

SUMMARY - MEETING NO. 327  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
State of Hawaii

March 5, 2008 – 9:00 a.m.

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

ATTENDANCE

Members Present: Barbara Annis (for Russ Saito, DAGS); C. Scott Bradley; Amanda Chang; Grady Chun; Joseph Dwight, IV; Paul Kimura; Christopher Kobayashi; Jonathan Lai; Theodore Liu (DBEDT); Kay Mukaigawa; Dexter Okada; and Robert Piper (for Georgina Kawamura, B&F).

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

Members Absent: Brennon Morioka (DOT); and Evelyn Souza (Kalaeloa Member).

Others Present: Anthony Ching; Diane Taira (Supervising Deputy AG); Matthew Akamu; Gloria Chong; Pearlyn Fukuba; Chong Gu; Loretta Ho; Neal Imada; Arnold Imaoka; Annette Kawasaki; Christy Kiyabu; Richard Kuitunen; Lilinoe Lindsey; Cal Machida; Tesha Malama; Steve Miyamoto; Craig Nakamoto; Deepak Neupane; Wendi Reyes; Jill Sugihara; Teney Takahashi; and Susan Tamura (also, see Meeting Attendance Record).

I. ROLL CALL

The meeting of the Hawaii Community Development Authority (HCDA) was called to order on March 5, 2008, by Chairperson Lai at 9:16 a.m. with the following roll call:

Chairperson Lai	Present
Member Annis	Present
Member Bradley	Present
Member Chang	Present

Member Chun	Present
Member Dwight	Present, left at 12:00 p.m.
Member Kimura	Present
Member Kobayashi	Present
Member Liu	Present, left at 9:59 a.m.
Member Mukaigawa	Present
Member Okada	Present
Member Piper	Present
Member Chinn	Present, arrived at 10:38 a.m.
Member Eng	Present, left at 10:20 a.m.
Member Enomoto	Present
Member Timson	Present, left at 10:00 a.m.

#### MATERIALS DISTRIBUTED

1. Agenda for March 5, 2008 Meeting;
2. Summary Minutes of Authority Meeting of February 6, 2008;
3. Report of the Executive Director;
4. Information: Senate Bill 2733, S.D. 1 – Relating to the Public Trust Lands Settlement;
5. Executive Session: Discussion of Acquisition of Land in Kakaako (Confidential Material);
6. Information: Lease of Lands at the former Barber’s Point Naval Air Station (distributed at the meeting);
7. Information: House Bill 266, H.D. 2 – Relating to Hawaiian Affairs (distributed at the meeting);
8. Information: Court’s Ruling on Defendant State of Hawaii’s Motion for Judgment on the Pleadings, or in the Alternative, for Summary Judgment as to Plaintiff’s Complaint August 7, 2007 (Heard on 2/19/08) (distributed at the meeting);
9. Information: Report of the Executive Director PowerPoint Presentation (distributed at the meeting); and
10. Information: Workshop for Members PowerPoint Presentation (distributed at the meeting).

Chairperson Lai apologized for the late start and explained that he and four other Members along with the Executive Director were stuck in the elevator. He introduced Diane Taira, Supervising Deputy Attorney General, serving as the authority’s legal counsel for this meeting.

## II. APPROVAL OF MINUTES

### 1. Minutes of the Regular Meeting of February 6, 2008

Chairperson Lai asked whether there were any corrections to the minutes of the February 6, 2008 meeting. Chairperson Lai stated that staff noted the following corrections: page 19, 2<sup>nd</sup> to the last paragraph, 4<sup>th</sup> sentence – “That the roadway was acquired for \$3.25 million” should instead be “approximately \$750,000;” and page 23, 3<sup>rd</sup> paragraph, 1<sup>st</sup> sentence – “Mr. Akamu replied that there was flexibility in a sense that there was no precedent” should instead read “...there were past precedents.”

There were no corrections offered by Members. It was then moved by Member Chun and seconded by Member Mukaigawa to approve the minutes as amended. By a show of hands, the motion passed 15 to 0 with 1 excused (Member Chinn).

## III. REPORT OF THE EXECUTIVE DIRECTOR

Anthony Ching noted that the full Executive Director’s report was enclosed in the packet distributed to the Authority Members and presented the highlights in a PowerPoint presentation, which is attached (see Exhibit A).

