

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

MEETING NO. 358  
Wednesday, December 1, 2010

Members Present: Barbara Annis  
C. Scott Bradley  
Grady Chun (9:11 a.m.)  
Francis Keeno  
Paul Kimura  
Jonathan Lai  
Kay Mukaigawa (9:13 a.m.)  
Dexter Okada  
William Pieper, II  
Russ Saito

Members Absent: Joseph Dwight, IV  
Christopher Kobayashi  
Theodore Liu

Others Present: Anthony Ching, Executive Director  
Lori Tanigawa, Deputy Attorney General  
John Wong, Deputy Attorney General  
Richard Kuitunen, Asset Manager  
Stephen Miyamoto, Project Management Engineer  
Chris Sadayasu, Compliance Assurance & 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 9:05 a.m. on Wednesday, December 1, 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;

Information: Central Kakaako Business District - Urban Design Workshop;  
Action: Shall the Authority Authorize the Executive Director to Reimburse Roeca, Louie & Hiraoka (RLH) Forty Nine Thousand Seven Hundred Forty (\$49,740) Dollars for Legal Expenses Incurred in Regards to the Brewery Building Litigation;  
Action: Shall the Authority Approve the Award of a Contract to District Parking Service, Inc. for the Operations and Management Services for Kauhale Kakaako Parking Garage;  
Action: Shall the Authority Authorize the Executive Director to Execute a Lease between the Hawaii Community Development Authority and EAN Holdings, LLC for Rental Car Storage at the Historic Pump Station Parking Lot;  
Action: Shall the Authority Authorize the Executive Director to Enter into a Memorandum of Understanding with the Department of Human Services for a Jobs Training Program.

Chairperson Bradley noted that a change in Administration would be taking place on December 6, 2010 and acknowledged the current ex-officio Members Theodore Liu, Michael Formby, Russ Saito and Kaulana Park, and designees Francis Keeno and Barbara Annis for their dedication and service to the State of Hawaii.

## **II. 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 inquired where the new utility poles would be relocated at the Queen and Kamakee Streets intersection.

Mr. Ching stated that the project engineer would be able to answer the question.

Chairperson Bradley stated that the Authority would defer the item until the project engineer was present to answer the question.

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

Public Testimony:

*Mr. Wayne Takamine*, acting chair of the Kakaako Makai Community Planning Advisory Council ("CPAC"), asked about the bid for the Piano Lot parking lot.

Mr. Ching responded that the HCDA had initiated a solicitation that was still in process for a concession to operate parking at the Piano Lot.

*Mr. Takamine* asked whether arrangements would be made later on to have a farmer's market as an interim use.

Mr. Ching confirmed that the bid solicitation included specified dates set aside that would be consistent with the operation of a farmer's market.

*Mr. Takamine* asked whether it would be possible to have a community center before the 3-year lease is over.

Mr. Ching replied that early termination is possible if there were development plans.

*Mr. Takamine* asked whether there was a loss of parking at the Point Panic site.

Mr. Ching replied that there was no loss of parking. The paving and repairing of the entryway to Point Panic parking lot would prevent parking only for 2 days while the repair takes place. Otherwise, there was no effort being pursued to reduce the parking.

*Mr. Takamine* stated his concern that the areas gated off for the remediation of the Look Lab and wastewater sites created the loss of a few parking stalls. On a big surf day, the lots would be overflowing. He asked where Charter Building 104 was located.

Mr. Ching replied that it was an empty office in the building located along Ala Moana Boulevard.

*Mr. Takamine* asked if the bid process for the Piano Lot Parking would be ending in February.

Mr. Ching responded that the bid solicitation would be completed on December 13, 2010. The bids would be opened and the decision would be based on the appropriate responsive and responsible bidder.

*Mr. Takamine* asked if the minimum was \$48,000 per month.

Mr. Ching responded that it was the minimum specified in the solicitation.

*Mr. Takamine* asked if it included the 150 stalls at \$150 per month for public parking.

Mr. Ching replied in the affirmative.

*Mr. Takamine* asked if it would be taken out of the \$48,000 or is it just guaranteed.

Mr. Ching replied that it was anticipated there would be that demand and usage for parking from employees who work in the AAFES building.

*Mr. Takamine* asked if the State would be paying the money back to them for renting the stalls.

