

DRAFT

Minutes of a Regular Meeting
of the Members of the
Hawaii Community Development Authority,
State of Hawaii

MEETING NO. 346
Wednesday, October 7, 2009

Members Present: Barbara Annis
C. Scott Bradley
Amanda Chang (9:12 a.m.)
Joseph Dwight, IV
Michael Formby
Paul Kimura
Jonathan Lai
Kay Mukaigawa (9:06 a.m.)
Dexter Okada
Russ Saito (9:06 a.m.)

Kalaeloa Members: Stanton Enomoto
Evelyn Souza
Maeda Timson

Members Absent: Grady Chun
Christopher Kobayashi
Theodore Liu
Kaulana Park
David Tanoue

Others Present: Anthony Ching, Executive Director
John Wong, Deputy Attorney General
Deepak Neupane, Director of Planning and Development for Kakaako
Tessa Malama, Director of Planning and Development for Kalaeloa
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 9:02 a.m. on Wednesday, October 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. Report of the Executive Director;
2. Report of the Executive Director Power Point Presentation (distributed at the meeting);
3. Summary Minutes of Authority Meeting of July 1, 2009;
4. Summary Minutes of Authority Meeting of August 5, 2009;
5. Summary Minutes of Authority Meeting of September 2, 2009;
6. Information: Kalaeloa Infrastructure Report PowerPoint Presentation (distributed at the meeting);
7. Information: Kalaeloa Status Report;
8. Information: Navy Report;
9. Information: Hawaii Public Housing Authority Report (distributed at the meeting);
10. Information: Hawaii Community Development Authority ("HCDA") Public Participation Procedure;
11. Information: HCDA Public Participation Procedure PowerPoint Presentation (distributed at the meeting);
12. Action: Shall the Authority Authorize the Executive Director to Execute a Lease Agreement with Kewalo Keiki Fishing Conservancy for a Portion of the Area Formerly Known as the GRG Parcel for Nonprofit Fishing Conservancy and Community Education Purposes;
13. Action: Written Testimonies from Members of the Public in Support of a Lease Agreement with Kewalo Keiki Fishing Conservancy (distributed at the meeting);
14. Action: Shall the Authority Authorize the Executive Director to Expend Additional Hawaii Community Development Revolving Funds for Improvements and Repairs at the Kakaako Waterfront, Gateway and Kewalo Basin Parks;
15. Action: Shall the Authority Authorize the Executive Director to Expend Additional Hawaii Community Development Revolving Funds for the Construction of Queen Street Parks;
16. Action: Shall the Authority Waive Its Buy-Back Provision and Exercise Its Shared Appreciation Rights for Apartment Unit #610 at Keola Lai Condominium Project;
17. Action: Shall the Authority Authorize the Executive Director to Enter into Contract and to Expend Hawaii Community Development Revolving Funds for Janitorial Services for the Comfort Stations at Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks;
18. Action: Shall the Authority Authorize the Executive Director to Enter into Contract and to Expend Hawaii Community Development Revolving Funds for Refuse Collection Services at Kakaako Waterfront Park, Makai Gateway Park, Kewalo Basin Park and Kewalo Basin Harbor;

19. Action: Shall the Authority Authorize the Executive Director to Execute an Agreement with Freeman Guards, Inc. and to Expend Hawaii Community Development Revolving Funds for Security Services for Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks.

Chairperson Lai extended congratulations to Member Park, the new Chairman of the Department of Hawaiian Home Lands, and to Member Enomoto on his appointment as Chief Operating Officer of the Office of Hawaiian Affairs. Chairperson Lai also noted the presence of Mr. John Wong, Deputy Attorney General, who would be providing the Authority with legal counsel for the meeting.

II. APPROVAL OF MINUTES

1. DEFERRED FROM AUGUST 5, 2009 MEETING
Minutes of the Regular Meeting of July 1, 2009

Chairperson Lai asked whether there were any corrections to the minutes of July 1, 2009. There being none, the minutes were approved as presented.

2. Minutes of the Regular Meeting of August 5, 2009

Chairperson Lai asked whether there were any corrections to the minutes of August 5, 2009. There being none, the minutes were approved as presented.

