

# DRAFT

**MINUTES OF A REGULAR MEETING  
OF THE MEMBERS OF THE  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY,  
STATE OF HAWAII**

MEETING NO. 336  
Wednesday, December 3, 2008

Members Present: Mark Anderson (9:08 a.m.)  
C. Scott Bradley  
Amanda Chang  
Grady Chun (12:33 p.m.)  
Joseph Dwight, IV (10:34 a.m.)  
Paul Kimura  
Christopher Kobayashi (9:27 a.m.)  
Jonathan Lai  
Brennon Morioka  
Dexter Okada  
Russ Saito

Members Absent: Kay Mukaigawa  
Robert Piper

Kalaeloa Members: Linda Chinn  
Stanton Enomoto  
Kathy Sokugawa (9:06 a.m.)  
Evelyn Souza  
Maeda Timson

Others Present: Anthony Ching, Executive Director  
Eugene Won, Deputy Attorney General  
Chong Gu, Administrative Services Officer  
Tessa Malama, Director of Planning and Development for Kalaeloa  
Craig Nakamoto, Director of Communications  
Deepak Neupane, Director of Planning and Development for Kakaako  
Richard Kuitunen, Asset Manager  
Patricia Yoshino, Secretary  
Loretta Ho, Secretary  
Holly Hackett, Court Reporter

I. ROLL CALL

A regular meeting of the Members of the Hawaii Community Development Authority (“Authority”), a body corporate and public instrumentality of the State of Hawaii, was called to order by Mr. Jonathan Lai, Chairperson of the Authority, at 9:04 a.m. on Wednesday, December 3, 2008, at the Authority’s principal executive offices at 677 Ala Moana Boulevard, Suite 1001, Honolulu, Hawaii 96813, pursuant to article IV, section 1 of the Authority’s Bylaws.

MATERIALS DISTRIBUTED

1. Agenda for December 3, 2008 Meeting;
2. Summary Minutes of Authority Meeting of September 3, 2008;
3. Summary Minutes of Authority Meeting of October 1, 2008;
4. Summary Minutes of Authority Meeting of November 5, 2008;
5. Report of the Executive Director;
6. Kalaeloa Status Report;
7. Navy Report;
8. Hawaii Public Housing Authority Report (distributed at the meeting);
9. Action: Pursue Funding and All Necessary Agreements for a Capital Improvement Project to Establish an Energy Corridor from Kapolei Parkway along Fort Barrette/Enterprise Road to Midway Road which will include Roosevelt and Enterprise Intersection Improvements and Lighting along the Energy Corridor (distributed at the meeting);
10. Action: Building 36 Parcel: (a) Necessary Agreements with the U.S. Navy to Receive Conveyance of the Building 36 Parcel, Kalaeloa, Oahu; and (b) Lease Agreement with the Hawaii Public Housing Authority to Allow Transitional Housing Use of the Building 36 Parcel, Kalaeloa, Oahu;
11. Executive Session: Kewalo Keiki Fishing Conservancy (confidential material distributed at the meeting);
12. Information: Kamehameha Schools Master Plan;
13. Information: Kamehameha Schools Master Plan (additional material distributed at the meeting);
14. Action: Erection of Memorial at Kakaako Waterfront Park in Honor of Mother Marianne Cope;
15. Action: Approve Award of Contract to ALMAR Management, Inc. and to Expend HCDA Revolving Funds to Contract for the Operations and Management Services for Kewalo Basin Harbor;
16. Action: Record the Transfer of Assets and Accumulated Depreciation Attributable to Kewalo Basin from the Department of Transportation-Harbors Division and Write off Those Net Assets That Have Been Identified as Non-Existent;

17. Action: Expend HCDA Revolving Funds for the Design and Construction of Traffic Signals and Intersection Improvements at the Queen-Kamakee Street Intersection;
18. Action: Expend HCDA Revolving Funds to Prepare Plans and Specifications for Environmental Remediation, Capping and Development of at Grade Interim Parking in the Kakaako Makai Area and Proceed with the Environmental Remediation and Construction of at Grade Interim Parking;
19. Action: Expend HCDA Revolving Funds to Develop Plans for a District Wide Parking Facility in Kakaako Makai;
20. Action: Financial Statements: (a) Adopt the Practice of Review and Approval of HCDA's Annual Financial Statement; (b) Approve Change of Accounting Practice; (c) Approve Pre-Final Financial Statements for Fiscal Year Ended June 30, 2008; and (d) Approve Minor Modifications to Pre-Final Financial Statements.

