

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

MEETING NO. 354
Wednesday, July 7, 2010

Members Present: Barbara Annis
C. Scott Bradley
Grady Chun (9:04 a.m)
Joseph Dwight, IV
Paul Kimura
Jonathan Lai
Dexter Okada
William Pieper
Russ Saito

Kalaeloa Members: Linda Chinn
Stanton Enomoto (9:04 a.m.)
Evelyn Souza
David Tanoue
Maeda Timson (10:48 a.m.)

Members Absent: Christopher Kobayashi
Theodore Liu
Brennon Morioka
Kay Mukaigawa

Others Present: Anthony Ching, Executive Director
John Wong, Deputy Attorney General
Richard Kuitunen, Asset Manager
Tessa Malama, Kalaeloa Director of Planning and Development
Deepak Neupane, Director of Planning and Development for Kakaako
Chris Sadayasu, Compliance Assurance and Community Outreach
Officer
Loretta Ho, Secretary
Patricia Yoshino, 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. C. Scott Bradley, Chairperson of the Authority, at 9:00 a.m. on

Wednesday, July 7, 2010, at the Authority's principal executive offices at 461 Cooke Street, Honolulu, Hawaii 96813, pursuant to Article IV, Section 1 of the Authority's Bylaws.

MATERIALS DISTRIBUTED

1. Report of the Executive Director;
2. Summary Minutes of Authority Meeting of May 5, 2010;
3. Information: Kalaehoa Status Report;
4. Information: Kakaako Makai Community Planning Advisory Council ("CPAC") Executive Committee Position Statement, Workshop #2 Steering Committee Survey Composite, and Makai Area Master Plan Workshop Review Letter (distributed at the meeting);
5. Action: Shall the Authority Authorize the Executive Director to Initiate the Rule Making Process for the Establishment of the Kalaehoa Community Development District Administrative Rules and to Conduct a Public Hearing;
6. Action: Shall the Authority Authorize the Executive Director to Accept Conveyance of Parcels 13073-B, 13073-D and 13126-B in the Kalaehoa Community Development District;
7. Action: Shall the Authority Rescind Its Previous Approval to Expend \$20,000 of Hawaii Community Development Revolving Funds to Solicit Proposals, Enter into an Agreement, and Expend Hawaii Community Development Revolving Funds for the Partial Funding of Public Kalaehoa District-Wide Para-Transit Pay-As-You-Go Services with Connection to the Kapolei Transit Center and Now Authorize the Executive Director to Contribute \$20,000 Towards Matching Grant Funds for the Same Purpose;
8. Action: Shall the Authority Instruct the Executive Director to Write Off the Uncollectable Amount of Approximately \$805,000.00 from Rosette Steel Hawaii LLC at the CFS3 Building.

Chairperson Bradley welcomed Member Pieper to the Authority, replacing Ms. Amanda Chang whose term expired on June 30. He also noted for the record that his own term of office as well as that of Members Souza and Timson expired June 30. However, as of July 1, by statute and direction of the Governor's office, they would continue to serve as holdover members until otherwise noticed. Member Annis has assumed a new position as Administrative Services Officer at the Department of Budget and Finance, but remains as designee for Director Georgina Kawamura.

II. APPROVAL OF MINUTES

1. Minutes of the Regular Meeting of May 5, 2010

Chairperson Bradley asked whether there were any corrections to the minutes of May 5, 2010. There being none, the minutes were approved as presented.

V. ITEMS FOR ACTION

2. Election of HCDA Officers for Fiscal Year 2010-2011 (Chairperson, Vice-Chairperson and Secretary)

With concurrence of the Members, Chairperson Bradley changed the order of the agenda with the election of officers as the next order of business. He opened nominations for the offices of Chairperson, Vice Chairperson and Secretary.

Member Saito nominated the existing slate of officers.

There were no other nominations.

Chairperson Bradley stated that the slate of officers nominated was Member Bradley for Chairperson and Member Dwight for Vice Chairperson. As the individuals nominated for the slate were available and willing, and given the lack of competition, he proposed that the slate be elected by acclaim. By a show of hands vote, the slate of officers was unanimously elected.

A recess was taken at 9:08 a.m.

The meeting was reconvened at 9:13 a.m.

III. REPORT OF THE EXECUTIVE DIRECTOR

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

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

Member Okada asked which community stakeholders were providing the initial funding for the Queen Street beautification project.