3. Minutes of the Regular Meeting of September 2, 2009

Chairperson Lai asked whether there were any corrections to the minutes of September 2, 2009. There being none, the minutes were approved as presented.

III. ITEMS FOR ACTION

4. DEFERRED FROM AUGUST 5, 2009 MEETING
Election of HCDA Officers for Fiscal Year 2009-2010

Chairperson Lai nominated Member Bradley as Chairperson and Member Dwight as Vice-Chairperson. Member Mukaigawa seconded the nominations.

Chairperson Lai noted that there were no candidates for Secretary and the action would be deferred.

Member Souza made a motion to close the nominations. Member Formby seconded the motion. The motion carried by unanimous consent.

Since there was only one candidate each for the offices of Chairperson and Vice-Chairperson, Chairperson Lai asked that the candidates be elected by acclaim

of the Authority. By unanimous consent, the Authority elected Member Bradley as Chairperson and Member Dwight as Vice-Chairperson.

Chairperson Lai congratulated the new officers and passed the gavel to Member Bradley as the new Chairperson.

Chairperson Bradley thanked the Authority for its confidence in him and thanked outgoing Chairperson Lai for serving with integrity and for his efforts to treat everyone fairly and to conduct open meetings.

IV. REPORT OF THE EXECUTIVE DIRECTOR

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

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

Member Dwight requested an update on Fisherman's Wharf.

Mr. Ching responded that when the HCDA took over management of Kewalo Basin from the Department of Transportation ("DOT"), the Fisherman's Wharf land lease was also transferred to the HCDA. The current tenant was operating on a month-to-month basis, and was delinquent on their lease payments. An Invitation for Bid ("IFB") was issued to enhance HCDA's position and manage the asset appropriately. The IFB was withdrawn because there was a need for greater information to be given on the IFB, but it was expected to be reissued shortly. Mr. Ching stated he would be providing a further report during the scheduled Executive Session.

Member Okada asked whether the City and County of Honolulu ("City") had looked at the Halekauwila Place project.

Mr. Ching responded that he had not had direct discussions with the City. However, he believed that the City was supportive because the project was consistent with transit oriented development and the density that should be established along the rail line. He noted that there would be a future proposal by the Halekauwila Place developer to include additional public parking stalls as part of the development, which would maximize the site for public facility use.

Member Okada asked about what would be happening with the Special Management Area ("SMA") hearing the next week.

Mr. Ching responded that the HCDA was required to go through an administrative hearing process before the Office of Planning, which administered the SMA for the particular type of project on the Piano Lot. The SMA would determine whether the project was consistent with the Coastal Zone Management ("CZM") Act which had 10 basic objectives which it seeks to protect, such as scenic resources, recreational

resources, and shoreline resources. The project would also remediate the notice of violation that had been issued by the Department of Health (“DOH”).

Member Okada asked whether the SMA decision would affect the current design or a modified design later.

Mr. Ching responded that HCDA would be required to respond to whatever concerns were raised in terms of project specifics. The SMA procedure was not a land use entitlement, which was held by the Authority. The SMA purview and concern was the CZM Act.

Member Okada asked if there was clarification on whether the Authority can issue a Request for Information (“RFI”).

Mr. Ching responded that research was being done. The Asset Manager would be writing new sections in the HCDA procurement contracts manual with respect to Request for Proposal (“RFP”), RFI and IFB in terms of time frame and process. It would be shared with the Authority as soon as clarity was received.

Chairperson Bradley asked whether members of the audience wished to comment on the Executive Director’s Report.

Mr. Bob Loy, director of environmental programs for the Outdoor Circle and representative of the Kakaako Makai Community Planning and Advisory Council (“CPAC”), testified that the Outdoor Circle and the CPAC were aware of the need to remediate the Piano Lot’s hazardous materials to the satisfaction of the DOH. He stated that the CPAC would like to have an alternative use that generated income to offset some or all of the expense of the remediation. He believed the goal could be met without creating a 1,100 space asphalt parking lot. The current plans should be placed on hold and the matter resolved between the CPAC and the HCDA in a more timely and respectful manner that would meet the mandates and intent of Act 144.

