborhood meeting, there was discussion about Building 36 and transportation for the people in the shelter. There was a discussion about getting a shuttle to transport people from the shelter to the transit bus station in Kapolei. A meeting has been scheduled with the various agencies involved and a tentative date for having the three buses set up for the shuttle is January 15, 2008.

Member Souza asked what types of buses were being used.

Ms. Malama responded that they are Roberts Hawaii buses coordinated through Utu Langi of H-5.

Member Timson commented that she was glad to see that the State and Congressional delegation are working together. She thanked Ms. Malama.

B. Kalaeloa Navy Report

Tesha Malama introduced Lynn Tanaka of Navy Region Hawaii to present the Navy's report. Ms. Tanaka also provided a written report which was distributed with the Members' packets.

Ms. Tanaka reported that the Navy is still on schedule for conveyance of the brokered parcels. The U.S. Navy is preparing the necessary environmental documents and they do have a preliminary agreement with Ford Island Ventures/Hunt Development to convey those parcels over to them.

With regards to the short-term leases there has not been much of a change. The only issue is the parcel that SWR was located on. It is now storing construction equipment from KUD construction. The parcel will be cleaned and vacated. The Navy's on-going short-term leases are continuing with Hope Chapel and Care Givers. There is no word on a warehouse that is supposed to be returned by Carmel Properties.

Vice Chairperson Kimura asked whether there were any questions.

Member Timson requested a summary of what Hunt Development is doing. She would like to know what they own and how it ties into the Ford Island Development.

Ms. Tanaka responded that Hunt Development had housing in Kalaeloa that has subsequently been sold to Carmel Properties.

Member Timson commented that was the confusing part, because Hunt doesn't own the property anymore and when people ask her she is not sure who the landowner is.

Ms. Tanaka responded that she could provide a summary of who owns the parcels in Kalaeloa.

Member Timson stated that would be good because people call her to ask about certain property. For example, the Mormon Church called her that they would be doing something out in Kalaeloa.

Ms. Tanaka replied that there are a lot of different land owners in Kalaeloa and that she could provide Ms. Malama with a map.

Ms. Malama added that she would also get more information from the meeting with Hunt Development on Friday.

C. Hawaii Public Housing Authority Status Report

Tesha Malama introduced Brian Johnson from the Hawaii Public Housing Authority to present their report.

Mr. Johnson reported that there was an article in the morning paper about 18 buses at Kalaeloa which are being provided by H-5, the non-profit group which is managing the Next Step Shelter headed by Utu Langi. Mr. Johnson spoke to Mr. Langi and he confirmed that they would have three buses ready by January 15, 2008, for the shuttle service. Mr. Langi is also preparing some property in Waianae to move the 18 buses to that location so that it would be moved off the land next to the shelter.

Construction has been completed at the two shelters in Kalaeloa – Onelauena and Onemalu. Portables have also been set up as offices for the shelter administration. The space that was being used for the shelter office administration has been freed up for more living space for the homeless.

Mr. Johnson provided the figures for the Onemalu shelter in a written report that was distributed in the Members' packets. He was unable to obtain any figures for the Onelauena shelter, but hoped to have that information for the next meeting. The information provided on the Onemalu shelter showed the breakdown of people at the shelter, how many units are available and activities at the shelter.

At the Next Step Shelter in Kakaako, there are approximately 250 people in the shelter, which includes about 34 families and 110 singles. HPHA told the non-profit agency running the shelter to stop taking in any more homeless people because they need to get the numbers lower so when they do have to move out of the shelter it would be an easier transition.

Member Timson requested that the information provided on the shelter include how many children are at the shelter because that is the biggest concern. The adults can more or less fend for themselves, but the community worries about the children. At the Kapolei Neighborhood Board meeting, there was a lively discussion regarding the shuttle service for the homeless. The community is concerned about that. Member Timson understands that the shuttle will happen in January 2008; but wanted to know if there was any way to get it running sooner. There are more homeless walking to Kapolei and she is concerned that during the holiday season with a lot of activities happening for families and children in Kapolei that the people would be walking on the roads. Member Timson asked whether HPHA could find monies to perhaps rent a shuttle for a month during the holidays. With the rainy weather, shorter daylight, and stressed out drivers, it makes it a dangerous combination for people walking on the side of the road.

Mr. Johnson replied that he would try.