Mr. Ching responded that General Growth Properties was the major benefactor responsible for covering the costs for towing, tree trimming and planters.

Member Okada asked about plans for maintenance and further enforcement since the Honolulu Police Department (“HPD”) is not able to enforce anything in the area.

Mr. Ching responded that the landowner is desirous of conveying the parcels to the City and County of Honolulu (“City”). It will ultimately require City Council action to accept such a conveyance. Once it is conveyed, the City will be able to enforce its parking and street regulations.

Member Okada commented that he was disappointed by the presentation on housing at the Kakaako Makai Planning Workshop because there is a law that prohibits housing. He had attended the planning committee meetings and housing was never brought up because it was assumed that housing was off the table. It caught the CPAC and everyone else by surprise. He hoped the process would be improved to make sure there is transparency.

Mr. Ching agreed that it was a disappointment. Those particular proposals for housing were drafted by the consultant in an attempt to identify possible revenue sources to underwrite public facility projects. This proposal had not been vetted with the Hawaii Community Development Authority (“HCDA”) staff, the CPAC or other members of the project team. The lack of prior review by the project team is a serious issue that he is seeking to take control of to ensure that the process will improve and there is no repeat. He would be discussing the matter with the CPAC again. Since he is ultimately responsible to be sure that the process is transparent and in order to maintain control, he would make sure there are no surprises at any future workshop.

Member Saito stated that he had attended the workshop and the subject of housing was not presented as something that represented the input from the community at large or the CPAC. The consultants were trying to show that whatever gets developed needs to be sustainable, and to point out the different sources of revenue to make it sustainable. The highest source of revenue would be from residential development, and if you take that off the table, then the amount of sustainable development in the area would be considerably less. They were just laying out the options and making the point that if you want to sustain the development on the makai side of Ala Moana, you are going to have to have a revenue source.

Mr. Ching stated that the CPAC Vision and Guiding Principles (“V&P”) do speak to sustainability. The workshop was supposed to be the reality check to discuss how we are going to make things happen. From that perspective, it was the consultant’s intention to explore financing options. There was extensive discussion as to how much the development costs would be for a shoreline promenade, museums or park activities. Unfortunately, while cost was within the scope of the consultant’s analysis, the strategy of even entertaining workforce housing was not acceptable to the workshop participants. At this point, his interest is not to find and attach blame for the subject having been broached because it is counter-productive. The efficient thing to do is to determine how we are going to move forward. The items that will be discussed in the plan will only be those concepts which are clearly supported by the CPAC V&P as well as the community comments. Those items would seem to include development of a shoreline promenade, expansion of the park and park facilities, cultural facilities, and the legislative mandate for a cultural marketplace. He proposed that the development costs will still have to be identified but the financing strategy will be left open.

Member Souza asked Member Okada whether he did not object to the people on Queen Street.

Member Okada responded that he did not want to clear the area of the people who have been there the longest if there would be others who move in and cause more problems.

Member Souza stated that similar problems existed in Kalaeloa at the beach and in the bushes. There was a clean sweep and no one has moved back and tried to establish a home. There was a partnership with the HCDA, the U.S. Navy (“Navy”) and other people involved in the Kalaeloa project. She wondered if that situation could be recreated at Queen Street and whether there were vagrancy laws that could be enforced. There are different categories of homeless people. One category is veterans, and there is a veterans department that can help, and veterans’ homeless shelters in Kalaeloa. Inmates can be taught certain skills before being released from prison.

There are independent living programs available to kids 16 years and older. Pacific Islanders are ill prepared for housing when they arrive here. Maybe it’s politically incorrect to say sometimes we enable homeless people to continue their behavior because there seems to be an agency or handout that will be there. There are openings in shelters today for people to come in, and it’s just a matter of abiding by the rules. There has to be a point when the HCDA cannot be the godfather for all this. While she could see the HDCA helping, Member Souza wondered at what point it stops.

Member Okada stated that the problem on Queen Street is that they used to report abandoned vehicles and have them towed away. However, the people are smart and found out that it’s a “no man’s land”. The City got sued once for towing the cars and since then the Honolulu Police Department cannot enforce that area. People know there’s a loophole and started to move in.