## II. APPROVAL OF MINUTES

### 1. Minutes of the Regular Meeting of September 3, 2008

Chairperson Lai asked whether there were any corrections to the minutes of the September 3, 2008 meeting. There were no corrections offered by Members. It was moved by Member Morioka and seconded by Member Saito to approve the minutes as written. By a show of hands vote, the motion passed 12 to 0 with 6 excused (Members Anderson, Chun, Dwight, Kobayashi, Mukaigawa and Piper).

### 2. Minutes of the Regular Meeting of October 1, 2008

Chairperson Lai asked whether there were any corrections to the minutes of the October 1, 2008 meeting. There were no corrections offered by Members. It was moved by Member Saito and seconded by Member Morioka to approve the minutes as written. By a show of hands vote, the motion passed 12 to 0 with 6 excused (Members Anderson, Chun, Dwight, Kobayashi, Mukaigawa and Piper).

### 3. Minutes of the Regular Meeting of November 5, 2008

Chairperson Lai asked whether there were any corrections to the minutes of the November 5, 2008 meeting. There were no corrections offered by Members. It was moved by Member Morioka and seconded by Member Kimura to approve the minutes as written. By a show of hands vote, the motion passed 12 to 0 with 6 excused (Members Anderson, Chun, Dwight, Kobayashi, Mukaigawa and Piper).

III. ITEMS FOR ACTION

4. Election of HCDA Officers for Fiscal Year 2008-2009 (Chairperson and Secretary)

Chairperson Lai stated the election of officers would be deferred to a later time on the agenda.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Anthony Ching summarized his report via a PowerPoint presentation (Exhibit A).

Member Okada requested that the legislative proposal regarding sale of public land be presented to the Kakaako Makai Community Planning Advisory Council (“CPAC”).

Member Timson requested additional information on the Kalaeloa energy corridor and lighting.

Mr. Ching responded that HCDA would be requesting general obligation bond funding from the Legislature for the utility connection along Fort Barrette and Enterprise Roads. The project would include a traffic study and appropriate mitigation, street lighting and a joint use agreement on poles with Hawaiian Telcom to allow for support and/or expansion of services and the State Department of Transportation’s Kalaeloa Airport photo voltaic facilities. The energy corridor would be a critical first step for redevelopment and investment in Kalaeloa

Member Okada requested additional information on the planning outreach for Kakaako.

Mr. Ching stated there would be an initiative to build upon past efforts to address small lot development in central Kakaako.

V. ITEMS FOR INFORMATION

A. Kalaeloa Status Report

Ms. Tesha Malama, Director of Planning and Development for Kalaeloa, stated that her written report was in the packet distributed to Members and asked whether Members had any questions.

Member Souza noted the letter attached to the report from the Hoakalei Cultural Foundation regarding the SORT, LLC race track and requested clarification on the Authority’s position since the proposed race track was not

consistent with the Kalaeloa Master Plan. She inquired as to whether the Department of Home Lands (“DHHL”) would comply with the Kalaeloa Master Plan.

Mr. Ching stated the Authority does not have jurisdiction over the Navy and DHHL in Kalaeloa. The Authority has very limited ownership interest and was a zoning entity rather than a development authority. The Hunt Memorandum of Understanding (“MOU”) has Interim Development Standards (“IDS”). IDS might also be discussed with DHHL as matter of agreement. The SORT LLC racetrack issue was an information item on the September 2008 agenda and did not require the Authority to take action.

Member Saito suggested a discussion on the issues of jurisdiction should be placed on a future agenda.

Member Timson stated there was a need to understand how the rules in the Kalaeloa Master Plan apply to various entities. When people from the community bring a matter before the Makakilo/Kapolei Neighborhood Board, they are referred to the Authority. However, the Authority responds that it does not have jurisdiction.

Member Enomoto inquired whether Townscape, Inc. would have the draft of the administrative rules completed by December 10, 2008.