Mr. Ching stated that it would be an individual decision to pay for parking.

Mr. Ching introduced Mr. Stephen Miyamoto, Project Management Engineer, to answer Member Okada's questions about the relocation of the utility poles at the Queen Street/Kamakee Extension.

Mr. Miyamoto explained that the project was to widen Queen Street as it approached the intersection of Kamakee and Queen Street. Some of the existing poles would be relocated. There would be 3 new poles erected in the new sidewalk area of the widened portion of Queen Street. The overhead cables will be transferred overhead to the new poles and old poles would be removed.

Member Okada stated that the sidewalk is already made and did not see any place to put the poles except to break the sidewalk again.

Mr. Miyamoto responded that the new sidewalk has 3 sections that area blocked off and do not have concrete yet. Those would be the locations of the new poles. The work was scheduled to be completed in the next week by the Hawaiian Electric Company.

Member Okada asked if it would be part of the drainage because was located off the curb.

Mr. Miyamoto replied that it was outside of the gutter and drainage would not be blocked. The old poles are in what will be the new road section so when HECO puts the new poles in the new section, they will transfer the cables from the old poles to the new poles. The new poles will be in the sidewalk area and then the contractor will come back and pour concrete around the poles.

Member Kimura commended Mr. Ching and HCDA staff for their work done on Kewalo Basin Harbor. It was a very volatile situation, but the results have been positive for the HCDA.

Member Lai stated for the record that this period was a chance for the public to comment on the Executive Director's report, but it was not a forum for a question and answer session. If there were questions, it would be more efficient to take note of the questions and have the Executive Director answer the questions later.

Chairperson Bradley concurred with Member Lai and stated that in the future that HCDA staff would be available to answer questions before and after the meeting. He would appreciate it if the public would use this period and limit it to comments.

Public Testimony:

*Ms. Michelle Matson, secretary of CPAC, stated that the substantive questions that come from the CPAC need to be heard by the Authority. Some of the concerns have been lingering, and they don't get the answers and sometimes they get very detailed answers. She had 2 issues that needed answers. First, on the Look Lab site, the Authority had approved reconnecting utilities for a building that was planned to be demolished. The CPAC received reports of a lot of activity there and they were concerned because they didn't know what was going to happen at the Look Lab. The Executive Director had reported that the building's potential use was marginal and it could be used for storage. The site is in the plan to become park space and it may go to the Legislature this next year. The CPAC did not want any leases going out for areas that are going to be converted to park space.*

Chairperson Bradley reiterated that the purpose of the public comment period is to give feedback to the Members so they can better take action or ask their own questions.

*Ms. Matson stated that she wanted an answer to her question. She also asked for the number of parking stalls in the Piano Lot and how many would be given to car dealers for storage. She asked if there will be negotiation on the bid and if so, will the public use be negotiated out just to get a higher contract price. The farmer's market, community center, surfing facility and community garden are all in the master plan. The CPAC needed assurances that it would not be negotiated out, and that at any time a portion or all of the contract can be terminated for the uses intended.*

Chairperson Bradley asked whether any other members of the audience wished to comment on the Executive Director's report.

*Ms. Matson asked whether her questions could be answered.*

Chairperson Bradley stated that he had explained clearly before she testified that the purpose of the public comment period is to comment, and then staff would be available before or after the meeting to answer any questions that she may have.

*Ms. Matson asked whether the Members were concerned about the questions.*

Chairperson Bradley stated that the Authority was concerned about everything that goes on in Kakaako and appreciated her comments.

### **III. KAKAAKO INFORMATION ITEM**

#### **A. Kakaako Makai Planning Process**

Mr. Ching provided his report via a PowerPoint presentation (see Exhibit B). He noted that Member Okada and Member Chun had attended the workshop. The final plan compilation would be presented to the Authority as an information item at the January

2011 meeting and the presented for ratification at the February 2011 meeting.

Chairperson Bradley invited a representative of the CPAC to provide their report on the Kakaako Makai Master Planning process.