Mr. Ching commented that the intent of the beautification program is to eliminate the possibility of derelict vehicles being parked there. The planters will be positioned to allow for sidewalk or pedestrian movement, but preclude cars from parking in the roadway. If they do park, we will go back to the landowner to take care of that since “no parking” signs are posted in the area. It was necessary because there were health and safety issues. The clutter obstructed line of sight when turning left out of the Office Depot gate. While not a primary part of our mandate, we are trying to be a part of the solution and appropriate on how we steward our resources. Our role is to function as a facilitator. Accordingly, we are trying to steer the homeless to alternative accommodations or programs or face the fact that they need to move.

Member Saito stated that the notion that there is shelter space available for everyone that is homeless is wrong. There are a lot of shelters, but there still are 2,000 people who are unsheltered. If you count the number of available shelter units for people who are homeless and willing to go into shelters, it’s a very small percentage of the total. Within the State, improvements have been made on Oahu’s leeward coast and the neighbor islands. However, the homeless count has gone up and is a bigger problem this year. The problem is not so much coddling them or helping them, but essentially getting them out of the way. The City has cleared out most of the parks. However, when the police come and close the parks, many of them move someplace else and

create a problem. The leeward coast is even worse, because when they move from one coastal area to another, there is conflict with the people already there. The only place they can move is inland and into residential areas. We are trying to work it out and solve the problem, but the notion that there is ample space for homeless is absolutely not the truth.

Chairperson Bradley asked if any members of the audience wished to comment on the Executive Director's Report.

Public Testimony:

Mr. Wayne Takamine, interim chair of the CPAC, commented on the Kakaako Makai Planning Workshop. He stated that there was a lack of transparency and accountability at the workshop, but Mr. Ching's statement on taking responsibility was encouraging. He distributed a position statement from the CPAC Executive Committee indicating they hoped to improve the process of communication with HCDA staff and consultants. Since Mr. Ron Iwami resigned, the new officers are: Mr. Takamine - interim chair, Mr. Kanekoa Crabbe - assistant vice chair, and Ms. Michelle Matson - secretary. He distributed results of a survey of participants at a CPAC meeting showing housing was not high on the agenda. He stated that a petition taken by the CPAC during the 4th of July weekend resulted in 400 signatures in favor of expansion of park facilities.

Chairperson Bradley reminded Mr. Takamine that a working group chaired by Member Dwight had been established to provide a mechanism for getting information to the Authority on the Kakaako Makai Planning Workshop. The working group was specifically formed to provide a venue for the CPAC to communicate and disseminate information.

Ms. Michelle Matson, secretary of the CPAC, stated that Kakaako Makai was not a business venture but an investment in the community and the community's future. The second workshop was a huge setback with time wasted. She hoped HCDA staff will respect the public's opinion.

Mr. Curtis Crabbe, resident of Molokai who has recently taken an interest in the CPAC, stated he found no collaboration between the CPAC and the HCDA. He noted that the Kakaako Makai area should be a central park of Honolulu. The CPAC leadership has changed and he wanted more priority placed on discussions on the Piano Lot and the John Dominis sites.

IV. ITEMS FOR INFORMATION - KALAELOA

A. Kalaeloa Status Report

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

Chairperson Bradley asked whether Members had any comments on the report.

Member Saito asked whether the Leeward Housing Coalition (“Coalition”) was the result of a concurrent legislative resolution or resolutions from a chamber of the Legislature.

Ms. Malama responded that it was concurrent.

Member Saito asked if the resolution named the members.

Ms. Malama replied in the affirmative. The 5 shelter operators in Kalaeloa, the HCDA, along with 9-10 other agencies (including the service providers of emergency and transitional shelters, the Nanakuli Neighborhood Board, Hawaii Public Housing Authority, and City and County Community Services Department) had been named.

Member Souza asked whether they were looking at Kalaeloa.

Ms. Malama responded that actual projects are not being discussed yet. The Coalition is looking at the spectrum of services and facilities necessary to transition someone from being unsheltered into ownership.

Member Souza inquired whether this was similar to what Junior Atisanoe is doing with housing.

Member Saito explained that Mr. Atisanoe has a unique position and is a contract worker with the Department of Human Services. The Coalition is trying to move people from being homeless to renters. Many cannot even afford to pay public housing rents, so those people will remain homeless.

Member Okada asked about the status of the raceway park.