Mr. Wayne Takamine, member of the CPAC’s steering committee and member of Red Wings and Hawaii Body Surfing Association, testified that the Piano Lot parking plan should comply with CPAC’s Vision and Guiding Principles (“V&P”) that had been formulated to guide future plans for Kakaako Makai. The CPAC supports interim use of the Piano Lot for public benefit, including remediation of contaminated soil through the use of capping technologies approved by the DOH. The proposed parking lot hazardous waste remediation plan ignored the V&P. The CPAC proposed an alternative development concept that would be useful, attractive, and recognized the ideas and concerns of the V&P. He proposed that money spent on interim uses for the Piano Lot should be used for community use and public benefit to serve the needs of the larger public.

Ms. Michelle Matson, secretary of the CPAC, testified that further discussion, collaboration and understanding between the CPAC and the HCDA were needed.

She wanted to introduce as an alternative example for the Piano Lot an interim plan for a central marketplace, a festival place, a field recreation area across from the Look Lab site. The alternative concept proposed an attractive tree-shaded area and grassy open spaces suitable for events such as farmer's markets, cultural fairs and community festivals that would bring public interest and activity to Kakaako Makai. Fewer parking spaces were needed to serve the surrounding uses because there are 2 existing parking lots right across the street, numerous parking spaces surrounding the Piano Lot site, and 90 stalls at the Look Lab site. She urged the Authority to withhold any further permit application specific only to the Piano Lot project until the required collaboration with the CPAC was met.

Mr. Ron Iwami, president of Friends of Kewalo Basin Park Association and vice-chair of the CPAC, testified on behalf of the CPAC steering committee. The CPAC felt that plans to build the 1,000-plus space parking lot did not make sense. The HCDA had stated that the parking lot plan is an interim solution to remediate hazardous materials as required by the DOH. While the CPAC realizes the need to protect the general public from the hazards, a parking lot is not the right idea since it is not in line with V&P. He requested that the HCDA begin the collaboration process with the CPAC as stated in Act 144 on the alternative concepts noted by the previous speakers.

Member Okada asked whether there were any reasons or a deadline for remediation from the DOH that would prevent HCDA from looking at the alternatives.

Mr. Ching responded that staff did explore alternatives from a cost standpoint. The 3 alternatives for remediation from the DOH were clean dirt, gravel, and asphalt. The asphalt alternative was picked for the Piano Lot because discussions with the John A. Burns School of Medicine ("JABSOM") had supported the need for an at-grade parking facility. The objection to dirt was that clean dirt can blow away and produce weeds. Gravel would not provide the possibility of using the surface for other uses, such as base yard, and would also produce weeds.

With respect to collaboration, Mr. Ching noted that some months ago, a presentation was made to the CPAC. He also had a discussion with Mr. Loy and Ms. Mary Steiner of the Outdoor Circle and presented alternative uses such as a tree farm and shared possible specifications and the environmental study for the parcel. Around March, after studying the item, the Outdoor Circle responded that the dirt was too "dirty" to plant trees.

Mr. Ching stated that an SMA hearing was a requirement to proceed with the remediation project. The remediation project is an interim use because it is an at-grade project that would not involve putting any structures in the ground and would be responsive to the remediation program that the HCDA was obliged to follow.

Member Dwight asked Mr. Ching whether in his opinion, the obligation to collaborate with the CPAC has been met.

Mr. Ching responded in the affirmative and stated that there had been discussions at the CPAC meetings and sharing of information.

Member Dwight asked whether there was a cost analysis of dirt as an alternative to gravel and whether ball fields for people who live in the area might also be considered.

Mr. Deepak Neupane, Director of Planning and Development for Kakaako, stated he met with CPAC members about a month ago to look at alternatives. A cost analysis indicated that grass would be expensive, about \$3-4 million plus \$500,000 a year to maintain it. He sent a CAD drawing to the CPAC, and asked for their feedback by September 30. On October 4, he sent another email asking for their response before the SMA hearing on October 13. He received a response back from 1 member of the CPAC who stated that they had not come to an agreement, and was sending his personal viewpoint. A ball field would be a permanent use, and the HCDA was very hesitant to put anything there that could be considered a permanent use. After looking at the options and costs, it appeared that asphalt paving would be the most logical way to remediate.