Chairperson Lai asked whether Members had any questions for Mr. Ching.

Member Chun asked Mr. Ching to explain the reason for using the term “contentious” while reporting on Senate Bill 2294/HB 2732 regarding the reserved housing requirement.

Mr. Ching explained that the legislative proposals included a number of controversial elements. These elements included:

- HCDA to increase its reserved housing requirement from the existing 20 percent to 50 percent and would apply to all projects whether they had a residential component or not;
- Although the proposals now call for a 25 percent reserved housing requirement, it becomes 35 percent in 10 years if the Legislature determines that more reserved housing units need to be produced;
- Excess housing units built by any developer could be used as a credit that could be sold to another developer; and
- The credit/transfer mechanism is an unknown process.

Member Timson stated that she missed the last meeting and was surprised that the meeting format had changed. She expressed her disappointment that the Authority was not receiving activity reports from the Navy, Hawaii Public Housing Authority and other agencies. She explained that the meetings are the only opportunity to dialogue with the Navy and the homeless provider. Since Kalaeloa is a community that is just being created, there are many ongoing issues on a daily basis. Member Timson constantly receives calls and would like to be able to ask questions of the Navy and the Hawaii Public Housing Authority. She didn't appreciate the change and requested reconsideration of the meeting process. Member Timson indicated her preference for the Navy and homeless provider report on a regular monthly basis to the Authority.

Member Liu commented that the more important issue relating to Kalaeloa was the Navy's conveyance of the 499 acres to Hunt via a lease agreement. This would mean that a lease to fee agreement would trump the State's authority for the 499 acres because the federal lands have sovereignty over state land use approval, and permitting. That was a major change and surprise to everyone and it may be important for the Authority to have a discussion on this lease agreement. The 499 acres represented a tremendous economic opportunity for the State especially in the area of Oahu where most jobs and affordable housing are needed.

Mr. Liu indicated that the Governor was engaged in discussions directly with the Secretary of the Navy in Washington. The Governor believes that many questions regarding the future disposition of the 499 acres have not been answered and that the conveyance via a lease to Hunt is not necessarily in the public interest.

Mr. Ching commented that based on the Governor's initiative, it appeared that the conveyance was still a moving target. As for Member Timson's request, the activity reports would continue to be presented to the Authority and the presence of representatives of the Navy and the Public Housing Authority would continue to be requested.

Member Eng also requested a return to the previous format where Kalaeloa had a specific place on the agenda.

Member Timson could relate to what Member Liu was saying because she had questions for the Navy regarding the leases. She has been a part of the redevelopment of the area since day one and this is the first time that the City and State is thinking the same way. The community thinks there is some hope of having a nice redevelopment and it doesn't appear that way now. HCDA has never had a relationship with the Navy. Member Timson suggested having their own meeting or spending more time on Kalaeloa matters.

Member Liu commented that he wasn't quite sure, but the tentative agreements could possibly be signed sometime this summer. He understands that it has to go through a Congressional notification period. Member Liu suggested having Navy and Hunt report to the Authority on what the deal is about. Hunt may build everything that HCDA wants, but he is concerned with what would happen should Hunt want to build something that HCDA thinks is questionable. The Navy has provided assurances of their good intentions, but Member Liu questions who has the greater vision and who can achieve it. Member Liu would like the Navy to brief the Authority on the lease agreement; why they decided on a lease agreement; and what their plans are. He wasn't sure whether the outcome would be to express the sentiment of the Authority, or issue a resolution from the Authority to the Navy.

Member Bradley stated that he would support having a briefing with the Navy as Member Liu suggested. Most of the information that he got on the conveyance was from the newspaper and the impression that he got was that it would be a deed conveyance. He would also like a better understanding of HCDA's legal position and the Navy and Base Realignment and Closure (BRAC) laws.

Member Enomoto commented that the conveyance of the 499 acres pulls the rug out from underneath the Master Plan. The strip of land along Roosevelt Avenue was considered to be the kick-start for the whole region. HCDA's ability to zone the area and plan for the area would allow the kind of redevelopment the community envisioned. However, it would be retained in the Navy's hands under federal jurisdiction. All that is left is trying to leverage a MOU, which simply does not give HCDA a lot of weight to implement the kind of change that was envisioned. Member Enomoto was encouraged to hear that it was not a done deal or that there might be some room to leverage a better arrangement.