Member Chinn stated that Mr. Grace leases 19 acres from the Department of Hawaiian Home Lands (“DHHL”) on a month to month basis. He would have to apply for a City permit for grading, but no grading is being done right now.

There were no public comments offered on this agenda item.

V. ITEMS FOR ACTION - continued

3. Shall the Authority Authorize the Executive Director to Initiate the Rule Making Process for the Establishment of the Kalaeloa Community Development District Administrative Rules and to Conduct a Public Hearing?

Mr. Ching summarized the significant sections of the administrative rules via a PowerPoint presentation (see Exhibit B).

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

Member Saito asked what would be the financial impact if the reserved housing requirement is transferred to the DHHL.

Mr. Ching responded that it would promote development of some DHHL projects by allowing a developer who would otherwise be obligated in Kalaeloa to develop the project outside the district.

Member Saito remarked that a lot of DHHL land is not yet developed. If the reserved housing responsibility is transferred onto DHHL land, he asked whether the construction would be vertical and assume that the infrastructure is already there.

Mr. Ching responded it would be vertical construction on a unit-for-unit basis.

Member Saito commented that the DHHL would have an advantage in the sense that they can spend their money on infrastructure and have the vertical construction contributed by the developers.

Mr. Ching stated that in terms of the individual construction of the units, the DHHL would first need to initiate a request for the transfer of the reserved housing requirement to a project. The requirement would be limited to one third, otherwise it would be discriminatory if the entire reserved housing requirement was given to a particular clientele.

Member Saito asked how the HCDA compared to the Hawaii Housing Finance and Development Corporation (“HHFDC”) relative to the regulated terms and equity sharing provisions of the rules.

Mr. Ching introduced Mr. Chris Sadayasu, HCDA Compliance Assurance and Community Outreach Officer, who previously worked at HHFDC and would be able to answer Member Saito’s question.

Mr. Sadayasu stated that the equity sharing matched up very closely to the HHFDC.

Member Saito asked whether the HCDA would have similar rules that would allow administrative waivers.

Mr. John Wong, Deputy Attorney General, stated the Authority does not have full statutory authorization similar to the HHFDC.

Member Enomoto inquired about the proposed schedule and timing for adoption of the rules. He wondered whether submitting the rules to the Governor at the end of her administration would provide sufficient time to review so that we would not need to rely on approval from the next administration.

Member Saito agreed with Member Enomoto and suggested the rules be reviewed before December 6. Extending it beyond that date would pose a bigger problem if the next administration needed to be completely educated on the rules.

Chairperson Bradley asked whether the change allowing developers to prepay on shared appreciation was another way of doing cash in lieu.

Mr. Wong stated that it is a policy call.

Mr. Ching clarified that cash in lieu would allow a developer to pay cash to the Authority instead of buying the unit. The prepayment allows the developer to pay the shared appreciation requirement upfront instead of saddling a reserved housing unit with the requirement after someone has purchased it. The developer does not get out of providing the unit or providing the unit to a qualified person, but is able to enhance the marketability of the reserved housing unit.

Mr. Sadayasu commented that at the HHFDC, the developer in Kapolei had a difficult time meeting the reserved housing unit requirements. As an incentive, the developer provided the pre-payment of the shared appreciated to get the buyers into the homes, but still provided the units at the lower price.

Chairperson Bradley stated that his concern was that by placing the 20 percent requirement on the development and then putting the units on the market, it would have the unintended consequence of raising the cost of housing for everyone. The program would basically become a lottery for a very few members of the community who then get a windfall. It might better be applied to some other way of solving the issue. He felt it was a good change to give benefits to developers that provided affordable rental housing. He suggested the addition of one more change that says if they go rental instead of for sale, the percentage of what they're required to do would be reduced. We would not drive up the cost of housing on the whole project as much which makes the feasibility of doing rentals more likely. Rentals are really what we need to address the issue, not for sale properties that people flip for large profits later.

Mr. Ching stated that he had noted the comments and would pursue it at a later time since it was premature at this point to request approval for any particular feature of the rules.

Member Saito advised that in the rulemaking process, the rules should substantially reflect what is wanted. If something is added after the hearing process, and the Attorney General rules that it is a significant change, you have to go through the hearing process all over again.

Chairperson Bradley asked whether the schedule allowed for that kind of revision and the public hearing to accommodate it.