Chairperson Bradley stated that the meeting was not a public hearing, nor a forum for debate. Although not required, the Authority had provided the time for the CPAC to comment at this meeting out of respect for their efforts. He commended the CPAC members for doing a very good job of expressing their opinions and passion. He noted to Members that they could entertain a motion; but in the absence of that, he would move on with the agenda.

Member Formby asked for the date of the original notice of violation from the DOH.

Mr. Neupane stated that he did not have the exact date, but it was approximately in 2007.

Member Formby asked for the Authority's definition of interim use.

Mr. Ching responded that there was a master plan process that would identify uses other than a parking lot for areas in Kakaako Makai. Those uses would be considered higher and best uses and would be permanent uses. A ball field was deemed to be a commercial structure and would need significantly more investment to install. At-grade paving with drainage facilities was an interim use that would address the remediation concern, minimize impacts, and provide a revenue source to cover the expenditure.

Member Formby asked how long a time period before there would be a permanent use.

Mr. Ching responded that it was likely to be at least 5 years, because any development in the Makai Area would be subject to legislative appropriation once the planning process had determined what the preferred long term use, consistent with the CPAC V&P, was for this parcel.

Member Kimura stated that the asphalt paving was not development; it was remediation and would be temporary. He respected the CPAC and, when they come up with a plan that can be accomplished, the asphalt could be removed and the lot developed in accordance with the master plan.

Member Okada asked for clarification about the JABSOM needing additional parking since they had made changes in what they were going to do with the Cancer Research Center of Hawaii ("CRCH"). Building a parking facility on the Piano Lot would take away their initiative to provide their own parking.

Mr. Ching stated that parking requirements were not addressed in the JABSOM project, but there were studies that indicated the need for more parking in the area. If JABSOM moved forward with their plan to convert Lot A, which was currently a parking lot, into the CRCH, they would lose that parking. They had indicated interest in securing parking stalls in the Piano Lot.

Member Okada asked whether the JABSOM would have to come to the Authority for approval to build the CRCH on Lot A.

Mr. Ching responded in the negative since JABSOM already had an existing approval to develop new floor area up to 200,000 sf.

Member Okada asked if the JABSOM would give up Lot C and return it to the HCDA.

Mr. Ching responded that the JABSOM had indicated they did not intend to give up Lot C and would put some other ancillary facility there. However, any development on Lot C would at minimum eliminate the existing parking facility.

Member Okada stated that it would that make the Piano Lot more than temporary parking.

Mr. Ching responded that Makai planning needed to be undertaken. Commercial park and other uses were envisioned as part of the Makai area plan, and parking would have to be integrated in that plan. The interim use as a parking facility would go away in favor of more permanent public facilities which would still produce a need for parking. It is clearly an interim plan because the Piano Lot was too valuable to be permanently used as an at-grade parking facility.

V. ITEM FOR INFORMATION - KALAELOA

A. Kalaeloa Infrastructure Reports

Chairperson Bradley announced that there would be Kalaeloa/Kapolei orientation tour on October 21 from 9:30 a.m. to noon. The tour was open for public participation.

Executive Director Anthony Ching summarized the written report included in the packet distributed to Members via a PowerPoint presentation (see Exhibit B).

Mr. Ching noted that Mr. Michael Fitzgerald of Navy Facilities and Mr. Craig McGinnis of Hunt Development Group were present in the audience.

Ms. Tesha Malama, Kalaeloa Director of Planning and Development, summarized the Kalaeloa Status Report, which was included in the packet distributed to Members.

Chairperson Bradley asked whether Members had any questions for Mr. Ching or Ms. Malama.

Member Souza noted that some parties had not paid their share of assessments and wondered whether there was a way to collect.

Mr. Ching responded that there had been good discussions with the DOT-Airports and well as the Hawaii Army National Guard (“HIARNG”). The HCDA would have to be responsive to their mandate that expenditures had to be directly linked to their programs versus a blanket assessment. Staff was looking at ways to work with them to meet the requirements.