Member Liu noted that contracts have not yet been signed.

Member Enomoto stated that listening to Members Timson and Eng's comments regarding the agenda and how the authority is updated on Kalaeloa matters should be revisited during the workshop. He thought having the Navy at the April meeting would be good. He had some ideas on involvement as Authority Members and staff and how to engage Navy and Hunt to ensure the outcomes, but would save it for discussion during the workshop.

Chairperson Lai stated that on the April agenda it should focus on Navy and Hunt. He expressed his concern about having the Hawaii Public Housing Authority attend every month when there is no change to report. He cautioned that Authority Members are not staff and that a lot of things staff could be tasked with.

Member Timson commented that at least the staff should report on what happened during the month and bring up the concerns.

Chairperson Lai explained that he wanted to strike a balance between being efficient versus comprehensive and would ask for the same thing for Kakaako. The Members should decide how much information they would like and how much time they can afford.

Member Timson noted that the Authority only meets once a month so she doesn't mind spending two or three hours.

Chairperson Lai restated a need to strike a balance and to focus on the important issues in Kalaeloa and Kakaako.

Member Okada commented that when he first came on the Authority, he met with Ms. Malama to learn more about Kalaeloa. He questioned what HCDA could do because it seemed to him that whatever goes on in Kalaeloa, HCDA just plays the role of a facilitator. HCDA has jurisdiction, but no power. When Member Liu says that HCDA should do something, Member Okada asked, "What can the Authority do?" "What are its powers?" and "What choices are there?"

Member Liu stated that is the problem in Kalaeloa, HCDA has the authority without actual control of the lands. HCDA has always been a facilitator to bring the entities together. It was thought that HCDA could do more with the control over the 499 acres. In answer to what can the Authority do, he personally would like to be fully briefed by the Navy. Since HCDA has been given the statutory authority over the development area, at least the Authority should be heard whether it is a good approach or not. He does not know whether the Authority would want to take any action following the briefing.

Mr. Ching stated that at the April meeting it would include presentations by Hunt and the Navy. He was also going to structure a second workshop on Kalaeloa whereby the Authority can have a full discussion on the agenda structure, activity reports, question and answers relating to particular areas and in terms of what the Authority can and cannot do.

Member Timson asked for clarification whether the Director of Communications would serve only Kakaako or Kalaeloa also.

Mr. Ching explained that the majority of the staff is funded through CIP projects for Kakaako only. There are four general funded positions: Executive Director, Authority Secretary, and two Kalaeloa staff. However, it is his intention to seek authorization to overlap staff. Until that time, the communications position would provide more critical thinking and strategy that may also serve as a template for Kalaeloa.

Member Kimura remarked that the Authority hired a Kalaeloa person because the job of the Executive Director was too difficult to handle both. He personally liked Ms. Malama's presentation and would rather have her report because she is there and knows what is actually happening there.

Chairperson Lai thanked everyone for their comments and stated that it would be taken up during the workshop

Member Liu departed at 9:59 a.m.

IV. PRESENTATION BY THE OFFICE OF HAWAIIAN AFFAIRS ON THE PROPOSED CEDED LAND SETTLEMENT LEGISLATION

Chairperson Lai introduced Jonathan Scheuer of the Office of Hawaiian Affairs who would brief the Authority on the proposed ceded land settlement legislation. Chairperson Lai noted that in the Members' packet was the Senate version of the proposed legislation and distributed at the meeting was the House Draft 2, which was released after the packets were distributed.

Chairperson Lai asked whether there was anyone from the audience who wished to provide public testimony on this agenda item. There were none.

Member Timson departed at 10:00 a.m.

Mr. Scheuer, Director of Land Management with the Office of Hawaiian Affairs, was instructed to proceed with his PowerPoint presentation, which is attached (see Exhibit B).

Chairperson Lai asked whether Members had any questions.

Member Kimura asked what OHA's plans were.

Mr. Scheuer responded that OHA does not have specific plans for any of the three properties. However, OHA's Board of Trustees are committed to involve Native Hawaiians and other stakeholders in the planning process. One of the decisions to stay under HCDA was to consciously let the Kakaako Makai Community Planning and Advisory Council (CPAC) proceed without interference. The strategy in the development of the lands in Kakaako Makai is to honor the cultural traditions and also produce outstanding revenue. The revenues would be used for beneficiary programs as well as the maintenance and acquisition of cultural and natural resource lands like Waimea Valley and Wao Kele O Puna. It costs money to maintain those properties, but provide incredible benefits to its beneficiaries.

