

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

MEETING NO. 352  
Wednesday, April 7, 2010

Members Present: C. Scott Bradley  
Joseph Dwight, IV  
Michael Formby  
Paul Kimura  
Dexter Okada  
Russ Saito

Kalaeloa Members: Stanton Enomoto  
Kaulana Park  
Evelyn Souza

Members Absent: Barbara Annis  
Amanda Chang  
Grady Chun  
Christopher Kobayashi  
Jonathan Lai  
Theodore Liu  
Kay Mukaigawa  
David Tanoue  
Maeda Timson

Others Present: Anthony Ching, Executive Director  
John Wong, Deputy Attorney General  
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 9:01 a.m. on Wednesday, April 7, 2010, at the Department of Hawaiian Home Lands conference center, 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707, pursuant to Article IV, Section 1 of the Authority’s Bylaws.

Mr. Sam Moku from the Department of Hawaiian Home Lands (“DHHL”) gave an opening prayer.

Chairperson Bradley thanked Member Park for hosting the meeting at the DHHL conference center.

## 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 March 3, 2010;
4. Information: Kalaeloa Status Report;
5. Information: 2010 Kalaeloa Landowners’ Summit Synopsis;
6. Information: Kalaeloa Administrative Rules Draft;
7. Information: Kalaeloa Administrative Rules Attachments (distributed at the meeting);
8. Information: Kalaeloa Infrastructure Master Plan Concepts.

## **II. APPROVAL OF MINUTES**

1. Minutes of the Regular Meeting of March 3, 2010

Chairperson Bradley stated that the minutes would be deferred to the next meeting when an appropriate quorum was present to take action.

## **III. REPORT OF THE EXECUTIVE DIRECTOR**

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

Mr. Ching stated that a Member had requested a presentation from the City and County of Honolulu (“City”) Department of Planning and Permitting on its Transit-Oriented Development (“TOD”). The City was currently conducting a symposium describing how TOD activities can take place. A TOD presentation will be scheduled at a future meeting of the Authority.

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

Member Saito asked for the location and size of the maintenance shed that the H-5 operator was interested in using to establish a vocational program.

Mr. Ching responded that it is a corrugated roof shed roof located in Kakaako Waterfront Park, just ewa of the central parking lot. The shed is approximately 5,000 square feet and is partially used by the Kakaako Waterfront Park landscaping maintenance company to store equipment. It also has 2 showers and 4 offices, but is in

a state of disrepair with termite damage. H-5 indicated they have volunteers who might be able to shore up the walls and use it as a day program for vocational activities for the homeless. Hardscape improvements for Kakaako Waterfront, Kewalo Basin and Gateway Parks will start shortly and the shed might also be used in the interim as the project office. Other locations, such as the Net Shed, Historic Pump Station or CFS3 warehouse space will also be considered for the vocational program.

Member Souza stated that she would like to applaud Mr. Utu Langi of H-5 for the numerous things he has done for the community, especially with the homeless. She asked whether use of the maintenance shed had been put up for bid.

Mr. Ching stated that with respect to use of a site, the Executive Director can enter into direct leases without bids. H-5 already has a presence in that particular community as they are the operator of the Next Step Shelter. The HCDA also has an existing agreement with the Hawaii Public Housing Authority for the Kakaako Outreach and Beautification Program, and H-5 is their contractor whose scope includes these types of services.

Member Okada thanked Mr. Ching for taking quick action on the prohibited structures erected on Queen Street. He asked if it was correct that not much could be done if the occupants moved from a tent structure and stayed in a car.

Mr. Ching responded that since that particular area is a privately owned roadway parcel, the City cannot enforce its parking ordinances. Even if parking regulation signs were posted, the HCDA would have to proceed against everyone in the roadway right of way, which is not desirable since there is an ongoing discussion on how improvements and frontages should be operated and administered. If the City condemned the land and owned the roadway parcel, then the City would be able to administer the ordinances.

Member Souza asked how the \$1 million loss for the Kalaeloa Enterprise Road corridor project would affect plans with current and future investors in the area.

Mr. Ching responded that while the loss of the funding was significant, he indicated that the HCDA would have to re-budget the project. For the Enterprise Road project, there are assessment shares that could be reimbursed from area benefitting landowners on a utility type project such as this. By managing the cash flow and how the project proceeds, he hoped to still be able to complete the project.

Member Souza asked whether the current assessments would become greater.

Mr. Ching responded that when he pursues the formal project and there is an assessment, he would be required to come back to the Authority and set the methodology for the assessment. In that particular corridor, there are only 3 major entities: Ford Island Ventures/Hunt Development Group (“Hunt”), the Hawaii Army National Guard (“HIARNG”) and the State Department of Transportation (“DOT”).