Member Souza asked about the Hawaii Public Housing Authority (“HPHA”) application for grant money that might have addressed the transportation issue. She wondered why the HPHA had only applied for a \$35,000 grant in aid when bigger grants had been given to Nanakuli High School. At a Neighborhood Board meeting, it had been indicated that no one else had applied.

Ms. Malama responded that many organizations had applied for the Leeward benefits package, and some had been transportation specific. H-5 had submitted its own application for almost \$100,000, but was not successful in getting the funds.

Ms. Becky Choi from the HPHA responded that H-5 did apply for a \$100,000 grant. H-5 had been advised to apply for a large grant and how to apply for it, but unfortunately, they were not successful.

Member Souza stated that the lion's share always seemed to go to the opposite end of the island, and she felt it was for redundant services. There was such a need in Kalaeloa and it was a disproportionate amount that had been awarded.

Member Souza stated that Hoakalei was very close to the proposed energy farm and inquired whether the developer had been included in the discussions. She was a proponent for public/private funding, and it seemed that Hoakalei had an opportunity to be part of development in Kalaeloa. She recommended including the developer in discussions and not keeping them separate.

Ms. Malama responded that the Haseko developer was included in the Kalaeloa Advisory Team and attends the meetings. On the preservation side, the Hoakalei Foundation, which is Haseko's cultural group, partners with the Kapolei Hawaiian Civic Club. The two focuses were separated out because it would allow one to concentrate on development and the other to concentrate on preservation.

Ms. Souza asked for clarification on where the federal fire department was located.

Ms. Malama responded that the HIARNG had one parcel and Ford Island Ventures had another site by the auto body shop. There was also an old fire station facility in the housing area.

Member Souza inquired about any development that would address traffic at the Roosevelt and Coral Sea intersection.

Ms. Malama stated that the last information received from the DOT involved a traffic round-about. However, with the opening of Costco and the Kamokila Extension, traffic had rerouted through the district and was less concentrated at that intersection. At Coral Sea, the request for a traffic light was made, but the DOT responded that because Roosevelt was going to end up being a secondary road with Saratoga as the main thoroughfare, there was no funding for a traffic signal at that intersection.

Member Souza commended Mr. McGinnis and the Ford Island Ventures crew for clearing the brush in the area and making the area look better.

Member Timson stated her concern that the administrative rules were still not completed. She commended Ford Island Ventures for its development in the area, but stated that leases were being made based on what they think the rules were going to be.

Member Timson stated her concern about illegal trash dumping. The federal authorities had issued warnings to violators. However, she felt that there should

be no second chances. Those people were aware that they were dumping and in violation of the law, and they should be fined or prosecuted.

Member Timson asked for an update on the bowling alley.

Mr. McGinnis stated that a lease was signed and the bowling alley should be open before the holidays.

Member Timson asked if an update could be provided by Hunt or anyone else on what parcels were leased, to whom it was leased, and what properties were outstanding so that Members would have a better idea on what was happening in the district. Regarding the issue of grants for transportation, she had been told that a lot of the money was given for homelessness with the majority of the homeless in Waianae. She suggested that it was something for H-5 to think about on how to approach it in the future. The next time for grant applications would be in January or February of next year.

Member Souza reiterated Member Timson's concern that the rules were not completed. She stated that she had been on the committee for 6 years. The master plan had been developed, but they were still waiting for the rules. She asked for the timeline for completion of the rules.

Mr. Ching responded that the deadline for completion was the first quarter of 2010. The rules were required to be inclusive and comprehensive. The National Renewal Energy Laboratory consultants were in the process of addressing sections on sustainability.

Member Souza asked if development was there before the rules are completed, would it be grandfathered in if not in compliance with the rules.

Mr. Ching stated that whenever there was new development which involved the granting of a lease, the entities such as Hunt had requested from the HCDA a consistency review with the Master Plan. The Master Plan currently did have land use patterns for them to comply with.

Member Souza commented that the Department of Hawaiian Home Lands ("DHHL") had no rules.

Mr. Ching responded that he had a conversation with Member Park and had indicated from an infrastructure standpoint that the DHHL needed to be more forthcoming with their plans and potential uses so the HCDA can understand and coordinate with them. The HCDA has reached out to the DHHL from an infrastructure and rules standpoint, pointing to areas such as public facility dedications, reserved housing, design guidelines, and sustainability guidelines where greater consideration was needed.