Ms. Malama replied in the affirmative.

Member Sokugawa stated her agreement that a discussion of the Authority’s jurisdiction in Kalaeloa should be placed on a future agenda. She noted that drafting of the administrative rules should be a collaborative process with the City and County of Honolulu (“City”), but noted that there has not yet been any discussion with the City initiated by the HCDA on the draft rules.

B. Hawaii Public Housing Authority (“HPHA”) Status Report

Mr. Adam Burson, HPHA Home Programs Specialist summarized his written report distributed to Authority members at the meeting.

Member Timson inquired as to the approximate cost of operating the shuttle service for shelter residents at Kalaeloa.

Mr. Burson stated the cost was about \$12,000 per month and was budgeted until the middle of 2009.

Member Saito stated the money for the shuttle service was being provided by the operator of H-5. Since the money was not specifically intended for the shuttle, it was being operated at a loss.

Ms. Malama stated meetings have taken place with City Councilmember Todd Apo and the Director of the City Department of Transportation Services. The numbers on ridership have been provided to justify the possible addition of 2 more City bus routes.

Member Souza asked whether the shuttle service was included in the budget.

Member Saito stated that the shuttle service was included in the budget that was paying for over 40 shelters with funds from the State of Hawaii (“State”) and private contributions.

Member Souza inquired as to whether the shuttle service was considered a convenience or a necessity.

Mr. Burson replied that it was a necessity for the shelter residents.

Member Chang inquired as to transportation arrangements for children at the shelter to get to school.

Ms. Malama stated that the Department of Education (“DOE”) provided bus service. The shuttle provided transportation to get to the Kapolei Transit Center.

C. Navy Report

Mr. Randall Young, Counsel for Navy Region Hawaii, stated the Navy Report was included in the packet distributed to Members.

D. Ford Island Properties, LLC (“FIP”) Report

Mr. Steve Colon, President - Hawaii Division of Hunt Development Group (“Hunt”), introduced himself and Mr. Alan Ong, who is working on the planning efforts in Kalaeloa. Mr. Ong provided an update on recent actions on their property in Kalaeloa. Mr. Ong stated that they planned to continue existing use of the Bowling Alley and Child Development Center. Discussions have started on agreements, but the FIP doesn’t take possession of the properties from the Navy until February 1, 2009.

Mr. Colon stated that extensive surveys are being conducted on dumping that may have occurred on the properties. The dumping piles do not appear to include hazardous material.

Member Saito inquired whether the lease arrangement was temporary.

Mr. Colon responded that it was a 40-year ground lease effective February 1, 2009.

Mr. Colon stated that existing zoning would not change. They have a zoning variance for 50 acres.

Member Anderson inquired as to whether the zoning was provided by the City.

Mr. Colon replied that the zoning variance was approved by the City 3 years ago.

#### VI. ITEMS FOR ACTION – ADDITIONAL

5. Shall the Authority Authorize the Executive Director to Pursue Funding and All Necessary Agreements for a Capital Improvement Project to Establish an Energy Corridor from Kapolei Parkway along Fort Barrette/Enterprise Road to Midway Road which Will Include Roosevelt and Enterprise Intersection Improvements and Lighting along the Energy Corridor?

Mr. Ching summarized the staff report included in the packet distributed to Authority Members.

Member Timson inquired as to whether the City was involved in the discussions.

Mr. Ching stated he would follow up with the City.

Member Souza inquired whether the utilities would be located underground.

Mr. Ching noted the Kalaeloa Master Plan envisioned underground utilities, however, the cost for full underground and roadway improvements would cost \$20-plus million for 1 mile so it was more cost efficient to have poles. Improvements to roadways are not anticipated, and the appropriate right of way would be obtained so that the poles would not have to be taken down as roadway improvements are made.

Member Bradley asked how the power requirements had been estimated since Hunt had not submitted its development plans.

Mr. Ching stated that totals were received from the Navy. Hawaiian Electric Co. has determined that 46 KV would be able to accommodate the maximum future power requirements.

Member Bradley inquired as to whether Hunt was bound by the Master Plan.

Mr. Ching stated they were in discussions with Hunt on the matter of jurisdiction and authority.