Ms. Matson stated that it was difficult to give a report on an incomplete plan. She stated that the plan was a bubble diagram and not a master plan. The CPAC was to have reviewed the public comments from Workshop #3 at the November 23, 2010, project team meeting, as well as go over the plan and also consider or hear about the next steps which were expected to be the final plan. However, they were not given the opportunity to review the plan or comments. It was passed out to them and discussion went on to the next steps. They needed another project team meeting to discuss the comments, see how they relate to the existing bubble diagram and see if there are any worthy comments to be added. The CPAC has had a lot of opportunity for input, but another project team meeting was needed to ensure that the master plan will be the final product, not just a bubble diagram.

Chairperson Bradley asked Mr. Ching to expand on what he envisioned as the next step including public comment on the plan.

Mr. Ching stated that public comments are collected verbatim and no changes are made. The comments from the third workshop were distributed at the last project team meeting and the basis of the concepts had not changed. Comments are received and documented so the Authority and any audience for the master plan will have a comprehensive understanding of what was said or suggested with respect to the plan. He did not expect the need for another project team meeting as the diagrams and maps would not change. The public comment period at the web portal would continue through the end of December 2010. Any comments received will be included verbatim in the report to the Authority.

Chairperson Bradley noted that Members will have the benefit of all those comments prior to making their decision.

*Ms. Matson* stated that the CPAC was requesting a final meeting to address the agenda that was not taken up at the last meeting to review the comments and master plan. It will be pushed forward without the comfort of the CPAC or the public knowing that everything has been reviewed and everyone is in support of this plan and can be supported strongly.

Chairperson Bradley asked whether Members had any questions.

Member Okada stated that the master plan would be presented to the Authority as information in January and action in February. After that, he asked that the CPAC continue to be kept informed of things that are going to go on in Makai area, so the informational part would still flow.

Mr. Ching stated there is a continuing requirement for collaboration and there was a protocol set up with respect to all matters relating to the Makai area and the CPAC.

Member Okada stated that Ms. Matson's concern could be just a matter of definition since people started into the process thinking of master plan and it changed into a bubble plan. People are getting confused by what is meant by the terminology.

Member Kimura and Member Chun asked for an explanation of a bubble plan.

Mr. Ching responded that it was on record at presentations at Workshops #2 and #3 as to what the product would be. The conceptual master plan shows a conceptual layout with sizing and dimensions type situations that have been provided by public and community stakeholders over the course of the planning process. Conceptual plans, or bubbles, are not intended to indicate exact locations, dimensions, height, width or breadth that are seen with design schematics, which would be part of a development plan. A conceptual master plan and bubble diagrams indicate generally what the footprint might be, but do not prescribe final location, specifications or definitions. It conceptually shows that in particular lots such as the Piano Lot, there might be as much as 70% open. There is a listing of public uses, which are generally supported by the comments received to date, and are there for illustrative purposes only and are laid out to see how they might look. The public has said almost uniformly that these are the type of uses that are desired for this area. The public comments are important because they are consistent with the legislative mandate and the CPAC Vision and Guiding Principles. It advances a concept called park-like settings where we try to make the whole area feel like a park but have appropriate public facilities and activities. It does not seek to make any final decisions as to locations or other schematic development parameters because it is not appropriate at this time and do not have specific proposals for those projects. The conceptual master plan will allow you to see if a developer proposal comes in whether it impacts proposed park expansion areas indicated on the plan. The bubble diagram was meant to generally give rectangles and circles, but not give building configurations with rooflines and other specifications

Member Kimura asked whether the CPAC has been involved every step of the way in the conceptual master plan process.

Mr. Ching replied that the CPAC as well as other stakeholders have been involved in the project team.

Member Chun asked for a description of the timeline of the process with a focus on the points where public comments were actually taken.

Mr. Ching explained that public comment was taken throughout the process on a general basis as well as from stakeholder interviews and focus group meetings. Since January, there have been 3 workshops conducted over the past 11 months and a week-long open house which gave people an informal opportunity to come in at their leisure to look at all the background material and provide comment. The web portal provided a continuous

opportunity to receive public comment. He felt that the multiple opportunities for input were quite unique in the development history in our State. Much effort was given along different venues to collect public comments and stakeholder comments. To eliminate controversy, they adopted 9 areas consistent with CPAC's Vision & Guiding Principles and with legislative mandate and tailored the areas of examination to be only those areas which appear to have universal support. Those 9 areas include parks expansion and enhancement, waterfront access and circulation, Kewalo Basin Harbor, art and cultural uses, life science and education, civic, historic preservation. While the CPAC would like to drill down to greater specifics in terms of what each might mean, it would be inconsistent with a conceptual master plan. At the point when we have a developer's proposal or legislative appropriation, we can then determine against the context of the master plan whether or not it is consistent and meets other fiduciary requirements.