Member Eng departed at 10:20 a.m.

Member Okada commented that OHA wants the CPAC process to go through and that implies that OHA still wants to be part of the decision.

Mr. Scheuer replied that CPAC is an advisory council, and they don't want to interfere with their advisory role.

Member Okada asked whether CPAC would have to obtain approval from both the HCDA and OHA's Boards.

Mr. Scheuer responded that since OHA's Board of Trustees has the fiduciary duties, it would have to make the ultimate decision. However, OHA is committed to work with stakeholders before doing anything.

Member Okada asked what would be the result if HCDA agreed with CPAC, but OHA disagreed on the disposition of a project. Mr. Scheuer answered that HCDA retains the ultimate zoning authority. He didn't foresee any problems with CPAC because OHA's values are very congruent with the kinds of values of that group. He is also an ex-officio member of the group.

Chairperson Lai asked whether OHA still planned to explore the Lot 1 site for its headquarters.

Mr. Scheuer indicated that they are still working on the site for OHA's headquarters. During this legislative session they are trying to get the State to pay for some of the cultural center portion of that building. However, at cross over it is not looking totally positive. Currently, their option for exclusive negotiations with HCDA has expired. Mr. Scheuer indicated that OHA planned to ask for an extension in April.

Jackie Burke from the audience stated that she was with the Department of Transportation Harbors Division and asked whether OHA's office building next to Piers 1 and 2 is included in any current legislative proposal.

Mr. Scheuer responded that the Bills that would effectuate the settlement do not include the parcel of land for OHA's Headquarters.

Michelle Matson from the audience stated that she was the CPAC Secretary and wanted to know what effect would the discovery of potential toxic contamination of the Honolulu Marine site and other areas have on the agreement.

Mr. Scheuer replied that Ms. Matson's question would be better directed to the HCDA staff. He explained that OHA had in the proposed settlement agreement a 75 percent insurance provision with the State of Hawaii. OHA would be able to review

due diligence documentation possessed by the State and conduct its own testing. If OHA could prove the market value of the property was reduced by at least 25 percent, OHA would be able to force the State to take those properties back. However, OHA is convinced that based on its review, that there is no contamination on any of the three areas – Hilo Banyan Drive, Kalaeloa Makai, and Kakaako Makai – that would prevent any of the likely uses for the properties to occur.

Amy Anderson from the audience identified herself as the 2<sup>nd</sup> Vice Chairperson of CPAC and asked how OHA strikes a balance between producing income and revenue for beneficiary programs as well as honoring cultural values and the history of the land.

Mr. Scheuer explained that in the example of Wao Kele O Puna on the Island of Hawaii, it is 40 square miles of rain forest on the slopes of Kilauea where OHA is not producing any income there. The main reason for acquiring the property was to protect the traditional customary access rights of the families of Puna who had historically over 1,000 years accessed that property for gathering, hunting, educational and religious purposes. So although it costs \$250,000 a year to protect the property from invasive species and control public access, OHA is honoring its cultural values there. In Waimea Valley, OHA is enhancing the cultural educational programs, which drives gate receipts and hopefully will be a break-even proposition. OHA doesn't see it as a conflict, but believes that honoring cultural things are the right thing to do and it could also enhance the value.

Member Okada asked whether OHA is capable of owning land.

Mr. Scheuer replied that OHA is very much capable of owning land through the Hawaii State Constitution and the Hawaii Administrative Rules, Chapter 10.

Member Okada asked whether Kakaako Makai would be OHA land or State land.

Mr. Scheuer responded that it would be held in fee simple by OHA.

Member Okada asked who would be responsible should there be any contamination costs.

Mr. Scheuer replied that was a complicated question because the Executive Branch would indemnify OHA against contamination should the property be transferred back to the State of Hawaii. However, OHA would take the responsibility if the land is not transferred back to the State. OHA is confident that the kinds of uses that would likely occur on those properties would not be foreclosed by any environmental contamination.

Ms. Matson asked whether Kakaako Makai would be fully commercialized since OHA is protecting other cultural resources in other areas.