Member Timson stated that even if the rules would be ready in the next quarter, by the time the rules were completed, everything will have been leased. Rather than getting into a situation of forcing anyone to comply, she hoped to see everything happen in a more collaborative kind of way. She requested that everyone involved do their best possible to do it quicker, faster and more efficiently. In the interim, she emphasized that there needed to be a base to begin. Even if only some sections were completed, they could be used and the rules could still be amended later.

A recess was taken at 10:42 a.m.

Members Enomoto, Souza and Timson exited the meeting at 10:42 a.m.

Member Lai temporarily exited the meeting at 10:42 a.m.

The meeting was reconvened at 10:49 a.m.

VI. ITEM FOR INFORMATION - KAKAAKO

B. Act 144 Public Participation Protocol

Executive Director Anthony Ching summarized the written report via a PowerPoint presentation (see Exhibit C).

There were no questions from Members regarding the report.

Chairperson Bradley asked whether members of the audience wished to provide public testimony.

Mr. Loy, Outdoor Circle and CPAC representative, stated that in his personal opinion, Mr. Ching had made a good faith effort. However, the CPAC and the HCDA would need to come to an agreement on what “collaboration” meant. While he was not saying that a public hearing was needed on the interim uses for the Piano Lot, he felt collaboration with the CPAC was still needed.

Ms. Matson, CPAC secretary, stated she had heard that the Piano Lot would be used by car dealers to store cars, or by Kamehameha Schools and the JABSOM for parking. She stated there was no public benefit with a parking lot. The CPAC research had produced several alternatives to bring public activity into the area. She hoped the SMA hearing would be stopped, so the CPAC and the HCDA would have the opportunity to collaborate.

Mr. Takamine, CPAC member, stated that the CPAC had a conflict with the SMA and Piano Lot concepts. The CPAC could help the HCDA in planning for public benefits including a farmer’s market and craft fairs. The HCDA could

take advantage of CPAC resources which provided hours of research and fresh ideas.

Mr. Bob Crone, architect, planner and member of the CPAC, stated his support for the comments from the previous speakers. He disagreed with the concept of asphalt on the Piano Lot. He felt there could be a better use, since there had been no study that there was a need for 1,100 parking spaces at the site.

Member Okada stated he had attended CPAC meetings and wanted to emphasize Mr. Loy's point about collaboration. Effort was needed on both sides to come together and focus on the best plan. Mr. Ching had worked hard to start the collaboration with the CPAC. Mr. Ching should look at the CPAC suggestions and other alternatives; however, the CPAC should look at HCDA's obligations to remediate the site.

Chairperson Bradley stated it was not an action item, and suggested Mr. Ching work further on the alternatives.

Mr. Ching responded that HCDA staff had looked at the alternatives. There were other farmer's markets, such as the one at Kapiolani Community College, that were located on parking lots. A parking lot would also allow for other uses. If a proposal to use the parking lot comes up from a vendor, it would have to be presented to the Authority for approval. If gravel were used for remediation, some of the alternatives suggested could not be done.

Member Lai returned to the meeting at 11:38 a.m.

Member Saito stated that the issue was remediation for an interim period, and the interim use would continue until there was a permanent use. Collaboration with the master plan would seem to be occurring.

There were no further questions from Members.

VII. ITEMS FOR ACTION - KAKAAKO

5. Shall the Authority Authorize the Executive Director to Execute a Lease Agreement with Kewalo Keiki Fishing Conservancy for a Portion of the Area Formerly Known as the GRG Parcel for Nonprofit Fishing Conservancy and Community Education Purposes?

Chairperson Bradley stated that the Authority had received written testimony from 79 persons in support of the agenda item. The list of people who offered testimony was filed under tab 5 in the packet distributed to Members and was available for public viewing at the reception counter.

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

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

Member Saito asked whether the proposed gift/snack shop was consistent with the nonprofit organization use and not a commercial venture.

Mr. Ching responded that the proceeds from the gift shop would have to be used for the purposes of the nonprofit organization. The gift shop was an ancillary use, but the primary activity would have to be the proposed conservancy and community education program.