Chairperson Bradley stated that it is important to note that the timeline actually began a year before January with quite an investment in the development of the CPAC Vision and Guiding Principles which were adopted verbatim by this Authority.

Mr. Ching stated that the CPAC process has been documented for years leading to this master planning process.

*Ms. Matson* stated that CPAC's intention has been miscast because they are not interested in drilling down to specifics such as roofing materials or footprints at this point. At this point they are concerned about a comment received at one of their meetings that the plan can be foreclosed upon. What they need to have is a final master plan, and not a conceptual plan that may blow out the door when something else walks in. It would probably only take one more meeting to develop the CPAC's comments. Right now, everything is open to question because the agenda from the last meeting was not completed.

Member Okada noted that the Kamehameha Schools ("KS") and General Growth Properties ("GGP") master plan were approved. He asked how those plans differed from the Kakaako Makai Master Plan. Their plan is a master plan and not a conceptual plan.

Mr. Ching responded that there were distinct differences with the master plan permits that were given to KS and GGP in that both entities utilized the master plan process. Within the land they own, they figured out in terms of zoning what are their total allowances if they were to pursue commercial, residential and industrial. The difference is that they are willing to put financing money, have indicated a footprint and height and general massing specifications which can be amended to some degree and are committed to develop in 15 year timeframe. They agree that they have certain commitments to this Authority and the community in terms of public facilities, reserved housing and roadway improvements. A conceptual plan for Makai areas has no financing background or commitment and only casts a vision about the magnitude and type of uses that we believe should be carried out in this area. The CPAC comment that some part of the plan might be foreclosed is a possibility, though I'm not saying it is a

probability, if the Legislature or other entity beyond our control were to come in and overrule the vision. We will be obliged to run with the parameters that we seek to establish with the conceptual master plan.

Member Keeno stated he was not convinced that the project team needed to have another meeting because public input was solicited throughout the process over a period of months. However, he would welcome written comments from the CPAC on what they believe are the priorities or major concerns. Those comments should be given a lot of weight since they represent the community.

Chairperson Bradley emphasized that the Authority was not going to have a debate. The CPAC has made their comments and their feelings are very clear. The Members have the opportunity to put forth a proposal to handle it in a different method than outlined by the Executive Director if they so desired.

Member Chun asked whether the matrix involving the 9 concepts of the plan would continue to be used.

Mr. Ching responded that the matrix was the framework upon which the proposed conceptual master plan was based.

Member Chun asked whether the comments currently being received still fall into the matrix.

Mr. Ching responded that public comments were not inconsistent with the concepts in the matrix.

Member Okada asked whether communication with the CPAC would still be maintained, so that even though there may not be an official project team meeting, the Executive Director would still be able to answer their questions in terms of the bubble plan.

Mr. Ching responded in the affirmative.

Chairperson Bradley emphasized that the information from the CPAC has been instrumental in making the plan come through and everything that has been presented by the public, the workshops and the open house all reflect the commitment is to the Vision and Guiding Principles that the CPAC put forward.

*Mr. Takamine* stated he would like to add his comments since Ms. Matson are the secretary and she had her comments.

Chairperson Bradley stated that when there is a report from the CPAC that they designate one representative to provide the report. Member Lai has a good point that reports from different officers is redundant. However, in an effort to make sure that the Authority is working with the CPAC on the highest level, he would allow Mr. Takamine

to provide his comments. He reminded Mr. Takamine that this is not the place for questions or debate.

*Mr. Takamine* stated that regarding Member Okada's comment about whether interaction between the HCDA and CPAC staff would still exist, he wanted the Board to report that CPAC had a meeting about 2 weeks ago and Mr. Deepak Neupane did not mention anything about the Piano Lot bid process. He asked HCDA staff to be more forthcoming in their reports about projects in Kakaako Makai. Regarding the Kakaako Makai planning process, he stated that public contention was very bad at the second workshop. It appeared that HCDA staff was trying to manipulate the process to repeal laws against residential housing in Kakaako Makai. Progress was made towards moving the master plan without housing. He did not really trust the HCDA and the reports from Honolulu Weekly are not very nice. The CPAC was trying to keep things out in the open and communicate better and wanted a process that is more transparent and with more accountability.