Mr. Scheuer responded in the negative. He understood her question to be that the lands at Kakaako Makai would be fully commercialized to the sacrifice of the cultural values in that area.

Ms. Matson commented that CPAC is in support of the cultural exposure and growth in the Kakaako Makai area. In regards to when Honolulu Marine relocates its boat yard, she asked whether it would be a Brownfield site and whether HCDA or OHA have to undertake the assessment of the site.

Mr. Ching noted that HCDA manages the land, the lease proceeds go to Department of Transportation and the operations and consequences of the environmental remediation would remain the responsibility of the operator.

Ms. Matson asked whether that was in writing.

Mr. Ching thought that it was a legal principle that responsibility for remediation of a contaminated site would fall on the operator.

Mr. Scheuer added that all the proposed leases would remain in place only that the checks would go to OHA. They look forward to working with HCDA in the process.

There being no further discussion, Chairperson Lai noted that Member Chinn had arrived and called for a recess at 10:38 a.m. to allow the Kalaeloa Members (Chinn and Enomoto) to depart, as the remaining agenda items were Kakaako-related. However, Chairperson Lai invited the Kalaeloa Members to participate in the workshop that would follow the Executive Session.

Chairperson Lai reconvened the meeting at 10:40 a.m.

Chairperson Lai explained that following the Executive Session, staff would be conducting a workshop for members and staff. While the workshop is intended to promote greater understanding and dialogue between staff and Members, he welcomed the public to observe. He noted that there would be no decision-making or action taken during the workshop.

V. EXECUTIVE SESSION

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

2. Discussion of acquisition of land in Kakaako pursuant to Section 92-5(a)(3) and 92-5(a)(4), Hawaii Revised Statutes, to discuss the acquisition of public property or conduct of such negotiations, and to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

It was moved by Member Dwight and seconded by Member Chun to enter into Executive Session. The motion carried 11 to 0 with 1 excused (Member Liu).

Chairperson Lai requested that Executive Director Anthony Ching; Supervising Deputy Attorney General Diane Taira; and Director of Planning and Development Deepak Neupane join the Executive Session discussion.

Since the Executive Session would be held in the same conference room, Chairperson Lai requested that the audience vacate the room. He explained that following the Executive Session would be the Workshop for Members and staff. While the workshop is intended to promote a greater understanding and dialogue between staff and Members, Chairperson Lai invited the public to be observers. He also noted that no decision-making or action would be taken during the workshop.

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The Hawaii Community Development Authority entered into Executive Session at 10:41 a.m.

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It was moved by Member Chun and seconded by Member Dwight to reconvene the regular meeting. The motion was carried 11 to 0 with 1 excused (Member Liu) and excluding Kalaeloa Members.

Chairperson Lai called for a recess at 11:16 a.m. to allow the HCDA staff and Kalaeloa Members to rejoin the meeting.

The meeting was reconvened at 11:37 a.m.

Chairperson Lai noted that Members Chinn and Enomoto rejoined the meeting.

V. WORKSHOP FOR MEMBERS

Chairperson Lai turned the workshop portion of the meeting to the Executive Director who would lead the discussions. Attached is Mr. Ching's PowerPoint presentation on the workshop (see Exhibit C).

Lunch was served as an integral part of the meeting during the Workshop for Members discussion.

Mr. Ching presented the following topics in the workshop: Meeting Process and Logistics; and Public Testimony, before being interrupted.

In response to Mr. Ching's thoughts on the public testimony process, Chairperson Lai asked for Members' input on managing the meetings. Public testimony would be requested up front. During today's meeting there were some questions after the presentation which the Chairperson thought it was okay to ask.

Member Piper thought that the overall policy of making sure the Authority solicits and takes feedback is good and believes that it should be continued. Today's meeting may not have been a problem, but problems may arise at future meetings where there is a hot issue being discussed. Member Piper's caveat would be that it remains consistent.

Member Mukaigawa thought that it was good how the Chairperson handled today's meeting and used his discretion because the public needs to be heard. In the past, people felt that they were not able to voice their opinions.

Member Chang agreed.

Chairperson Lai commented that he wanted to be open, but in certain cases if there are questions after question, he may have to bring it in.

Member Bradley also thought that the policy should be consistent. The policy should be announced at the beginning and be flexible if there aren't too many people. He thought it worked well and agreed with Members' comments.

