

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

MEETING NO. 337
Wednesday, January 7, 2009

Members Present: C. Scott Bradley
Amanda Chang (9:10 a.m.)
Grady Chun
Joseph Dwight, IV
Michael Formby (9:11 a.m.)
Paul Kimura
Jonathan Lai
Theodore Liu
Dexter Okada
Robert Piper
Russ Saito

Members Absent: Christopher Kobayashi
Kay Mukaigawa

Kalaeloa Members: Linda Chinn
Stanton Enomoto
David Tanoue
Evelyn Souza
Maeda Timson

Others Present: Anthony Ching, Executive Director
Eugene Won, Deputy Attorney General
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
Teney Takahashi, Project 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, January 7, 2009, 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 January 7, 2009 Meeting;
2. Summary Minutes of Authority Meeting of December 3, 2008;
3. Report of the Executive Director;
4. Kalaeloa Status Report;
5. Hawaii Public Housing Authority Report;
6. Ford Island Properties Report;
7. Action: Expend HCDA Revolving Funds and Issue a Subordinated Loan of Fifteen Million Dollars (\$15 Million) to Halekauwila Partners, LLC for the Halekauwila Place Project;
8. Action: Expend HCDA Revolving Funds for the Design and Construction of Improvements to Mother Waldron Neighborhood Park;
9. Executive Session: Acquisition and Funding - Kakaako (confidential material distributed at the meeting).

II. APPROVAL OF MINUTES

1. Minutes of the Regular Meeting of December 3, 2008

Chairperson Lai asked whether there were any corrections to the minutes of the December 3, 2008 meeting. There were no corrections offered by Members. It was moved by Member Kimura and seconded by Member Enomoto to approve the minutes as written. By a show of hands vote, the motion passed 14 to 0 with 4 excused (Members Chang, Formby, Kobayashi and Mukaigawa).

III. ITEMS FOR ACTION

2. Election of Chairperson for Fiscal Year 2008-2009

Chairperson Lai requested concurrence of the membership for the use of ballots to conduct the election. There were no objections. Chairperson Lai opened the nominations for the office of Chairperson.

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

Member Chun nominated Member Lai for Chairperson. Member Dwight seconded the nomination.

A ballot vote was taken. Member Lai was elected Chairperson by a vote of 10 to 6 with 2 excused (Members Kobayashi and Mukaigawa).

IV. REPORT OF THE EXECUTIVE DIRECTOR

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

Chairperson Lai noted for Members that the February regular meeting of the Authority would be changed to February 11, 2009.

Member Kimura inquired whether meetings would be scheduled for the outreach to central Kakaako small lot owners.

Mr. Ching stated that a mailing would be made shortly. It was anticipated that the first meetings would be held on February 17 and 24, 2009. A survey would be conducted and results compiled in April. A follow up meeting would be held on May 19 with an additional meeting in June if necessary.

Member Kimura commented that the streets in the central Kakaako area are narrow. If improvements are made to widen the streets, it would negatively affect businesses in the area. He recommended that the City and County of Honolulu ("City") be represented at the meetings.

Mr. Ching stated that HCDA had no preconceived notions for improvements. To achieve City dedication standards, the options would be limited. If non-standard streets would be the solution, a special design district would be needed.

Member Okada requested that members of the Kewalo Basin Committee be informed of the date and time of the upcoming Kewalo stakeholders meeting.

Mr. Ching responded that the first stake holders meeting was planned for January 21, 2009 and confirmation would be sent to members of the committee.

Ms. Michelle Matson from the audience stated she was secretary of the Kakaako Makai Community Planning Advisory Committee ("CPAC"). She stated that CPAC's vision and guiding principles were completed and requested to make a formal presentation to the Authority at its February meeting.

V. ITEMS FOR INFORMATION

A. Kalaeloa Status Report

Ms. Tesha Malama, Director of Planning and Development for Kalaeloa, summarized her written report, and noted the written report was in the packet distributed to Members.

