

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

MEETING NO. 351
Wednesday, March 3, 2010

Members Present: Barbara Annis
C. Scott Bradley
Amanda Chang
Michael Formby
Paul Kimura
Christopher Kobayashi (9:20 a.m.)
Theodore Liu
Dexter Okada
Russ Saito

Kalaeloa Members: Linda Chinn
Stanton Enomoto
Evelyn Souza
Maeda Timson

Members Absent: Grady Chun
Joseph Dwight, IV
Jonathan Lai
Kay Mukaigawa
David Tanoue

Others Present: Anthony Ching, Executive Director
Sandra Ching, Deputy Attorney General
Chong Gu, Administrative Services Officer
Richard Kuitunen, Asset Manager
Deepak Neupane, Director of Planning and Development for Kakaako
Tessa Malama, Kalaeloa Director of Planning and Development
Loretta Ho, Secretary
Patricia Yoshino, Secretary

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 9:03 a.m. on Wednesday, March 3, 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. Report of the Executive Director PowerPoint Presentation (distributed at the meeting);
3. Summary Minutes of Authority Meeting of January 6, 2010;
4. Summary Minutes of Authority Meeting of February 3, 2010;
5. Information: Kalaeloa Status Report;
6. Action: Shall the Authority: (1) Approve Pre-Final Financial Statements for Fiscal Year Ended June 30, 2009; and (2) Authorize the Executive Director to Approve Minor Modifications If Necessary to the Pre-Final Financial Statements;
7. Action: Shall the Authority Authorize the Executive Director to Enter into Contract and to Expend Hawaii Community Development Revolving Funds for Repair and Maintenance Services of Sewage Pump Systems at Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks;
8. Action: Shall the Authority Approve the Proposed Modification of the View Corridor along Kapiolani Boulevard for the Development of the Pacifica Honolulu Project (PD 2-05, M 1-05, M 1-10);
9. Summary and Transcript of Public Hearing of February 24, 2010 for Proposed Modification of the View Corridor along Kapiolani Boulevard for the Development of the Pacifica Honolulu Project.

II. APPROVAL OF MINUTES

1. DEFERRED FROM FEBRUARY 3, 2010 MEETING
Minutes of the Regular Meeting of January 6, 2010

Chairperson Bradley asked whether there were any corrections to the minutes of January 6, 2010. There being none, the minutes were approved as presented.

2. Minutes of the Regular Meeting of February 3, 2010

Chairperson Bradley asked whether there were any corrections to the minutes of February 3, 2010. There being none, the minutes were approved as presented.

III. REPORT OF THE EXECUTIVE DIRECTOR

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

Chairperson Bradley thanked Member Timson for her participation as the facilitator at the Kalaeloa landowner's summit meeting to be held on March 10, 2010. He asked whether any other Members wished to attend the summit meeting. Seeing there were none, he stated that there would not be a need for an investigative task force to enable other Members to attend the summit meeting.

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

Member Souza stated it was nice that 80% of the vessels had evacuated Kewalo Basin Harbor (“KBH”) during the tsunami warning. She asked what would have happened if the tsunami had materialized and destroyed the harbor or if vessels caused damage to the harbor.

Mr. Ching responded that the harbor agent was following up to determine why the remaining vessels were not moved. It was likely that the owners had no one available to take the vessels out. All vessels are required to maintain insurance in the event of damage to the harbor.

Member Souza asked whether it was mandatory for vessels to evacuate.

Mr. Ching responded that the U.S. Coast Guard issued the order to evacuate the harbor. He would be working with State Civil Defense to move the HCDA higher up on the communication channel to receive earlier notification.

Member Souza inquired whether the 69 adults and 10 children who had received tuberculin (“TB”) skin tests as part of the Kakaako beautification and outreach program were housed in a shelter.

Mr. Ching responded that those individuals were in the park and were not Next Step shelter residents. The outreach program staff goes out in vans and asks the people in the park if they have had TB tests. TB tests are a requirement for admission to shelter programs. However, for many of the homeless in Kakaako, literacy in Marshallese or Chuukese is a problem. They cannot fill out forms if they cannot read or do not have identification.