Mr. Ching responded in the affirmative and that the schedule included a community meeting that was prior to initiation of the formal rulemaking. He expected to have all the issues in writing after we have consulted with the community.

Member Okada commented that a report had recently come out that offered that there is no shortage of reserved housing in terms of condo units. Therefore, he felt that it did not make sense to force developers to build more when there is no shortage of condo units.

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 initiate the rule making process for the establishment of the Kalaeloa Community Development District Administrative Rules and to conduct a public hearing.

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

Chairperson Bradley asked if there was any discussion on the motion.

Member Okada asked why the vote was necessary since it was already approved to go through the rulemaking process.

Mr. Ching explained that it was an acknowledgement that the Authority had received briefings and understood that it would be proceeding to the formalized rulemaking hearing.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chun, Dwight, Enomoto, Kimura, Lai, Okada, Pieper, Saito, Souza, Tanoue and Timson.

Nays: None.

The motion passed 13 to 0 with 5 excused (Members Kobayashi, Liu, Mukaigawa, Morioka and Park).

4. Shall the Authority Authorize the Executive Director to Accept Conveyance of Parcels 13073-B, 13073-D and 13126-B in the Kalaeloa Community Development District?

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

Chairperson Bradley asked whether Members had any questions.

Member Okada asked whether all the parcels had been cleared of environmental concerns.

Mr. Ching responded that the reason the HCDA is getting the parcels is that no one else wanted them. The Northern and Southern Trap and Skeet and Ordy Pond parcels have historical and cultural resources that need to be stewarded, and the HCDA accepts those responsibilities. Parcel 10A is at the end of the runway and was supposed to be a Board of Water Supply desalination plant. The parcel has some value, but has limited development utility because of its location at the end of the runway. Parcels 18 and 18B (ewa of Coral Seas) have archaeological issues, but may be suitable for a heritage park. The HCDA has initiated discussions with the Kapolei Civic Club to pursue the heritage park idea which would be consistent with the stewardship responsibilities for those lands.

Member Okada asked whether the Navy would still be responsible if contaminants are found later.

Mr. Ching responded that environmental law states that the generators have a lifetime of responsibility. If the land is conveyed to the HCDA and we find contaminants later, we would go after the Navy as the generator. Collecting from them would be another thing, but they do have that responsibility.

Member Timson asked whether the conveyance stated what the use would be for the parcels.

Mr. Ching replied that if conveyance came through a public benefit conveyance or the Base Realignment and Closure (“BRAC”) process, there would be restrictions. However, since conveyance is through Congressional authorization, there is more flexibility.

Member Souza commented that the skeet ranges contain a lot of lead. Archaeological assessment found iwi on the site, and the whole area is a treasure trove of cultural sites. She had heard in the community of plans to utilize the skeet ranges for other purposes and felt that acquisition by the HCDA to maintain them as preservation was priceless.

Member Timson asked whether the parcels would remain with the Navy if the HCDA does not accept conveyance.

Mr. Ching responded that if the conveyance was through the BRAC process, then the parcels would stay with the Navy if the HCDA does not accept them. However, the Congressional authorization says the parcels go to the HCDA, and any other parcels rejected through BRAC will also come to the HCDA.

Member Dwight asked why the HCDA would want the parcels when there are numerous easements that would restrict the ability to use them. He wondered how the parcels fit within the HCDA's mission as a development agency, especially when the parcels would be more preservation or conservation. It would fit better with some of the sister agencies within the state government rather than with the HCDA's mission. Since we already struggle to pay for our stewardship responsibility for the large parcel in Heeia, he did not want to have the same problem in Kalaeloa.

Mr. Ching acknowledged there was no easy answer to that question. If public facility dedication fees are received from development in the area, they would be used to improve infrastructure and public facilities. It would be appropriate for monies to be allocated to these parcels and to their protection and stewardship. At some point, it may be legislative appropriation or revenues from our administration of projects in the district. The parcels are within our development district, and if the HCDA does not do it, no one else will.

Member Dwight agreed that the goals are laudable. However, he wished to caution that the Authority should not lose sight of its true mission, which is not to be a catch-all for other state agencies that cannot get their missions done.

Member Souza suggested going to the Office of Hawaiian Affairs for financial support. The money does not necessarily have to come from the HCDA.