Mr. Ong stated the plans envisioned by Hunt were not inconsistent with the Master Plan. Their plans included less residential development since there was already a lot of residential land zoned around their property. He estimated they were about 6 months away from completing their master plan.

Chairperson Lai entertained a motion to authorize the executive director to pursue funding and all necessary agreements for a capital improvement project to establish an energy corridor from Kapolei Parkway along Fort Barrette/Enterprise Road to Midway Road which will include Roosevelt and Enterprise intersection improvements and lighting along the energy corridor. A motion was made by Member Timson and seconded by Member Souza.

A roll call vote was conducted.

Ayes: Members Anderson, Bradley, Chang, Morioka, Kimura, Kobayashi, Okada, Saito, Chinn, Enomoto, Sokugawa, Souza, Timson and Chairperson Lai.

Nays: None.

The motion carried 14 to 0 with 4 excused (Members Chun, Dwight, Mukaigawa and Piper).

6.1 Shall the Authority Authorize the Executive Director to Enter into All Necessary Agreements with the U.S. Navy to Receive Conveyance of the Building 36 Parcel (TMK: 9-1-013-055) at 91-1096 Yorktown, Kalaeloa, Oahu?

Chairperson Lai stated that this action item would be removed from the agenda since the Executive Director had sufficient authority to negotiate an agreement to receive conveyance of the parcel. At an appropriate time, the

agreement, in the form of a deed to the parcel, would be presented to the Authority for their ratification.

6.2 Shall the Authority Authorize the Executive Director to Enter into a Lease Agreement with HPHA to Allow Transitional Housing Use of the Building 36 Parcel (TMK: 9-1-013-055) at 91-1096 Yorktown, Kalaeloa, Oahu?

Chairperson Lai stated the Authority currently held a possessory interest in the parcel under the lease from the Navy. The lease to HPHA was a sublease in the form of a month-to-month tenancy. At an appropriate time, a long term lease to replace the sublease would be presented for approval.

Mr. Ching summarized staff's written report included in the packet distributed to Authority Members.

Chairperson Lai entertained a motion to authorize the Executive Director to enter into a lease agreement with HPHA to allow transitional housing use of the Building 36 parcel (TMK: 9-1-013-055) at 91-1096 Yorktown, Kalaeloa, Oahu. A motion was made by Member Saito and seconded by Member Morioka.

A roll call vote was conducted.

Ayes: Members Anderson, Bradley, Chang, Morioka, Kimura, Kobayashi, Okada, Saito, Chinn, Enomoto, Sokugawa, Souza, Timson and Chairperson Lai.

Nays: None.

The motion carried 14 to 0 with 4 excused (Members Chun, Dwight, Mukaigawa and Piper).

4. ELECTION OF OFFICERS (previously deferred)

Chairperson Lai explained that the Authority's counsel had informed him that any action of the Authority required the concurrence of a majority of the membership, and not a majority of a quorum of the members. Therefore, a minimum vote of 10 members would be required to elect an officer or effect actions of the Authority. For matters relating to Kakaako only, the concurrence of at least 7 members was required.

Chairperson Lai asked Members to concur in the use of ballots for the election of Chairperson and Secretary. There were no objections.

Chairperson Lai opened the nominations for the office of Secretary.

Chairperson Lai nominated Member Bradley for Secretary. Member Saito seconded the nomination.

There were no other nominations.

A ballot vote was conducted. By a vote of 13 to 0 with 1 blank, Member Bradley was elected HCDA Secretary.

Chairperson Lai opened the nominations for the office of Chairperson.

Member Timson nominated Member Saito for Chairperson. Member Souza seconded the nomination.

Member Kobayashi nominated Member Lai for Chairperson. Member Chang seconded the nomination.

Two votes were conducted, with neither candidate receiving the necessary 10 votes.

Member Souza asked the candidates to speak on their own behalf.

Chairperson Lai and Member Saito each gave a brief statement

Member Saito asked Members who nominated the candidates to speak on the reason for their choice.

Member Timson and Member Kobayashi each gave a brief statement of support for the candidate nominated.

Member Enomoto asked Deputy Attorney General Eugene Won whether the election could be deferred if the next vote was deadlocked.

Mr. Won replied in the affirmative.