B. Central Kakaako Business District - Urban Design Workshop

Mr. Ching described the various elements of the architectural display models of the Kakaako business district displayed in the meeting room. He explained that the University of Hawaii School of Architecture ("UH") had been utilized to conduct the workshop and summarized the material in the packet distributed to Members. The study area was 4 block area within Central Kakaako bounded by Ward Avenue, Kamakee, Queen and Waimanu Streets. The design studio participants came up with 3 scenarios that showed some of the possibilities that might occur for Central Kakaako.

Member Okada stated he was originally excited about the project; however, he was disappointed because of the lack of input. He talked to the UH students at the beginning, but when he saw the model, it showed that they had not listened to what he had said. His point has always been that Central Kakaako is an industrial service area, and looking at the overall planning of Oahu, it is the last area until you get to Mapunapuna. For people from his business site who had to move out to the Kapolei area, it was a hardship because their business was all on this side of the island. Central Kakaako does serve a purpose in terms of providing industrial and service type businesses for the Windward area all the way to East Oahu. He told the students that Central Kakaako believes in pedestrian safe streets, but not pedestrian friendly streets because do not want to invite people into a light industrial service area. However, they put a promenade in the model, which brings in people and is different from what he had told them. From the examples shown where they included service like an auto, you could tell that they did not have a true concept of what it takes to run an auto shop. You're not going make the rent with just 2 bays and you need more area. The models show the bias of the HCDA and all developers to lean more towards residential and retail stores, but that is not what Kakaako is.

Member Kimura stated although the UH did a lot of work and it was interesting. He agreed with Member Okada that there was a lack of input. On the positive side, it sparked some ideas that he brought up to them such as for a service area in Kakaako, to count the number of auto businesses and try to consolidate the businesses so they don't have to be pushed out. The project would need follow up with more input.

Member Okada stated that the biggest shock when he first saw the model was that the rail was really intrusive.

Chairperson Bradley added that a positive from this type of brainstorming is that it allows these comments to come out early in the process and that is really the role of the Authority to talk about what the policy, vision and direction is.

Chairperson Bradley asked whether member of the public would like to comment. He reminded the audience that their remarks should be limited to comments.

Public Testimony:

*Mr. Jack Hamada* asked whether the model included the Ward Neighborhood Master Plan modification with respect to midrise or mid height element, one 400-foot tower or 200-foot midrise buildings.

Chairperson Bradley reminded him that the purpose of this time is to make comments and not pose questions. He instructed Mr. Hamada to approach staff after the meeting for help with his question.

#### **IV. KAKAAKO ACTION ITEMS**

1. Shall the Authority Authorize the Executive Director to Reimburse Roeca, Louie & Hiraoka (RLH) Forty Nine Thousand Seven Hundred Forty (\$49,740) Dollars for Legal Expenses Incurred in Regards to the Brewery Building Litigation?

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

Member Kimura exited the meeting at 10:40 a.m.

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

Member Okada asked whether the \$49,740 was based on the allocation for the \$100,000 settlement. In the table showing the disbursement, the total comes up to \$101,000.

Mr. Ching confirmed that the correct amount should be \$101,000.

There were no comments from the public on this agenda item.

Chairperson Bradley entertained a motion for the Authority to authorize the Executive

Director to reimburse Roeca, Louie & Hiraoka Forty Nine Thousand Seven Hundred Forty (\$49,740) dollars for legal expenses incurred in regards to the Brewery Building litigation.

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

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

Member Okada asked whether a vote was needed if there was no way out of the obligation.

Chairperson Bradley remarked that if the Authority did not pay, it would be in breach of contract and could get sued.

Deputy Attorney General John Wong stated that the Authority could get sued by its attorney for nonpayment.

Mr. Ching added that the action resolution was on the agenda because the Authority was the only one authorized or justified to take the action.

Member Keeno asked whether the amount was similar to an advance to the law firm.

Member Annis asked whether there was an option in the contract to change attorneys or to stop litigation since it was an advance for anticipated future costs and the outside counsel was not available to provide an update. For example, the Authority may not want to go a step further depending on the type of report they get from the law firm.