Member Okada inquired as to why the Kewalo Keiki Fishing Conservancy (“KKFC”) was included as part of the cultural marketplace.

Mr. Ching responded that there was specific legislative direction and the appropriation of CIP funds for a cultural public market that named the KKFC as a beneficiary. The KKFC could not be placed on the Piano Lot because it would be separated from its resource in the cove.

Member Formby inquired about the term of the lease.

Mr. Ching responded that it was a flat term. If there was no legislative appropriation, the KKFC would be obliged to raise funds and build its own facilities.

Chairperson Bradley asked about the definition of the parcel. Since there was one piece that went out and looked to be unusable as part of the parcel, he asked if it would impede the parcel next to it.

Mr. Ching responded stated that the final parcel delineation was unknown because there were different TMKs on the plat maps. There was no mechanism to subdivide an appropriate portion. Eventually when there was more comprehensive planning for the cultural public market, there would be a consolidation and final delineation.

Chairperson Bradley asked whether any members of the audience would like to give testimony on the agenda item.

Ms. Matson stated she was in full support of restoring the KKFC to its site-dependent operations at Kewalo Basin Cove.

Chairperson Bradley entertained a motion for the Authority to authorize the Executive Director to execute a lease agreement with Kewalo Keiki Fishing Conservancy for a portion of the area formerly known as the GRG Parcel for nonprofit fishing conservancy and community education purposes.

A motion was made by Member Kimura and seconded by Member Dwight.

There was no discussion on the motion by Members.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chang, Dwight, Formby, Kimura, Lai, Mukaigawa, Okada and Saito.

Nays: None.

The motion passed 10 to 0 with 3 excused (Members Chun, Kobayashi and Liu).

Chairperson Bradley asked Mr. Ching to address agenda items 6, 9, 10 and 11 together as a group, since the items were all related to parks maintenance and repairs.

6. Shall the Authority Authorize the Executive Director to Expend Additional Hawaii Community Development Revolving Funds for Improvements and Repairs at the Kakaako Waterfront, Gateway and Kewalo Basin Parks?;
9. Shall the Authority Authorize the Executive Director to Enter into Contract and to Expend Hawaii Community Development Revolving Funds for Janitorial Services for the Comfort Stations at Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks?;
10. Shall the Authority Authorize the Executive Director to Enter into Contract and to Expend Hawaii Community Development Revolving Funds for Refuse Collection Services at Kakaako Waterfront Park, Makai Gateway Park, Kewalo Basin Park and Kewalo Basin Harbor?; and
11. Shall the Authority Authorize the Executive Director to Execute an Agreement with Freeman Guards, Inc. and to Expend Hawaii Community Development Revolving Funds for Security Services for Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks?

Mr. Ching summarized the written reports on agenda items 6, 9, 10 and 11 which were included in the packet distributed to Members.

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

Member Okada commented that the bid for the security contract seemed too low.

Mr. Ching responded that it was a low bid, but the bidder seemed very motivated and was compliant with the procurement process requirements.

Member Okada asked how many personnel would be provided for the 8-hour shift.

Mr. Richard Kuitunen, Asset Manager, responded that there would be one bicycle patrolman.

Member Okada commented that it seemed cheap and to be sure to get the right service from the contractor.

Chairperson Bradley asked whether any members of the public wished to comment.

Ms. Matson stated that the CPAC had been informed that there had been interest from the Sheriff's Department for a temporary facility on the Forrest Avenue Lot. She asked whether the contracted security service would only be needed for a short time until the Sheriff's Department was able to take over.

Mr. Ching responded that the HCDA intended to work toward a transition to the Sheriff's Department. The contract term was one year and there was a possibility that the contract could be terminated when the Sheriff's office was completed in Kakaako.

Chairperson Bradley entertained a motion for the Authority to authorize the Executive Director to spend additional Hawaii Community Development revolving funds and enter into agreements for improvements and repairs at the Kakaako Waterfront, Gateway, and Kewalo Basin Parks; for janitorial services for comfort stations at Kakaako Waterfront, Gateway, and Kewalo Basin Parks; and security services at Kakaako Waterfront, Gateway, and Kewalo Basin Parks.