A third vote was conducted with neither candidate receiving the requisite number of votes.

The election was deferred to the next meeting of the Authority.

Member Timson exited the meeting at 10:47 a.m.

15. Shall the Authority:

- 15.1 Adopt the Practice of Review and Approval of HCDA's Annual Financial Statement;
- 15.2 Approve Change of Accounting Practice;
- 15.3 Approve Pre-Final Financial Statements for Fiscal Year Ended June 30, 2008; and,
- 15.4 Authorize Executive Director to Approve Minor Modifications to Pre-Final Financial Statements?

Chairperson Lai proposed to take up Action Item #15 since the matter involving the financial statement required participation from both Kalaeloa and Kakaako members. By a show of hands, Members approved the change in the agenda.

Mr. Ching summarized the written report included in the packet distributed to Members.

Member Saito inquired as to whether the financial statement was included in the State comprehensive financial statement.

Mr. Ching responded that it was included.

Mr. Darryl Lim, the auditor retained by HCDA, commented that restatements are commonplace in governmental financial statements.

A motion was made by Member Saito and seconded by Member Dwight to adopt action item 15.1.

Member Anderson recommended that a single vote could be taken on all 4 parts of the action item.

Member Saito made a motion to consolidate the 4 parts of the action item into one vote. Member Dwight seconded the motion. By a show of hands vote, Members agreed to amend the motion to allow for consolidated voting.

Chairperson Lai stated a vote would be taken on the amended motion for the Authority to adopt the practice of review and approval of HCDA's annual financial statement; approve change of accounting practice; approve pre-final financial statements for fiscal year ended June 30, 2008; and authorize the executive director to approve minor modifications to pre-final financial statements.

A roll call vote was conducted.

Ayes: Members Anderson, Bradley, Chang, Dwight, Morioka, Kimura, Kobayashi, Okada, Saito, Chinn, Enomoto, Sokugawa, Souza, and Chairperson Lai.

Nays: None.

The motion carried 14 to 0 with 4 excused (Members Chun, Mukaigawa, Timson and Piper).

Member Anderson exited the meeting at 10:59 a.m.

A recess break was taken at 10:59 a.m. The meeting was reconvened at 11:10 a.m.

VII. EXECUTIVE SESSION

7. Acquisition and Funding – Kalaeloa and Kakaako
8. Review of Personnel Funding

A motion was made by Member Saito and seconded by Member Souza to enter into Executive Session. The motion was carried 14 to 0 with 4 excused (Members Chun, Mukaigawa, Timson and Piper).

Chairperson Lai requested that the public vacate the room and Mr. Ching, Ms. Malama, Mr. Nakamoto, Mr. Neupane, Mr. Kuitunen, Mr. Won and Ms. Yoshino join the Executive Session discussion.

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The Hawaii Community Development Authority convened in Executive Session at 11:11 a.m. pursuant to Sections 92-5(a)(3) and 92-5(a)(4), Hawaii Revised Statutes, to deliberate concerning the authority of persons designated by the Authority to conduct negotiations involving the acquisition of property, and/or to consult with the Authority's attorney on questions and issues pertaining to the Authority's powers, duties, privileges, immunities, and liabilities in relation to the above agenda items.

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Members Chinn, Enomoto, Sokugawa and Souza exited the meeting at 11:43 a.m.

A motion was made by Member Dwight and seconded by Member Saito to return to the regular meeting. The motion carried 10 to 0 with 8 absent (Members Anderson, Chinn, Enomoto, Mukaigawa, Sokugawa, Souza, Timson and Piper).

Member Kobayashi exited the meeting at 12:53 p.m.

A recess break was taken at 12:53 p.m. The regular meeting was reconvened at 12:58 p.m.

IX. ITEMS FOR ACTION – ADDITIONAL

9. Shall the Authority Approve the Erection of a Memorial at Kakaako Waterfront Park in Honor of Mother Marianne Cope?

Mr. Kuitunen summarized the written report included in the packet distributed to Members.

Member Okada inquired whether there were plans for anything in addition to the statue.

Mr. Ching stated that only a statue would be erected at the park site.

Member Dwight stated the memorial was a wonderful idea, but inquired whether it had to be located on that particular site.