Member Souza asked whether the HCDA or another agency was funding the outreach program.

Mr. Ching stated that the Authority had approved an appropriation of \$55,000 for the program. While the HCDA is not a social service agency, the program is a short term 6-month demonstration project. The HCDA is working with the Hawaii Public Housing Authority (“HPHA”) as well as soliciting community support. The intent of the program is to demonstrate that at a modest cost, you can educate the homeless and help keep the parks clean, while still providing compassionate shelter, especially for women and children.

Member Souza asked whether the \$55,000 was given to H-5 or the HPHA.

Mr. Ching responded that the \$55,000 was given to the HPHA to support the program.

Member Souza asked how the TB tests were administered to the 69 adults and 10 children.

Mr. Ching responded that they canvassed the parks in a van. Many of the people did not have an understanding of how otherwise to access and receive social services.

Member Souza stated her hope that if the program is successful in Kakaako, perhaps it could be done in Kalaeloa, where there also is a Micronesian population. She noted that according to the Centers for Disease Control, there is a drug resistant TB strain in Micronesia that could have been carried to Hawaii.

Mr. Ching responded that three-fourths of the population in Kakaako parks is Micronesian.

Member Timson asked whether the HCDA has a disaster response plan.

Mr. Ching responded that as part of the Department of Business, Economic Development and Tourism (“DBEDT”), the HCDA has a Continuity of Operations Plan (“COOP”) and has identified what resources need to be mobilized throughout the DBEDT during civil defense emergencies.

Member Timson stated the disaster plan should be reviewed and the tsunami response in Kalaeloa could have been handled better.

Mr. Ching responded that the HCDA assumed KBH in March 2009. There is an emergency notification phone tree, but he would like to be higher up on the communication from State Civil Defense.

Member Timson asked whether there was a disaster plan for Kalaeloa.

Mr. Ching responded that the situation in Kalaeloa differed from Kakaako. In Kakaako, the HCDA owns assets and facilities. In Kalaeloa, the agency does not own any facilities, and general civil defense procedures would apply.

Member Timson stated that there is a Kalaeloa safety group that should be included in discussions on emergency plans.

Member Liu stated that at all levels of state government, there has been focus on the COOP. Also, the Federal Emergency Management Agency put together an exercise on emergency response. The key thing is that not all operations need to continue, only the essential ones. Every agency, including the HCDA, has determined what is essential. Member Timson’s point was well taken on how to communicate to external stakeholders. However, the primary communication should come from State and City and County Civil Defense, with less of a role for the HCDA.

Member Saito stated that with every disaster, there needs to be a local discussion. The first responder is the County. In Kalaeloa, the Navy was previously in charge, but the question now is who is in charge. The Executive Director should conduct a study for Kalaeloa as to who are the entities and who is in charge and should make the call.

Member Bradley stated that good points had been made. The first step is for the Executive Director to conduct a study.

Mr. Ching stated that he would follow up and provide a report at the next Authority meeting.

Member Okada asked, with respect to the Makai Master Planning, whether a traffic study had been conducted on Ala Moana Boulevard and its impact on the Makai area.

Mr. Ching responded that a traffic study was done as part of the Mauka Area Environmental Impact Statement. Strategies would need to be addressed to overcome Ala Moana Boulevard and Ward Avenue as barriers to activities going into the Makai area. Intersection improvements would be needed. The traffic volume in the Mauka area was already known, but if additional information was needed, another study could be done.

Member Okada stated there was a bill in the Legislature to consolidate the Aloha Tower Development Corporation with the HCDA. Since the HCDA had just moved to its new office location, he asked whether there was adequate staff as well as sufficient space in the facility to handle additional work.

Mr. Ching responded there should be adequate staff and space, but it was dangerous to say you would need more to do more.

Mr. Ching introduced Mr. Arnold Imaoka, a planner with the HCDA, who would be retiring on March 31 and recognized him for his 30 years of service.