Member Souza commented about a co-op run within the shelter to provide shuttle for people to get in and out of the area.

Mr. Johnson responded that it is done on a case by case basis within the shelter themselves, if they know each other and find out who needs a ride to town, they work it out amongst themselves.

Member Souza noted that the last time she was there she noticed a lot of cars at the shelter; she wondered whether they were all in working condition.

Mr. Johnson replied that 80 percent of them are working, but some are broken down.

Member Mukaigawa commented that the transportation issue has been ongoing for the last several months. She wondered whether anyone looked into the possibility of seeking out assistance from auto repair shops, community colleges, or volunteer mechanics.

Mr. Johnson stated that he would talk to the service providers.

Member Mukaigawa commented that she knew several mechanics personally that might want to volunteer their time. One person is an automotive instructor. There could be other people in the community that might want to give back to the community and labor is one of the biggest expenses in repairing a car. There are creative ways to get things done and it could even be a class project.

Mr. Johnson responded that they could work that out.

Member Mukaigawa remarked that a lot of businesses are thinking about what can be done for the community during the holiday season.

Member Souza asked whether most of the clients are on welfare. The reason she asked was because she was not sure whether the State provided no-fault insurance.

Mr. Johnson responded that he was unsure about the insurance and stated that most of the clients are on welfare.

Member Souza added that people might be able to donate cars to the non-profit agency.

VI. EXECUTIVE SESSION

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

3. Discussion 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 will be involved.

It was moved by Member Timson and seconded by Member Liu to enter into Executive Session. The motion carried 18 to 0.

Since the Executive Session would be held in the same room, the Vice Chairperson asked the audience to vacate the room.

The Hawaii Community Development Authority entered into Executive Session at 9:48 a.m.

Member Kobayashi departed the Executive Session at 11:20 a.m.

Member Chun departed the Executive Session at 11:30 a.m.

It was moved by Member Mukaigawa and seconded by Member Okada to reconvene the regular meeting. The motion was carried 16 to 0 with 2 excused (Members Chun and Kobayashi).

The meeting was reconvened at 11:40 a.m.

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

4. Selection of the New Executive Director

Members deferred decision on the selection of the new Executive Director.

5. Recommend the Amendment of 206E-3(b) and 206E-191(c), Hawaii Revised Statutes, Relating to Members of the Hawaii Community Development Authority

Teney Takahashi summarized the Action Item distributed to the Authority.

Mr. Takahashi explained that the present law requires that the Authority consist of 13 voting members of the whole, plus 5 additional members solely to vote on matters relating to the Kalaeloa Community Development District (CDD). Of the five Kalaeloa Members, one shall be a Hawaiian Cultural Specialist and another shall be the Director of the City and County of Honolulu Department of Planning and Permitting (DPP). Additionally in July 2007, the Senate President and Speaker of the House jointly acknowledged that an “inadvertent statutory omission” caused a failure to require a small

business owner to be on the Authority, and expressed their willingness to support an amendment to this effect.

Hawaiian cultural issues and planning and permitting matters affect both Kakaako and Kalaeloa districts. However, participation by both Members is now limited to Kalaeloa matters only. During the 2006 Legislative Session, then Executive Director Daniel Dinell suggested that the DPP Director and a Hawaiian Cultural Specialist would offer a more integrated and culturally conscious approach to planning and proposed the conversion of these members, instead of adding two more members. The City submitted supportive testimony in this regard. Staff also proposed to address the concerns of the Speaker of the House and Senate President by requesting that one member be a small business owner from the Kakaako CDD.

Staff recommended that HCDA propose legislation to modify its membership from 13 to 15 by converting the Hawaiian Cultural Specialist and Director of the City and County of Honolulu Department of Planning and Permitting from Kalaeloa members to members of the whole, and add that the member recommended by the Speaker of the House to be a small business owner from the Kakaako Community Development District.

Mr. Takahashi stated that there was an inadvertent omission in the draft bill provided in the Members' packets. The recommendation to convert the Hawaiian Cultural Specialist membership may create a conflict since members of the whole cannot be officers or employees of the State, except for ex-officio members. However, both assignees to date, William Aila and Stanton Enomoto have been State employees. Since this is a specialized field, many of the limited pool of qualified candidates may already be employed by the State. Therefore, if the Authority agrees to the conversion, staff also recommends inserting additional language that "one member shall be a Hawaiian Cultural Specialist who may be an officer or employee of the State or its political subdivisions."