Sister William Marie Eleniki, Regional Minister of the Sisters of St. Francis, explained that the artist wanted the statue located by the tree so that it would blend in with the surroundings.

Member Okada inquired whether a presentation had been made to the Kakaako Makai Community Planning Advisory Council (“CPAC”).

Mr. Neupane stated it would be presented at the next CPAC meeting on December 16, 2008.

Chairperson Lai inquired whether anyone from the public wished to testify on the agenda item.

Ms. Michelle Matson, Secretary of CPAC, stated she would like a presentation on the memorial made to CPAC. She expressed concern regarding the location selected for the statue.

Chairperson Lai entertained a motion for the Authority to approve the erection of a memorial at Kakaako Waterfront Park in honor of Mother Marianne Cope. A motion was made by Member Okada and seconded by Member Chun.

Member Okada inquired whether there was a reason why a presentation on the memorial had not been made to CPAC.

Member Kimura inquired whether it was possible to have other locations considered.

Members Bradley, Kimura and Okada commented that CPAC should be involved before the Authority made a decision.

Member Saito clarified that CPAC can provide suggestions but not approval.

Mr. Kuitunen noted that Ms. Matson had inquired about the memorial after it was presented as an information item at the Authority meeting on the November 5, 2008. Information was sent to CPAC by email, but no response had been received.

Member Saito made an amended motion to approve the memorial subject to further discussion on the site location.

Member Chang commented that the artist and planning committee had created the concept based on the specific site.

Member Saito commented that the statue might be altered if the location were to be changed.

Member Bradley moved to defer action, and noted there had been a problem in communication with CPAC.

Member Dwight stated that CPAC can offer advice, but the decision would be made by the Authority.

Ms. Matson commented that CPAC would only be discussing the location, not the statue itself.

Mr. Robert Crone, a member of CPAC, requested a site visit scheduled before the CPAC meeting on December 16.

Member Bradley noted that the Authority could become inefficient if it kept deferring the action item.

Member Chang stated that the Authority's agenda was posted on its website. If CPAC had comments on an agenda item, it would be helpful to receive their comments in advance.

Member Morioka stated that CPAC had a responsibility to track issues on the Authority's agenda.

Member Saito made a motion to hear advice from CPAC and defer the action item to the next Authority meeting. The motion was seconded by Member Morioka. The motion carried 9 to 0 with 4 excused (Members Anderson, Kobayashi, Mukaigawa and Piper).

## VIII. ITEMS FOR INFORMATION

### E. Kamehameha Schools Master Plan Presentation

Chairperson Lai noted for the record that HCDA had received written comments on this information item from Ms. Nancy Hedlund, which was distributed to the Members.

Mr. Paul Quintiliani, Director of Commercial Assets for Kamehameha Schools ("KS"), provided a presentation on the KS Master Plan ("Master Plan") which was included in the packet distributed to Members.

Member Saito commented there has been a "brain drain" in high technology industries and inquired as to how people would be attracted back to Hawaii.

Mr. Quintiliani stated a Letter of Intent had been sent to attract investors locally and in Asia and Australia. Lifestyle, jobs and incentives to companies would be needed. The Master Plan would provide a facility on the makai side and a community on the mauka side to support it.

Member Saito inquired as to the time frame for a decision on the Master Plan.

Mr. Ching stated the Master Plan was in process of being reviewed for completeness. The completeness date would trigger a 200-day time period for the Authority to act upon the Master Plan.

Member Saito inquired as to whether a contested case hearing would be conducted.

Mr. Ching stated if conditions similar to the Ward Neighborhood Master Plan Application existed, the contested case hearing would likely occur at the front end of the 200 days.

Member Bradley inquired as to why KS submitted a Master Plan, when there was an option to do individual project development.

Mr. Quintiliani responded that the value was to have a sure course and vision, and the Master Plan provided the KS declaration of intent.

Mr. Mike Dang, Director of Development and Planning-Endowment Group for KS, stated that the Master Plan would provide fluidity in moving open space to provide park spaces.

Member Chun inquired as to how the Master Plan would affect parking requirements.

Mr. Dang stated that Kakaako was close to the central business district and people could use the same parking space for work or home.