Mr. Ching commented that the presiding officer always has the discretion to accept or not take comments. If there was an issue that is thought to be contentious, the Chairperson could also convene a reaction panel to accept the testimony if it was thought to enhance the discussion and provide the public with more than three minutes of time.

Mr. Ching continued his presentation on the following items: Conflict of Interest; Reserved Housing Shortage; Affordable versus Reserved Housing; Kakaako Mauka; HCDA Kakaako Lands; Victoria Ward/GGP Lands; Kamehameha Schools Land; Reserved/Affordable Housing Plan; Small Lot Logic; and Reserved Housing Plan SPOT Analysis.

Member Okada commented that HRS 206E states that HCDA should permit and encourage commercial and industrial use. Mixed-use is sometimes thought to only be commercial and residential and often leaves out industrial. In increasing the FAR to 3.5, the Authority should still consider the people who want to continue industrial use.

Mr. Ching responded that the Members' comments were well taken. He hopes to do a demonstration project on a 10,000 square foot lot that could take an existing business and develop it into two or three stories high. The focus would be on the small lot owner and what possibility and potential exists for them. Staff is not going to be prescriptive on the uses, but it could also be an opportunity for a live and work situation. Mr. Ching admits that staff does not know how much it would cost or how compatible it would be, but is suggesting that HCDA undertake a demonstration project to find out whether it would work, and what are the issues and problems with it.

Member Okada understands what Mr. Ching is suggesting, but thinks that what is being suggested is really a commercial type operation like a Subway sandwich shop and not a real industrial activity.

Mr. Ching responded that if a demonstration project was pursued, it could be whatever the small lot owner wants to pursue. The project would give the district a reference point of what it would look like, how much it would cost, and whether or not it would work. The only way to achieve that understanding is to get better information.

Member Okada commented that as a planning agency, there is a need to look at the whole area to see that it is melded together and should not just look at one lot. A light industrial neighbor next to a commercial entity might not work if there are containers parked in front of the building. Thus, the planning has to be melded together.

Mr. Ching agreed with Member Okada. Staff needs to look at how to administer the mixed-use zoning and whether options should be retained and to ensure that opportunities for existing industrial activities are not precluded or regulated out.

Member Bradley asked whether HCDA would be the developer for the demonstration project.

Mr. Ching responded that HCDA needs office space and HCDA owns a 10,000 square foot lot on Cooke Street. HCDA could turn that into parking on the bottom, inviting another existing business to operate on the ground floor and HCDA on the top. Mr. Ching suggested that it could also be a joint venture, but it would illustrate the possibilities for everybody.

Member Kimura agreed with Member Okada that industrial would have to be a designated location. What would end up happening is industrial would disappear and Kakaako is one of the main industrial service centers for east Oahu.

Mr. Ching acknowledged that and indicated that he had previously spoken to Member Okada about developing an industrial village and having a special design district. He believes in a design district, which tailors development where a concentration of industrial uses may have to be pursued instead of a mixed-use zoning change.

Mr. Ching continued with his presentation.

Member Okada asked about the legislation that requires HCDA to give the Next Step site location to the DOT.

Mr. Ching responded that it is part of SB 2800 that proposes the Next Step lot; the current John A. Burns School of Medicine (JABSOM) at-grade parking lot; the historic pump station; the working pump station; and vacant lot on Forrest Avenue be transferred to the DOT. He believed that this particular proposal would not pass the Legislature. Mr. Ching testified that it is illogical to give away a working pump station as well as the historic pump station, which is outside of the harbor security zone, to the DOT. However, Forrest Avenue should be done at some point so that there is smooth flowing traffic in and out of Kakaako Makai.

Mr. Ching continued his presentation on: Public Parking at Lot 40; Repair of Waterfront Park and Kewalo Basin Park; Children's Discovery Center; Major Park Repair Project; and Queen Street Mauka/Makai Project.

Member Chun commented that he heard that there are burial remains on the Queen Street Mauka Park site and asked whether it would affect the park.

Mr. Ching responded that the site is located next to the former Onjin Restaurant and is an archaeological site that is not part of the park. Thus, it would be preserved separately. The park is currently used as a parking lot. The archaeological site is on the inside and in the planning of the park there would be an appropriate separation.