Member Okada commented that the bill to increase the Members was mainly trying to put more community representation on the HCDA Board. He asked if a neighborhood board member or resident in the area were to be placed on the board, but the appointment recommended by the Senate President was not changed to a community member, would that person have the same type of conflict of interest that he is experiencing.

Mr. Takahashi responded that it could conceivably come up again, but the reason would be that the person or individual has a conflict due to a direct impact by whatever the vote is on, not because of their position on the board.

Staff is trying to mitigate the issue, but it still won't resolve the issue of a direct conflict of interest.

Member Okada asked whether the purpose was to mandate that there be someone on the board from the community.

Deputy Attorney General Melvin Nishimoto explained that there is no mandate attached to the Senate President selection as currently being proposed so if there was a conflict and that person has a direct interest in Kakaako, he would have to recuse himself.

Member Okada suggested mandating a community member.

Deputy AG Nishimoto stated that he spoke to the Ethics Commission staff and they thought what was wanted was a direct reference to a small business owner in Kakaako.

Member Okada agreed with the amendment to mandate the recommendation of the Speaker of the House, but he was referring to the Senate President recommendation.

Deputy AG Nishimoto commented that the way that the proposal is currently written, that person wouldn't be a mandated member.

Member Okada asked whether there would be a conflict if a person is a community member like a resident or member of the Neighborhood Board.

Deputy AG Nishimoto responded that it could be depending on the issue. The issued wouldn't be resolved for that appointee.

Member Okada suggested that it would be better to say "small business representative" instead of "small business owner" as being proposed because the president of the company may not necessarily be the owner of the company.

Deputy AG Nishimoto stated that it could be broader.

Vice Chairperson Kimura asked for a motion to adopt staff's recommendation. Member Piper moved to approve staff's recommendation. Member Souza seconded the motion.

Member Liu asked whether the Members had enough background on the issue of what it was all about.

Member Okada commented that the Governor has four at-large selections on the Authority. One of her selections was Paul Kimura because he was a small business member. He wondered whether it would be possible to add the wording that the Governor may choose a small business representative.

Member Liu responded that the Governor made the selection without the wording.

Member Okada remarked that the Ethics Commission initially said that Paul Kimura had a conflict of interest.

Chairperson Lai stated that it is not on every single agenda item.

Member Okada replied that he was referring to the Mauka Area Plan and Rules, which is why in his case they are changing the language for the recommendation by the Speaker of the House. He explained that the Mauka Area Rules is not a direct financial conflict. He was wondering whether a change to represent the Kakaako community business should be added to the Governor's selection.

Chairperson Lai stated that if a member has a conflict, they would have to disclose it and recuse himself or herself from the issue.

Member Liu commented that just because the Governor selected someone doesn't make the selection a mandated position. All four of the at-large appointees could be anybody that she wants. He thought that the intention was to make one member mandated which up until now there have been no members that were mandated as small business representatives. Philosophically, HCDA has interests beyond Kakaako. The amendment is being responsive to the desire of the Legislature that one member be mandated as a small business representative.

Member Okada commented that the person wouldn't be able to participate in the meeting.

Member Liu replied only if that person had a conflict of interest. It doesn't matter what district is being represented, any member of the Authority may have a conflict of interest whether it is direct or indirect and they would have to recuse themselves. That is the standard to maintain from a policy perspective. Member Liu was not in favor of reducing that standard. The Legislature wanted a mandated member on the Authority who could make

decisions on small business issues on Kakaako even if they are indirectly affected.

Member Saito asked for clarification that the bill would be amended from “small business owner” to “small business representative.”

Mr. Takahashi responded in the affirmative.

Vice Chairperson Kimura asked Members whether they had any other questions.

Vice Chairperson Kimura asked whether there was anyone from the audience who wished to make a statement. There were none. Vice Chairperson Kimura called for a vote. The motion was unanimously approved 16 to 0 with 2 excused (Members Chun and Kobayashi).

Vice Chairperson Kimura called a recess at 11:43 a.m. to allow Kalaeloa Members (Enomoto, Kane, Sokugawa, Souza and Timson) to depart, as the remaining agenda items were Kakaako related.

Vice Chairperson Kimura reconvened the meeting at 11:44 a.m.