Mr. Ching noted that existing rules have requirements for on-site parking.

Member Okada inquired how small businesses would be accommodated.

Mr. Quintiliani stated KS was interested in renting to existing viable businesses. The Master Plan involved 15+ years for development, and the first phase of 30-36 months would target vacant sites. It would be 5 years before existing tenant issues would arise.

Chairperson Lai asked whether anyone from the audience wished to provide public testimony on the agenda item.

Ms. Matson requested Kamehameha Schools provide a presentation of the Master Plan to CPAC.

## IX. ITEMS FOR ACTION - ADDITIONAL

10. Shall the Authority Approve the Award of Contract to ALMAR Management, Inc. (“ALMAR”) and to Expend HCDA Revolving Funds to Contract for the Operations and Management Services for Kewalo Basin Harbor?

Mr. Ching summarized the written report included in the packet distributed to Members.

Member Saito inquired whether the terms and conditions of the ALMAR contract would be considered a personal services contract.

Mr. Kuitunen stated the corporation would be the agent.

Member Okada requested clarification regarding authority and eviction powers the management company would have over tenants.

Mr. Ching responded that the agent would only collect rents and fees. An eviction would have to be for cause, such as nonpayment of fees.

Chairperson Lai inquired whether anyone from the public wished to testify on the agenda item.

Mr. Mike DeRego of the Kewalo Ocean Activities expressed concerns about ALMAR.

Mr. Gary Dill from the audience suggested that the contract be kept as short as possible.

Mr. Jack Hamada from the audience inquired regarding the contract amount.

Member Dwight commented that ALMAR specialized in recreational harbors. He felt the contract should be short term and include an escape clause in the event they are not capable of managing the harbor.

Member Kimura suggested a probationary period for the contract.

Chairperson Lai entertained a motion for the Authority to approve the award of contract to ALMAR Management, Inc. and to expend HCDA revolving funds to contract for the operations and management services for Kewalo Basin Harbor. A motion was made by Member Saito and seconded by Member Bradley.

A roll call vote was conducted.

Ayes: Members Bradley, Chang, Chun, Dwight, Morioka, Kimura, Okada, Saito, and Chairperson Lai.

Nays: None.

The motion carried 9 to 0 with 4 excused (Members Anderson, Kobayashi, Mukaigawa and Piper).

Member Bradley exited the meeting at 2:30 p.m.

11. Shall the Authority Authorize the Executive Director to Record the Transfer of Assets and Accumulated Depreciation Attributable to Kewalo Basin from the Department of Transportation-Harbors Division and Write off Those Net Assets That Have Been Identified as Non-Existent?

Mr. Ching summarized the written report included in the packet distributed to Members.

Member Saito requested clarification that the net effect of on assets would be zero.

Mr. Ching replied in the affirmative.

Chairperson Lai entertained a motion for Authority to authorize the executive director to record the transfer of assets and accumulated depreciation attributable to Kewalo Basin from the Department of Transportation-Harbors Division and write off those net assets that have been identified as non-existent. A motion was made by Member Saito and seconded by Member Dwight.

A roll call vote was conducted.

Ayes: Members Chang, Chun, Dwight, Morioka, Kimura, Okada, Saito, and Chairperson Lai.

Nays: None.

The motion carried 8 to 0 with 5 excused (Members Anderson, Bradley, Kobayashi, Mukaigawa and Piper).

12. Shall the Authority Authorize the Executive Director to Expend HCDA Revolving Funds for the Design and Construction of Traffic Signals and Intersection Improvements at the Queen-Kamakee Street Intersection?

Mr. Ching summarized the written report included in the packet distributed to Members.

Member Okada inquired how Queen Street would look after realignment. He also noted there was an existing flooding problem with the Queen Street extension.

Mr. Neupane replied that a catchment will be replaced on the Makai side, but no improvements would be made on the Diamond Head side.

Member Okada requested clarification on when the project would begin.

Mr. Neupane stated that it would be an immediate start if the action item were approved. Based on the fiscal year 2009 schedule, the first quarter of 2009 is actually the end of 2008.

Chairperson Lai entertained a motion for the Authority to authorize the Executive Director to expend HCDA revolving funds for the design and construction of traffic signals and intersection improvements at the Queen-Kamakee Street Intersection. A motion was made by Member Dwight and seconded by Member Saito.