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

Public Testimony:

Mr. Ron Iwami, acting chair of the Kakaako Makai Community Planning Advisory Council (“CPAC”) and president of Friends of Kewalo Basin, stated he was present to provide a community update. There were three collaborative subcommittees of CPAC focusing on the Ocean Investments/John Dominis project, Piano Lot and Cancer Research Center through the Kobayashi Group. The CPAC wanted to assure that the development plans would consider their Vision and Guiding Principles and would match with the Makai Master Plan when it is completed.

Mr. Iwami thanked Mr. Ching and HCDA staff for their presentation to the CPAC planning committee on March 2, 2010. It answered a lot of questions on the course of the Master Plan process through the HCDA and provided an understanding of the schedule of events that will come up.

IV. ITEMS FOR INFORMATION - KALAELOA

A. Kalaeloa Status Report

Ms. Tesha Malama, Kalaeloa Director of Planning and Development, highlighted two areas from the written report in the packet distributed to Members. The Kalaeloa landowners summit meeting, in collaboration with the U. S. Navy, was scheduled for March 10, 2010. Thus far, over fifty people had confirmed their attendance. Nine landowners would be on the panel to report on their holdings, their foreseeable plans and any barriers that may exist. The goal of the summit was to make sure that federal, state, local, and private entities understand what each other are doing. The Authority would be receiving a meeting summary at its next meeting in April.

The administrative rules draft would also be on the April meeting agenda so Members would have a vision of what the rules will govern. The Kalaeloa Advisory Team has met twice a month to provide feedback on Draft 7, and their input would be included in Draft 8.

Member Timson commended Ms. Malama and Ms. Pearlyn Fukuba for their work in planning the Kalaeloa landowners summit meeting and bringing together the stakeholders so that everyone would understand what is important in Kalaeloa.

Ms. Lynn Tanaka from Navy Facilities reported that the Department of Defense had started the process for the closure of the Kalaeloa commissary. Congress was notified on January 21, 2010, which started the 90-day period for Congress to say yes or no. She anticipated a press release in April on the status of the commissary. Existing patrons would have to use other commissaries in Schofield Barracks or Hickam Air Force Base.

Member Timson asked whether Ms. Tanaka was saying that the commissary will be closing.

Ms. Tanaka responded that the action was still pending in Congress so she would not be able to speculate.

Member Timson stated that revenue and usage numbers for the commissary were large. She was concerned for users who are retirees and not able to get around easily.

Ms. Malama commented regarding Member Timson's concern about a disaster plan for Kalaeloa. HCDA staff attends meetings with the Kalaeloa Public Safety group and the Kalaeloa Community Network. The participants are first responders and they do have individual plans. She will meet with them and have something to report at the next meeting.

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

V. ITEMS FOR ACTION

3. DEFERRED FROM FEBRUARY 3, 2010 MEETING

Shall the Authority:

- (1) Approve Pre-Final Financial Statements for Fiscal Year Ended June 30, 2009; and,
- (2) Authorize the Executive Director to Approve Minor Modifications If Necessary to the Pre-Final Financial Statements?

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

Member Saito asked what makes the financial statement pre-final as opposed to a final report.

Mr. Ching responded that the audit was recently completed, and it was just about final. However, if there was something minor that needed to be adjusted, the form of the action resolution would allow the Executive Director to make necessary changes without having to come back to the Authority for approval. If the Authority approved the two parts of the resolution, it was essentially approving the final version.

Member Timson posed a question to Mr. Darrell Lim, the auditor, for his opinion on whether the agency operated as it should with respect to revenue and expenditure.

Mr. Lim responded that the HCDA followed the accounting system practices in accordance with the rest of State government.

Mr. Ching stated that operating expenses have a ceiling of \$450,000, and project expenditures come to the Authority for approval before funds are spent.

Member Saito stated that even the Legislative audits are done by an independent auditor. If there are no material findings or discrepancies, you have confidence that it was accurate and complete.

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

Chairperson Bradley entertained a motion for the Authority to (1) approve pre-final financial statements for fiscal year ended June 30, 2009; and (2) authorize the Executive Director to approve minor modifications if necessary to the pre-final financial statements.