6. Recommend Approval to Authorize the Interim Executive Director to Transfer Piers 1 and 2 to the Board of Land and Natural Resources

Richard Kuitunen summarized the Action Item distributed to the Authority.

Mr. Kuitunen explained that Act 165 signed by the Governor on June 2, 2006, changed the boundaries of HCDA’s jurisdiction, and transferred Piers 1 and 2 for the benefit of the Department of Transportation (DOT) and the Foreign-Trade Zone (FTZ). The Act requires HCDA to deed the property over to the Board of Land and Natural Resources (BLNR) for the benefit of those two agencies. Staff met with representatives from the Department of Land and Natural Resources, DOT, and FTZ. The process is: DLNR would draft the quit claim deed; BLNR would approve the transfer of the property; and the Department of Accounting and General Services would then survey the property.

The first step of the action is to have HCDA Authority approve the transfer, after that, the BLNR would take action and DAGS will draft up the survey.

Therefore, staff's recommendation is to authorize the Interim Executive Director or his successor to execute the quit claim deed conveying the property as described in and directed by Act 165.

For discussion purposes, Vice Chairperson Kimura asked for a motion to adopt staff's recommendation. Member Fukunaga moved to approve staff's recommendation. Member Mukaigawa seconded the motion. Vice Chairperson Kimura asked Members whether they had any questions. There were none.

Vice Chairperson Kimura asked whether anyone from the audience wished to make a statement.

Michelle Matson commented that it was a logical decision. She did not think that it should have happened in the first place that Piers 1 and 2 were not controlled by the DOT. She also recommended that Kewalo Basin be transferred to DOT.

There being no further comments, Vice Chairperson Kimura reminded Members there was a motion on the table and second to adopt staff's recommendation and called for a vote. The motion was unanimously approved 11 to 0 with 2 excused (Members Chun and Kobayashi), and excluding Kalaeloa Members.

7. Recommend Approval to Expend Revolving Funds for Supplemental Landscape Maintenance Services at Kakaako Waterfront Park, Kakaako Makai Gateway Park and Kewalo Basin Park

Richard Kuitunen summarized the Action Item distributed to the Authority.

Mr. Kuitunen explained that Kewalo Basin, Kakaako Waterfront and Makai Gateway Parks comprised approximately 44 acres that were developed between 1990 and 1998. Since the parks have been developed, they have been maintained by DLNR with a Memorandum of Understanding to provide maintenance services including custodial services of the comfort stations, mowing the lawn, trimming the trees, and paying all utility costs.

In 2000, the Authority became concerned about the maintenance of the parks and in November of 2000 authorized the expenditure of revolving funds to hire a private contractor to provide ancillary landscape maintenance services.

The scope of the services included:

1. Maintenance and repair of the irrigation system;
2. Weed control and fertilizer of the lawn;
3. Maintenance of the planters and lawn edging; and
4. Tree trimming for all trees except coconut trees.

Staff has executed six consecutive supplemental maintenance service contracts. The current contract term will expire at the end of November 2007 and has an annual cost of \$292,455.

Staff advertised for an Invitation For Bids (IFB) for a landscape contract that was due October 29, 2007. The scope of services is the same as the existing one, except that Kewalo Basin Park was added to the area of responsibility. Kewalo Basin Park was excluded in the last contract. There is also a provision in the IFB that should the jurisdiction of Kewalo Basin Park change, the scope of services could be reduced to address that.

During the six maintenance programs, staff has observed that the appeal of the parks and its amenities has improved. There has been a reduction of noxious weeds and brown spots, the greenery area has expanded and the irrigation is operating better.

There were a total of six bids received in response to the IFB. The lowest responsive bid came in at \$339,608 as submitted by Landscape Hawaii, Inc. Therefore, staff recommends approval to authorize the Interim Executive Director or his successor to execute a one-year contract for a supplemental maintenance services for Kewalo Basin, Kakaako Waterfront and Makai Gateway Parks with two one-year options with Landscape Hawaii, Inc. and expend revolving funds in the amount not to exceed \$339,608 per year.

Vice Chairperson Kimura asked for a motion to adopt staff's recommendation. Member Piper moved to approve staff's recommendation. Member Bradley seconded the motion. Vice Chairperson Kimura asked Members whether they had any questions.

Member Piper asked whether the scope of services was the same.