Member Okada agreed with Member Dwight. He wondered whether the HCDA was going to accept the parcels and then worry about the cost of maintenance later on. He asked whether Kalaeloa as a whole would be assessed or would the money come out of HCDA's revolving fund or would we have to go to the Legislature for funds.

Mr. Ching replied that it may be all of those strategies. Community groups have indicated that fences need to be put up to ensure there is no further vandalism. The \$150,000 cost for fencing as minimal protection would come from the assessment funds from the landowners in the particular area.

Member Saito stated that there are 4,000 acres, of which the Navy is keeping 900. Preservation of the cultural sites would enhance the entire 4,000 acres. The HCDA should use its oversight responsibility and try to channel some of the money to maintain it so it would not be a burden on the HCDA itself.

Member Timson stated it was a good thing for the community she represents and lives in. So often government takes things and then can't maintain it. If it cost \$150,000 to put up the fence, she asked how much is the assessment from the landowners and whether there was a budget to maintain the parcels.

Mr. Ching responded that the budget for the Kalaeloa revolving fund was \$200,000 from assessments. The area suffers from neglect, but inventory surveys have been made and we do have maps of resources in those particular parcels. The rules discussed today would be the mechanism by which public facility dedication money can be generated and then used appropriately to meet the requirements of the budget for stewardship of the properties.

Member Saito asked whether the 500 acre parcel that was supposed to go to the City for recreational purposes was now going to the DHHL.

Mr. Ching responded that should the City say no, then the Congressional authorization would give the parcel to the DHHL.

Member Tanoue asked whether there were restrictions on the transfer of parcels. For example, if in the future it was determined that a sister agency was better equipped to maintain preservation property, would the HCDA be able to transfer the property.

Mr. Ching responded that since the conveyance was through Congressional authorization, the HCDA would have the flexibility to be able to convey the lands in the future to another appropriate entity. The deed would need to be read carefully since any responsibilities would still run with the land.

Member Kimura stated that it was more strategic to accept the conveyance, since the HCDA would control more land. When going forward, the HCDA would have more control when dealing with other agencies or competing entities.

Member Dwight stated his concern that the HCDA was not being consistent in policy. With the CPAC discussion of the planning process, we basically are saying we need to figure out how we are going to pay for development before we do anything. With Kalaeloa, we are saying we don't know how we are going to pay for it, but we're going to go ahead and do it. The Authority needs to go through the discipline of figuring out how much this is going to cost and how to carry it for the long term. It took a lot of work and drive to acquire the land, but the Authority should be consistent internally on its approach these types of parcels, whether it's in Kakaako or Kalaeloa.

Mr. Ching responded that the community groups have been asked to develop and ensure there is a community-wide basis for assisting us in stewarding the properties appropriately. In terms of the financing, he has asked the National Renewal Energy Laboratory to look at designing how an interpretative park might

fit into these parcels alongside of a nonintrusive solar farm. The solar farm revenues would then be sufficient to at least initially establish interpretive centers. When the administrative rules are promulgated, we will receive public dedication monies that can be applied towards particular projects. We should also pursue legislative appropriations. We are aware that there will be unanticipated costs and responsibilities that are attendant with the conveyance.

Member Enomoto commented that the Authority had already taken action several months ago to acquire the property.

Ms. Malama stated that since the conveyance of the properties is coming through public law, if the HCDA rejects the parcels, it will go back to the BRAC process. The BRAC process ultimately allows for public sale where the parcels could be put up for bid parcel by parcel. There are a lot of companies who want to come in and do things on those parcels. The HCDA has entertained numerous requests for renewable energy projects that are looking for ways to coexist with preservation-type requirements. She understands the concerns of the Authority that there is no budget right now, but there is potential for having economical or sustainable types of industries that can coexist with preservation.

Member Pieper exited the meeting at 11:35 a.m.

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 accept conveyance of Parcels 13073-B, 13073-D and 13126-B in the Kalaeloa Community Development District.

A motion was made by Member Enomoto and seconded by Member Timson.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chun, Dwight, Enomoto, Kimura, Lai, Okada, Saito, Souza, Tanoue and Timson.

Nays: None.

The motion passed 12 to 0 with 6 excused (Members Kobayashi, Liu, Mukaigawa, Morioka, Park and Pieper).