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

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chang, Enomoto, Formby, Kimura, Kobayashi, Liu, Okada, Saito, Souza and Timson.

Nays: None.

The motion passed 12 to 0 with 6 excused (Members Chun, Dwight, Lai, Mukaigawa, Park and Tanoue).

A recess was taken at 10:23 a.m.

Members Chinn, Enomoto, Souza and Timson exited the meeting at 10:23 a.m.

The meeting was reconvened at 10:30 a.m.

4. Shall the Authority Authorize the Executive Director to Enter into Contract and to Expend Hawaii Community Development Revolving Funds for Repair and Maintenance Services of Sewage Pump Systems at Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks?

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

Member Okada noted that the Authority had also approved other contracts for security and janitorial services for the parks in the past year. He asked whether it would be possible to have a management company handle all the services.

Mr. Ching responded that the services for janitorial and sewer maintenance required different qualifications. Staff would see how it worked individually and then look at the possibility of consolidation. Previously, the services provided by the Department of Land and Natural Resources had a consolidated approach.

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 enter into contract and to expend Hawaii Community Development revolving funds for repair and maintenance services of sewage pump systems at Kakaako Waterfront, Makai Gateway and Kewalo Basin Parks.

A motion was made by Member Annis and seconded by Member Liu.

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chang, Formby, Kimura, Kobayashi, Liu, Okada and Saito.

Nays: None.

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

5. Shall the Authority Approve the Proposed Modification of the View Corridor along Kapiolani Boulevard for the Development of the Pacifica Honolulu Project (PD 2-05, M 1-05, M 1-10)?

Chairperson Bradley stated that one written comment had just been submitted by the public in support of the project and provided a few moments for Members to read the comment.

Mr. Ching summarized the written report in the packet distributed to Members. He also noted that Mr. Daniel Nishikawa of OliverMcMillan, LLC was present in the audience to respond to questions.

Member Okada asked why the issue of “existing street trees” was included in the analysis. He asked whether staff would still recommend approval of the modification if the trees were not there.

Mr. Ching responded that the trees did not play much of a part and the proposed modification did produce a better design.

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

Public Testimony:

Ms. Michelle Matson, CPAC secretary, stated she was pleased to hear that the Executive Director did not look at design strictly bound on rules. She would like to see that approach applied to the Ocean Investment project.

There being no other comments from the public, Chairperson Bradley entertained a motion for the Authority to approve the proposed modification of the view corridor along Kapiolani Boulevard for the development of the Pacifica Honolulu Project (PD 2-05, M 1-05, M 1-10).

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

A roll call vote was conducted.

Ayes: Members Annis, Bradley, Chang, Formby, Kimura, Kobayashi, Liu, Okada and Saito.

Nays: None.

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

Chairperson Bradley asked whether Members had any other matters to discuss.

Member Okada stated that it seemed whenever action items are presented to the Authority, the staff recommends approval. He asked whether there are items for which approval would not be recommended.

Mr. Ching responded that the Executive Director is obliged to come to the Authority for approval before taking action. While the majority of items are approved, the prerogative belongs to the Authority.

Member Saito stated that the Executive Director could also recommend that the Authority deny approval.

Mr. Ching stated that there is no screening, but as a matter of form, items would be submitted as a positive motion.

Member Formby stated he wanted to add his comments to the earlier discussion regarding the emergency response to the tsunami warning. When he met with the U.S. Coast Guard, they indicated that they were extremely satisfied with the response from the KBH. An 80% evacuation was very commendable by U.S. Coast Guard standards, especially for commercial vessels.

VI. ADJOURNMENT

There being no further business, a motion was made by Member Okada and seconded by Member Chang to adjourn the meeting. The motion carried 9 to 0 with 4 excused (Members Chun, Dwight, Lai and Mukaigawa).

The meeting adjourned at 10:49 a.m.

Respectfully submitted,

/s/

C. Scott Bradley
Chairperson

Attachment: Exhibit A - Report of the Executive Director