Mr. Kuitunen responded in the affirmative, except that the area was expanded to include Kewalo Basin Park. Currently, the contract is for \$292,455 for Kakaako Waterfront and Makai Gateway Parks. If the components of the bid were to be isolated those two components under this bid would be \$263,000 so approximately \$30,000 less.

Member Piper questioned whether the price for the two one-year options has already been agreed upon.

Mr. Kuitunen answered that the price would not exceed the initial bid price with the exception of wage increases. They would then have a right to request for an increase based upon the percentage.

Member Saito asked whether the purpose of the additives were for Kewalo Basin Park.

Mr. Kuitunen explained that the additives weren't for Kewalo Basin Park. The total price includes the additives. The existing Kewalo Basin Park ends before the Mammal Lab. Since the Mammal Lab is going to be demolished, the area may or may not be grassed so that grass area might be included. Currently, DOT maintains the comfort stations and the area beyond the former gas station; those areas may also be included.

Member Chang asked who the current contractor was.

Mr. Kuitunen replied that it was Landscape Hawaii.

Member Chang asked whether it was the same contract that they have been servicing and asked for how many years.

Mr. Kuitunen responded that he believed that Landscape Hawaii had the contract since it was first bid out in 2000.

Member Chang wanted to know what the highest bid was.

Mr. Kuitunen answered that the highest bid was \$1,097,200.

Member Okada asked whether it was strictly for the vegetation.

Mr. Kuitunen responded that it also included maintenance and the irrigation system. He felt the contractor had gradually improved the condition of the parks and it was reflected in its pricing.

Vice Chairperson Kimura asked whether anyone from the audience wished to make a statement. There were none. Vice Chairperson Kimura reminded Members there was a motion on the table and second to adopt staff's recommendation and called for a vote. The motion was unanimously approved 11 to 0 with 2 excused (Members Chun and Kobayashi), and excluding Kalaeloa Members.

Vice Chairperson Kimura asked whether the Kakaako Makai Community Planning Advisory Council (CPAC) wanted to make a statement.

Michelle Matson wanted to assure the Authority that CPAC was working diligently towards its objectives. Its steering committee has been very active and all reports are posted on the HCDA website. She urged the Members to review the reports so that they could understand the mechanisms and thoughts behind what CPAC is doing. CPAC has also requested in a letter to have a place on the agenda at every meeting so they could make a report to the Authority.

Vice Chairperson Kimura asked whether there were any other matters to be brought up at this time.

Member Okada commented that he attended two neighborhood meetings on 404 Piikoi. One of the things the developer brought up was that they really wanted to pay cash-in-lieu fees instead of building the reserved housing and they mentioned that through the persistence of HCDA staff, they are providing reserved housing. Another comment that was brought up was that due to the reserved housing units being built on a separate site, the community is losing parking. One of the mandates of HCDA is to help promote industrial activities. Member Okada asked whether a deal could have been made to provide reserved housing elsewhere. That way a place like Kalaeloa or one of the rundown state housing facilities could have saved money for more results because the property value is high in Kakaako and elsewhere more units could have been built.

Mr. Takahashi asked for clarification that Member Okada was asking whether more units could have been produced if staff directed them to develop an affordable project off site where the land costs are not as high and because land cost is extremely high on this site. In Chapter 206E, there is a hierarchy of the proximity to the Kakaako Community Development District (CDD) and staff tends to follow that. One of the last resorts is to take it off site because the need is not as severe outside of the CDD.

Member Okada thought that it would create more overall housing.

Mr. Takahashi could not deny that.

Member Bradley found a lot of value in the discussion of what the values were that the Members were trying to accomplish within Kakaako. He personally thought that having an affordable component within the district was very important to the community. If Members believe in the mission of live, work and play, there must be workforce housing within the community to accomplish that. Member Bradley personally commended staff for putting the pressure on the developer to accomplish that instead of taking the cash-in-lieu payment. He also encouraged staff to use the same pressure to obtain parking for the small businesses.

VII. ADJOURNMENT

There being no further business, it was moved by Member Liu and seconded by Member Okada to adjourn the meeting at 12:00 p.m. The motion passed 11 to 0 with 2 excused (Members Chun and Kobayashi), and excluding Kalaeloa Members.

Respectfully submitted,

/s/

Amanda Chang
Secretary