A motion was made by Member Dwight and seconded by Member Mukaigawa.

Chairperson Bradley requested the motion be amended to include refuse collection services at Kakaako Waterfront, Gateway, and Kewalo Basin Parks.

Member Dwight and Member Mukaigawa accepted the amendment to the motion.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chang, Dwight, Formby, Kimura, Lai, Mukaigawa, Okada and Saito.

Nays: None.

The motion passed 10 to 0 with 3 excused (Members Chun, Kobayashi and Liu).

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

7. Shall the Authority Authorize the Executive Director to Expend Additional Hawaii Community Development Revolving Funds for the Construction of Queen Street Parks?

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

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

Member Okada asked whether any problems would be encountered in turning over the park to the City.

Mr. Ching responded that there was no guarantee that the City would accept the dedication. However, this would be the second time going through the design of the park to meet their requirements, and the City had signed off on the design.

There were no comments offered by the public on this agenda item.

Chairperson Bradley entertained a motion for the Authority to authorize the Executive Director to expend additional Hawaii Community Development Revolving Funds for the construction of Queen Street Parks.

A motion was made by Member Lai and seconded by Member Chang.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chang, Formby, Kimura, Lai, Mukaigawa, Okada and Saito.

Nays: None.

The motion passed 9 to 0 with 4 excused (Members Chun, Dwight, Kobayashi and Liu).

8. Shall the Authority Waive Its Buy-Back Provision and Exercise Its Shared Appreciation Rights for Apartment Unit #610 at Keola Lai Condominium Project?

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

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

Member Saito asked whether the situation had occurred previously.

Mr. Ching responded that it had happened once before at the 1133 Waimanu project.

Member Mukaigawa inquired whether the second owner would have title free and clear after the sale.

Mr. Ching responded in the affirmative.

Member Okada asked whether the owner would be able to sell the property with no appreciation, and the second buyer could sell it for a profit.

Mr. Ching responded that HCDA rules set the procedure in order to protect the reserved housing program. The HCDA sets the selling price, so the owner cannot dump the property.

There were no comments offered by the public on this agenda item.

Chairperson Bradley entertained a motion for the Authority to waive its buy-back provision and exercise its shared appreciation rights for Apartment Unit #610 at Keola Lai Condominium Project.

A motion was made by Member Saito and seconded by Member Formby.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chang, Formby, Kimura, Lai, Mukaigawa, Okada and Saito.

Nays: None.

The motion passed 9 to 0 with 4 excused (Members Chun, Dwight, Kobayashi and Liu).

Chairperson Bradley stated that the Authority would be convening in Executive Session. After the Executive Session, the Authority would reconvene for the sole purpose of adjourning the regular meeting.

Chairperson Bradley entertained a motion for the Authority to convene in Executive Session. A motion was made by Member Chang and seconded by Member Kimura. There were no objections from the Members, and the motion passed with unanimous consent.

Chairperson Bradley requested that Counsel John Wong, Executive Director Anthony Ching, Director of Planning and Development for Kakaako Deepak Neupane, and Secretary Patti Yoshino join the Executive Session.

Member Chang exited the meeting at 12:20 p.m.

VIII. EXECUTIVE SESSION

12. Acquisition of Property – Kakaako

The Authority convened in Executive Meeting at 12:20 p.m. pursuant to Section 92-5(a)(3) and 92-5(a)(4), Hawaii Revised Statutes, to negotiate the acquisition of public property, and to consult with the board’s attorney on questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities.

Chairperson Bradley reconvened the regular meeting at 12:42 p.m.

IV. ADJOURNMENT

There being no further business, a motion was made by Member Kimura and seconded by Member Lai to adjourn the meeting. The motion carried 8 to 0 with 5 excused (Members Chang, Chun, Dwight, Kobayashi and Liu).

The meeting adjourned at 12:43 p.m.

Respectfully submitted,

/s/

C. Scott Bradley
Chairperson

Attachments: Exhibit A - Report of the Executive Director
Exhibit B - Kalaehoa Infrastructure Report
Exhibit C - Act 144 Public Participation Protocol

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