Deepak Neupane commented that it was not actually an archaeological site, but an internment site. The bones were found during the construction of ID-10. When planning for the park master plan, staff will consult with the family of the iwi. He

believes that the designer has already consulted with the family on the types of plans and design. The plan is to have the park dedicated to the City and staff has already started the process of discussing it with the City Department of Parks and Recreation. But unfortunately, the City does not want the burial portion, so that will remain under HCDA. However, when looking at the park, visually it would be continuous with the park.

Richard Kuitunen noted that an internment site is also located at Mother Waldron Park, which is at the corner of Halekauwila and Cooke Streets. It doesn't affect the use of the park at all; it is just separated from where people are walking around.

Member Mukaigawa remembered that at Honuakaha they turned it into a rock garden.

Mr. Ching stated that the bottom line is that HCDA is obliged to do the right thing. The park was planned and the community is expecting it. On the Mauka side of the parking lot is a statue that is under a cover that had been specifically commissioned for that park.

Mr. Ching continued with the presentation on: Mother Waldron ID Project; Multi-Faceted Improvements; and Phased Projects Contemplated.

Member Okada commented that when making improvements to the parks, nooks and crannies should be avoided due to the problems of homelessness.

Mr. Ching noted that the walls of the Mother Waldron Park are historical and can't be touched. Across the street is a remnant parcel that is concreted over. He indicated this desire to turn the area greener and a view corridor along Cooke Street.

Mr. Ching continued with his presentation on the McKinley Collaboration before being stopped for questions.

Member Mukaigawa asked whether anyone talked to the McKinley Foundation because they are heavily fundraising.

Mr. Ching replied that the news, the Central YMCA indicated that they might be going there, so he would have to run his idea through the Central YMCA. He is hoping that the Department of Education (DOE) would convene a meeting with the master-planning group. HCDA would get involved only if invited.

Chairperson Lai commented that the McKinley collaboration might be a way of attracting sporting events such as the Pro Bowl. In this way the refurbished field could be used for events other than just for high school sports.

Mr. Ching continued with his presentation on: Kewalo Basin Repair & Maintenance; Deferred Maintenance Items; and Management and Communication Also Needed.

Member Bradley asked whether there was a consideration for a private contractor to manage the Kewalo Basin Harbor instead of being managed by the State.

Mr. Kuitunen responded that HCDA went through an invitation for bid process and ranked the private management companies. The companies are still willing to manage it for HCDA. But with the litigation, everything was put on hold.

Mr. Ching continued with his presentation on Historic Pump House Restoration project and the American Brewery Building. However, he indicated that there were only funds for only one of these projects.

Member Mukaigawa commented that for the parking on Lot 40 each stall costs \$28,000. She wanted to know how that cost was derived.

Mr. Ching stated that staff has been trying to find out the cost to construct a parking stall. The estimates received ranged from \$15,000 to \$50,000 a stall so it depends on the type of structure; whether it is free standing or incorporated into the building. The developer has told HCDA that it would cost \$28,000.

Mr. Neupane commented that the cost was negotiated.

Mr. Ching wrapped up his presentation with discussion of the results of the Authority's previous Small Lot Development Task Force and the 2006 Staff Strategic Planning Project.

Member Kimura asked how much money is in the Authority revolving fund.

Mr. Ching replied that it was approximately \$33 million and it is phased over time. He also indicated that some of the money had already been earmarked for specific projects.

Member Chang commented that she understood the high priority projects for safety reasons. She liked the idea of developing the Cooke Street lot as a demonstration project and housing the HCDA offices. It could save the State money in rent and at the same time generate more income with other tenants. Those monies could then be used to do small parks.

Mr. Ching stated that no later than two years from now, HCDA would be in a different facility. With respect to the 10,000 square foot lot on Cooke Street, he views it as something to trade with. It is not actually an ideal site for the HCDA office, but

it could be used as leverage to acquire a more ideal site. The projects remain fluid until the Authority determines otherwise or other factors are introduced.

Chairperson Lai thanked the staff for providing the meal.

VII. ADJOURNMENT

There being no further business, it was moved by Member Mukaigawa and seconded by Member Chang to adjourn the meeting at 1:00 p.m. By a show of hands, the motion passed 12 to 0, with 4 excused (Members Dwight, Eng, Liu, and Timson).

Respectfully submitted,

/s/

Amanda Chang  
Secretary