Ms. Malama stated she had called Members Timson and Souza regarding the crash of a small private aircraft in Kalaeloa. For future incidents of concern to the community, she would expand the communication by sending an email to all Members to keep them informed.

Ms. Malama summarized a Navy security report on crimes in the Kalaeloa district in 2007 and 2008. In 2008, incidents involving burglary, motor vehicle break-ins and larceny decreased; while illegal dumping, brush fires and trespassing increased. The figures reflected the focus of Navy security along the beaches which resulted in illegal activities moving to the northern part of the district. Currently, only 1 officer from the Honolulu Police Department and 1 officer from the Navy are assigned to the district.

Member Timson commented that the possibility of an aircraft accident had been a concern to the community during the transition of Kalaeloa from the Navy because the flight schools primarily cater to inexperienced foreign students.

B. Navy Report

Ms. Janice Fukawa, Navy Region Hawaii stated the lease agreement with Ford Island Properties (“FIP”) would become effective on February 1, 2009. The Navy continued to work on details to make the transition smooth to minimize the impact on the community.

Ms. Fukawa stated the Navy was working with the State Historic Preservation Department and Pacific War Memorial Association to provide the Ewa Air Field with greater recognition.

Member Saito inquired as to which portion of the Ewa Air Field was situated on land to be leased to FIP.

Mr. Alan Ong from FIP stated it would be about 150 acres of the Ewa Air Field. A preservation study would determine which parcels would be impacted.

Member Timson requested a report be given at the next meeting on the parcels that would be under FIP lease.

Member Saito requested that the report include an aerial map of the parcels showing landmarks.

Member Enomoto commented that traffic from the Kamokila Extension would impact Roosevelt Road next to Barber's Point Elementary School and had consistently been problematic. He asked that Navy security be engaged in the public safety network.

Member Souza commented that the schools in the district should be consulted regarding the impact on traffic with the opening of the Kamokila Extension.

Ms. Malama stated that the City and County of Honolulu ("City") had sent out a notification prior to construction and comments were provided on signage, lighting, and crosswalks.

Member Okada requested a tour of the Kalaeloa district be scheduled for Members.

Mr. Ching stated a tour would be scheduled for a future date.

C. Hawaii Public Housing Authority ("HPHA") Status Report

Mr. Adam Burson, HPHA Home Programs Specialist, summarized his written report distributed to Authority members. He noted that Kumuhonua, the homeless shelter in Building 36, had its blessing and opening ceremony on December 17, 2008.

Mr. Burson stated that a consultant had been hired by the City to work with H5 to pursue grants for vehicles to provide shuttle service for the shelter residents.

D. Ford Island Properties, LLC ("FIP") Report

Mr. Alan Ong stated his written report was in the packet distributed to Members. He noted that FIP had received clearance from the Navy to conduct an environmental survey.

Member Timson inquired about the status of the bowling alley.

Mr. Ong responded that the bowling alley was not operating because the operator was out of state on a family emergency. The kitchen equipment was removed, but the Navy had agreed to leave the alleys in place.

Member Timson inquired as to whether security would be provided in the evenings for the bowling alley.

Mr. Ong stated FIP intended to work with the Honolulu Police Department, Honolulu Fire Department and Navy police, instead of contracting a private security company.

Member Souza inquired whether FIP had any future plans to sell property.

Mr. Ong stated that plans included selling subdivided properties.

Member Souza inquired about the status of the swimming pool which Hope Chapel allowed the community to use.

Mr. Ong stated that FIP would be in discussions with Hope Chapel and hoped to keep the pool open.

A recess break was taken at 10:18 a.m.

Members Chinn, Enomoto, Souza, Tanoue and Timson exited the meeting at 10:18 a.m.

The meeting was reconvened at 10:26 a.m.