Chairperson Bradley stated that he had asked the attorneys to be present at the meeting but they were not available. Since the litigation started 8 years ago before any of the current members were on the Board, he felt a report was needed on the status and likely outcome of the litigation.

Mr. Ching stated that that the law firm had already advanced over \$191,000 of their own funds. They were legitimately asking for replenishment of their advance, although they should have requested it in 2006.

Member Annis stated she was wondering why the law firm did not bill us. If these were hard costs and out of pocket expenses, they should have forwarded the billings. She asked if it was part of some unique contract arrangement.

Mr. Chris Sadayasu responded that he had spoken to Mr. David Louie, who had explained that it was an accounting error on their part. When they reconciled their litigation file, they saw that the \$50,000 advance was not paid.

Member Annis stated that if we were to put the \$50,000 as a deposit for advanced costs, then we should have documentation of costs incurred.

Mr. Ching stated that while at first he believed that the original invoice was incorrect, after completing their due diligence, it was determined that it was the correct amount. He recommended that the Authority hear from the law firm and then determine how to proceed accordingly.

Chairperson Bradley asked whether there was an obligation to get the Authority's consent before incurring the expenses.

Mr. Ching replied that the HCDA had been aware the litigation was being pursued and the law firm had authority to incur costs.

Mr. Wong stated he had some background information but did not feel comfortable providing it in open forum. He recommended that the Authority follow up on this item in executive session.

Member Lai asked whether the vote on the action item should be deferred so the Authority could enter executive session.

Mr. Wong replied that based on the way the contract was structured, which was a matter of record and not confidential, that the \$50,000 advance was a contingency that the attorney firm draws down from. The initial cost estimates for the damage replacement on the timber was anywhere from \$750,000 to over \$2 million. The contract was let out by the Attorney General because of the law firm's expertise in construction financing and construction litigation.

Member Okada asked whether the action should be deferred until after a discussion with the attorneys.

Mr. Wong responded that it was the Authority's prerogative, but it was still obligated to pay anyway because these were cost advances to draw down from and not fees. The construction cases are expensive because of depositions, records and copying costs. These were not the attorney's time but hard costs in terms of getting the case ready for trial. He encouraged the Authority to hear from the attorneys to see and assess what the chances for recovery are.

Member Annis asked if there were any statute of limitation considerations based on when it was billed.

Mr. Wong responded that there was an active contract and it was just a bill for collection.

Member Lai felt a vote should be called and there was no need for deferment. It was a refurbishment of the advance under the terms of the contract.

Member Saito agreed with Member Lai that he also felt that the money was to refurbish costs.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chun, Keeno, Lai, Mukaigawa, Okada, Pieper and Saito.

Nays: None.

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

2. Shall the Authority Approve the Award of a Contract to District Parking Service, Inc. for the Operations and Management Services for Kauhale Kakaako Parking Garage?

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

Chairperson Bradley asked whether Members had any questions.

Member Chun asked whether the revenue paid on Kauhale Kakaako was gross revenue or net revenue.

Mr. Richard Kuitunen stated that it was the net revenues received. The disbursement has gone down from \$24,000 down to zero, depending on the amount of the monthly take.

Mr. Ching noted that there is a wide variation in terms of receipts. Each month, the HCDA transmits to the Hawaii Housing Finance and Development Corporation the amount owed under the development agreement for the Kauhale Kakaako project.

There were no comments from the public on this agenda item.

Chairperson Bradley entertained a motion for the Authority to approve the award of a contract to District Parking Service, Inc. for the operations and management services for Kauhale Kakaako Parking Garage.

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

Chairperson Bradley asked if there was any discussion on the motion. There was none.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chun, Keeno, Lai, Mukaigawa, Okada, Pieper and Saito.

Nays: None.

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

3. Shall the Authority Authorize the Executive Director to Execute a Lease Between the Hawaii Community Development Authority and EAN Holdings, LLC for Rental Car Storage at the Historic Pump Station Parking Lot?

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

Chairperson Bradley asked if Members had any questions.

Member Keeno asked whether the Authority was required to put the rental rate in the motion.