5. Shall the Authority Rescind Its Previous Approval to Expend \$20,000 of Hawaii Community Development Revolving Funds to Solicit Proposals, Enter into an Agreement, and Expend Hawaii Community Development Revolving Funds for the Partial Funding of Public Kalaeloa District-Wide Para-Transit Pay-As-You-Go Services with Connection to the Kapolei Transit Center and Now Authorize the Executive Director to Contribute \$20,000 Towards Matching Grant Funds for the Same Purpose?

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

Chairperson Bradley asked whether Members had any questions.

Member Dwight asked for clarification of which individuals would be served by the shuttle service.

Mr. Ching responded that it is the same population that the Kalaeloa shuttle was originally intended to serve. Director Wayne Yoshioka of the City Department of Transportation Services indicated that the limited City bus service in Kalaeloa had been supplemented with a few more runs. However, the circuit and clientele serviced by the shuttle would be those individuals who are in the homeless shelters and other programs within Kalaeloa who currently walk or secure other transportation.

Member Dwight asked if the service was provided was free of charge.

Ms. Malama responded that each shelter requests a fee from its residents, either on a per person or per family basis. In order for the City to get the grant money or contribution from the Authority, the shelters had to show some ability to pay; hence, a program fee will be assessed.

Member Timson commented that the shuttle clientele included persons who work odd shifts. Most of them don't have cars, but work at shifts sometimes until 1:00 a.m. when there is no bus service. Also the City bus does not allow them to lug things when they have to shop. It is really a way to help them survive and do things on their own instead of expecting people to do it for them. The shuttle tries to accommodate them and help them get to services.

Member Souza commented that H-5 had proposed routes to places other than the shelters such as the White Plains beach not serviced by the City bus. The shuttle would not only facilitate the shelter residents, but the local residents also.

Ms. Malama stated that the City's para-transit program focused on jobs. The discussion amongst the landowners was how to get the U.S. Coast Guard and Hawaii Army National Guard to use the service. The U.S. Coast Guard is located at the end of Coral Seas so people can get on and off, go to the beach or go to work at

the U.S. Coast Guard. There is a program that the City para-transit group is working on to charge from the Kapolei transit center.

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

Chairperson Bradley entertained a motion for the Authority to rescind its previous approval to expend \$20,000 of Hawaii Community Development Revolving Funds to solicit proposals, enter into an agreement, and expend Hawaii Community Development Revolving Funds for the partial funding of public Kalaeloa District-Wide Para-Transit Pay-As-You-Go services with connection to the Kapolei Transit Center and now authorize the executive director to contribute \$20,000 towards matching grant funds for the same purpose.

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

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chun, Dwight, Enomoto, Kimura, Lai, Okada, Saito, Souza, Tanoue and Timson.

Nays: None.

The motion passed 12 to 0 with 6 excused (Members Kobayashi, Liu, Mukaigawa, Morioka, Park and Pieper).

6. Shall the Authority Instruct the Executive Director to Write Off the Uncollectable Amount of Approximately \$805,000.00 from Rosette Steel Hawaii LLC at the CFS3 Building?

Mr. Ching reported that he had just received a call from the Foreign Trade Zone advising that the proposed action would affect their receipt of funds in the past for a share of revenues generated at the CFS3 Building. He requested that the Authority defer action until he is able to consult with the Foreign Trade Zone administrator.

By unanimous consent, the Authority agreed to defer the agenda item.

Chairperson Bradley recognized former member Amanda Chang in the audience and thanked her for her service to the state of Hawaii during her 4 year term.

Chairperson Bradley asked if there were any other matters to be brought up.

Member Kimura announced that there will be a Kakaako Improvement Association golf tournament and the proceeds would benefit the Hawaii Children's Discovery Center.

Member Okada requested that instead of being a part of the Executive Director's report, the Kakaako Makai Master Planning Process should be placed as a separate information item on the agenda.

VI. ADJOURNMENT

There being no further business, a motion was made by Member Kimura and seconded by Member Dwight to adjourn the meeting. The motion carried 12 to 0 with 6 excused (Members Liu, Kobayashi, Morioka, Mukaigawa, Park and Pieper).

The meeting adjourned at 11:49 a.m.

Respectfully submitted,

/s/

C. Scott Bradley
Chairperson

Attachment: Exhibit A - Report of the Executive Director
Exhibit B - Kalaelo Administrative Rules

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