E. General Growth Properties (“GGP”) Committee Report

Chairperson Lai stated that subsequent to the establishment of the General Growth Properties Master Plan Committee (“Committee”), the Authority had set the matter of the granting, or not, of the GGP Master Plan Permit Application (“Application”) for contested case hearing. The contested case hearing process required that consideration of the Application be based solely on the record established by the hearing officer. As the deliberations of the Committee had occurred outside of the record created for the hearing officer, it would be inappropriate for the Committee to issue any report or recommendations. The Committee and all Members of the Authority were charged to rely solely on the record created by the hearing officer in its deliberations on the matter.

VI. EXECUTIVE SESSION

3. Acquisition and Funding – Kakaako

A motion was made by Member Kimura and seconded by Member Saito to enter into Executive Session. The motion was carried 10 to 0 with 3 excused (Members Formby, Kobayashi and Mukaigawa).

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

The Hawaii Community Development Authority convened in Executive Session at 10:30 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.

Member Formby exited the meeting at 10:31 a.m.

A motion was made by Member Saito and seconded by Member Chang to return to the regular meeting. The motion was carried 10 to 0 with 3 excused (Members Formby, Kobayashi and Mukaigawa).

The regular meeting was reconvened at 11:50 a.m.

VII. ITEMS FOR ACTION – ADDITIONAL

4. Shall the Authority Authorize the Executive Director to Expend HCDA Revolving Funds and Issue a Subordinated Loan of Fifteen Million Dollars (\$15 Million) to Halekauwila Partners, LLC for the Halekauwila Place Project?

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

Mr. Stanford Carr, Mr. Marvin Awaya, Mr. Jesse Wu and Mr. Ernesto Vasquez and Mr. Bill Azzara made their presence known and were available to answer questions from Members.

Chairperson Lai invited members of the public to provide testimony on the action item.

Mr. Jack Hamada from the audience testified in opposition to the matter.

Member Bradley made a motion for the Authority to authorize the executive director to expend HCDA revolving funds and issue a subordinated loan of \$15 million to Halekauwila Partners, LLC for the Halekauwila Place Project

in accordance with the term sheet provided. Member Chun seconded the motion.

A roll call vote was conducted.

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

Nays: None

The motion carried 10 to 0 with 3 excused (Members Formby, Kobayashi and Mukaigawa).

5. Shall the Authority Authorize the Executive Director to Negotiate and Enter into a Purchase Agreement with K.C. Rainbow Development Co., LLC for the 1025 Waimanu Street Parcel?

Chairperson Lai stated that the action item would be deferred to another meeting.

6. Shall the Authority Authorize the Executive Director to Expend HCDA Revolving Funds for the Design and Construction of Improvements to Mother Waldron Neighborhood Park?

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

Member Saito questioned why the design phase would take one year.

Mr. Neupane responded that it could be shortened to 6 months.

Member Saito requested additional information about the community center.

Mr. Ching responded that the triple wide trailer currently at the Next Step Shelter would be relocated to Mother Waldron Park to provide immediate space to the Friends of the Library and the Community Center.

Member Chang inquired as to who would be responsible for maintenance and upkeep of the Community Center.

Mr. Ching responded that the Friends of the Library would be responsible for the Community Center. The City currently maintains the rest of the park area and had not indicated any plans to change.

Member Liu exited the meeting at 12:12 p.m.

Member Dwight commented that open space in the park area should be retained to the greatest extent possible.

Member Okada inquired regarding security issues for the park.

Mr. Ching stated that the Sheriff's Office would provide security. In addition, a Honolulu Police Department substation was located next to the park.

Member Saito made a motion to authorize the executive director to expend HCDA revolving funds for the design and construction of improvements to Mother Waldron Neighborhood Park contingent on an accelerated design and construction schedule. Member Chang seconded the motion.

A roll call vote was conducted.

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

Nays: None

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

VIII. ADJOURNMENT

There being no further business, it was moved by Member Dwight and seconded by Member Chang to adjourn the meeting. The motion was carried 9 to 0 with 4 excused (Members Formby, Kobayashi, Liu, and Mukaigawa).

The meeting adjourned at 12:22 p.m.

Respectfully submitted,

/s/

C. Scott Bradley
Secretary

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