Mr. Ching responded that when tenancy is 1 year or greater, approval would be sought from the Authority. The rental rate or revenue might be specified as information for the Authority,

Mr. Keeno asked if it was required to have a specific amount as opposed to a range or whatever the market rate or value was.

Mr. Ching replied that given the variability in the market for lots such as this, there were negotiation discussions when Enterprise informed the HCDA of their interests. It was settled at 40 cents because it was consistent or within the range of what would normally be pursued for these lots.

Chairperson Bradley stated that public testimony was received from Ms. Kiersten Faulkner, executive director of the Historic Hawaii Foundation in support of the proposed project since the income would be restricted to the fund to restore the historic pump station, the existing use is a parking lot and the proposed use is a parking lot, and the arrangement is short term.

Mr. Ching confirmed that any revenue collected was earmarked exclusively for use at the historic pump station.

Chairperson Bradley entertained a motion for the Authority to authorize the Executive Director to execute a lease between the Hawaii Community Development Authority and EAN Holdings, LLC for rental car storage at the Historic Pump Station Parking Lot.

A motion was made by Member Pieper and seconded by Member Keeno.

Chairperson Bradley asked if there was any discussion on the motion. There was none.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chun, Keeno, Lai, Mukaigawa, Okada, Pieper and Saito.

Nays: None.

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

4. Shall the Authority Authorize the Executive Director to Enter into a Memorandum of Understanding with the Department of Human Services for a Jobs Training Program?

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

Chairperson Bradley asked whether Members had any questions.

Member Okada asked how this action related to the action taken the previous month.

Mr. Ching replied that the action last month authorized landscape maintenance and trash removal services at the 3 major parks: Waterfront, Gateway and Kewalo Basin. What was anticipated under the Memorandum of Understanding (“MOU”) would be janitorial services at the 3 parks and also trash removal services at Kolowalu Park.

Member Okada asked whether it was overlapping services.

Mr. Ching replied that it was not.

Member Okada asked who would be in charge of the program if for example the services at the park are not being maintained.

Mr. Ching replied that there would be 2 avenues. The Department of Human Services (“DHS”) would identify which vendor or contractor they would be utilizing, so we could go directly to them. We could also go directly to Ms. Sandy Miyoshi, the homeless coordinator at the DHS. He noted that the history with the vendor in the past has been that they exceeded expectations in terms of their service.

There were no comments from the public on this agenda item.

Chairperson Bradley entertained a motion for the Authority to authorize the Executive Director to enter into a Memorandum of Understanding with the Department of Human Services for a jobs training program.

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

Chairperson Bradley asked if there was any discussion on the motion. There was none.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chun, Keeno, Lai, Mukaigawa, Okada, Pieper and Saito.

Nays: None.

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

Member Saito commended Mr. Ching and his staff for this particular initiative. He hoped that other organizations, such as the Waikiki Improvement Association, would take the same approach towards homelessness and find a need that needs to be fulfilled and figure out a way to work with the homeless population to get them gainfully employed and ready to move on. This was a great model to follow and was a way to make some inroads at reducing homelessness.

Member Mukaigawa and Chairperson Bradley concurred with Member Saito.

Chairperson Bradley stated for the public 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 Saito and seconded by Member Lai. There were no objections from the Members, and the motion passed with unanimous consent.

Chairperson Bradley requested that Counsel Lori Tanigawa, Counsel John Wong, Anthony Ching, Chris Sadayasu, Richard Kuitunen and Patti Yoshino join the Executive Session.

**V. EXECUTIVE SESSION**

5. Section 206E-5.6 HRS, Requirements for Public Hearings

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The Authority convened in Executive Meeting at 11:17 a.m. pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.

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

Member Mukaigawa exited the meeting at 11:55 a.m.

The regular meeting was reconvened at 12:40 p.m.

**IX. ADJOURNMENT**

There being no further business, a motion was made by Member Saito and seconded by Member Lai to adjourn the meeting. The motion carried 7 to 0 with 6 excused (Members Dwight, Kimura, Kobayashi, Liu, Mukaigawa and Pieper).

The meeting adjourned at 12:41 p.m.

Respectfully submitted,

/s/

C. Scott Bradley  
Chairperson

Attachment: Exhibit A - Report of the Executive Director PowerPoint Presentation  
Exhibit B - Makai Area Master Plan Update - December 2010

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