A roll call vote was conducted.

Ayes: Members Chang, Chun, Dwight, Morioka, Kimura, Okada, Saito, and Chairperson Lai.

Nays: None.

The motion carried 8 to 0 with 5 excused (Members Anderson, Bradley, Kobayashi, Mukaigawa and Piper).

13. Shall the Authority Authorize the Executive Director to Expend HCDA Revolving Funds to Prepare Plans and Specifications for Environmental Remediation, Capping and Development of at Grade Interim Parking in the Kakaako Makai Area and Proceed with the Environmental Remediation and Construction of at Grade Interim Parking.

Mr. Ching summarized the written report included in the packet distributed to Members.

Member Dwight inquired about the \$75,000 expense for the Kewalo Keiki Fishing Conservancy (“KKFC”). He stated it was his understanding when the Right of Entry was granted that KKFC would be responsible for the expense.

Mr. Ching stated after discussion with Mr. Neupane that the \$75,000 for the education center should be removed. There would still be \$30,000 for the utility connection, and site work for the gravel and grading. HCDA would undertake the work to cover the whole site to ensure it would be done correctly to avoid a Clean Water Act violation.

Member Chang inquired regarding the \$500,000 expense to landscape the sites for temporary use and how the landscaping would be maintained.

Mr. Ching replied that a permanent solution would take 5-10 years to complete. The temporary landscaping included perimeter fencing, and the temporary parking would produce revenue to offset the cost.

Ms. Matson stated that CPAC fully supported KKFC's return to the site, but had questions about other sites designated for parking lots.

Chairperson Lai entertained a motion for the Authority to authorize the Executive Director to expend HCDA revolving funds to prepare plans and specifications for environmental remediation, capping and development of at grade interim parking in the Kakaako Makai area and proceed with the environmental remediation and construction of at grade interim parking. A motion was made by Member Saito and seconded by Member Dwight.

A roll call vote was conducted.

Ayes: Members Chang, Chun, Dwight, Morioka, Kimura, Okada, Saito, and Chairperson Lai.

Nays: None.

The motion carried 8 to 0 with 5 excused (Members Anderson, Bradley, Kobayashi, Mukaigawa and Piper).

14. Shall the Authority Authorize the Executive Director to Expend HCDA Revolving Funds to Develop Plans for a District Wide Parking Facility in Kakaako Makai?

Mr. Neupane summarized the report included in the packet distributed to Members.

Member Dwight posed questions regarding how staff estimated costs and scope for a project and how much success there had been in getting a project in under the original estimate.

Member Chun inquired whether CPAC or other organizations have been asked for advice on the projects.

Mr. Ching stated that HCDA would receive CPAC's vision and guiding principles on how to accommodate public use for public activities in the Makai area.

Mr. Neupane stated that staff would work with CPAC and well as Kamehameha Schools and the University of Hawaii.

Member Kimura inquired whether anything could be done about homeless people sleeping on the streets and sidewalks.

Member Saito stated that it was an issue of enforcement and jurisdiction. The State cannot force a homeless person into a shelter.

Chairperson Lai entertained a motion for the Authority to authorize the Executive Director to expend HCDA revolving funds to develop plans for a district wide parking facility in Kakaako Makai. A motion was made by Member Morioka and seconded by Member Saito.

A roll call vote was conducted.

Ayes: Members Chang, Chun, Dwight, Morioka, Kimura, Okada, Saito, and Chairperson Lai.

Nays: None.

The motion carried 8 to 0 with 5 excused (Members Anderson, Bradley, Kobayashi, Mukaigawa and Piper).

X. ADJOURNMENT

Chairperson Lai asked whether there were any other matters to be brought up. There being no further business, it was moved by Member Dwight and seconded by Member Morioka to adjourn the meeting. The motion was carried 8 to 0 with 5 excused (Members Anderson, Bradley, Kobayashi, Mukaigawa and Piper).

The meeting adjourned at 3:25 p.m.

Respectfully submitted,

/s/

Scott Bradley  
Secretary

Note: The transcript of this meeting contains a verbatim record and should be consulted if additional detail is desired.