Government agencies are typically exempt from assessments, so he would work cooperatively with Hunt to make the project happen since they are the only private developer in the area.

Member Dwight stated that he has noticed an increase in the presence of tents and makeshift structures at Kakaako Gateway Park. He asked if anything was being done to address the problem in that park.

Mr. Ching responded that during the day and night, staff enforces the park rules against staking or tying tarps between trees. However, since it is a public park, tents and other cover without staking are permitted during the operating hours. The outreach program attempts during the day to encourage the homeless to keep bathrooms clean, pick up their rubbish, and do positive things to help change their situation. The previously described vocational program would give them a place to go and get them out of the park during the day. Mr. Ching indicated he had just received a request from the Catholic Diocese to attend a meeting of stakeholders to see if the River Street project could be a part of the homelessness solution.

Member Park inquired about the differences between HB1554 that allows substitute reserved housing versus SB2408.

Mr. Ching responded that he had taken no official position on the original SB2408, but indicated that it would potentially be beneficial to the developer, the DHHL and the community. SB2408 had moved through the Senate and crossed over to the House. When it received SB2408, the House inserted the contents of HB2849 which would raise the reserved housing requirement for developers in Kakaako. That amendment would force the bill to go to conference. The Senate then took a House bill (HB1554) that had already crossed over and inserted provisions of SB2408 in that bill. Conference committee technically should only discuss two topics in HB 1554: substitute reserved housing for DHHL as well as the ability for Authority Members in Kalaeloa to designate a representative. If heard appropriately, it will go to conference. If the bill is approved, substitute reserved housing could be developed on DHHL projects within the urban core.

Member Saito asked which bills relative to reserved housing were still alive and subject to crossover that week.

Mr. Ching responded that HB1554 and SB2408 were eligible for conference and would be heard because of the contents.

Member Saito asked for clarification on what is the urban core and what are the boundaries.

Mr. Ching responded that the urban core boundary extended from Salt Lake to Kahala, and was roughly consistent with the City limits for TheBus.

Member Saito asked whether changing the definition would cause problems relative to conferencing and disposition of the bill. It would be beneficial to DHHL if it was not confined to the urban core.

Member Park stated that right now the urban core in HCDA's sense is Kalaeloa and Kakaako.

Mr. Ching responded that up to a third of the Kakaako reserved housing units could be substituted within the urban core for a DHHL project. With that definition, there are 3 projects that are eligible. However, the proposal also allows reserved housing requirements generated in Kalaeloa to be substituted anywhere on Oahu, making it beneficial both ways. Requirements will be generated from both districts, and the Kalaeloa projects could more generally be used on Oahu.

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

#### **IV. ITEMS FOR INFORMATION - KALAELOA**

##### **A. Kalaeloa Status Report**

Chairperson Bradley stated that the Kalaeloa Status Report would be taken in two parts. The first part would be a presentation by Member Park and the second part would be a report from HCDA staff.

Member Park provided an update on DHHL's West Oahu projects via a PowerPoint presentation (see Exhibit B).

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

Ms. Malama stated that there was a concern expressed at last month's Authority meeting regarding emergency response preparedness in Kalaeloa. Reports from the Kalaeloa Public Safety Group and Kalaeloa Community Network will be provided at the next Authority meeting.

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

##### **B. 2010 Kalaeloa Landowners' Summit Synopsis**

Chairperson Bradley thanked Kalaeloa staff and U. S. Navy Facilities staff for their efforts in putting together the summit. He also acknowledged Member Timson's participation as facilitator for the meeting.

Ms. Malama summarized the written report in the packet distributed to Members.

Member Souza asked whether it would be possible to invite the Kalaeloa Archaeological and Cultural Hui (“KACH”) to give a report to the Authority.

Ms. Malama responded that she would forward the invitation to the 2 groups in the KACH. She noted that HCDA staff regularly attend the KACH meetings.

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

C. Kalaeloa Administrative Rules Draft

Mr. Ching provided the staff report and summary of the critical features of the Kalaeloa Draft Administrative Rules via a PowerPoint presentation (see Exhibit C).

Member Saito asked how the planned density compared with typical, traditional density in other development areas.

Mr. Ching responded that the density is actually quite low and more consistent with what is expected in rural communities. As long it is built within the envelope, it could be multi-family or single family residences. In Kakaako, there is a base consideration floor area ratio of at least 1.5. So in the transect zone (“T”) 3, the density is less than 1. The maximum in T5 is more like 1.5. So the densities reflect the character of the community and are nowhere close to densities in Kakaako.

Member Saito asked whether street frontages that have to be developed would be presented at the community meetings.

Mr. Ching responded in the affirmative. Form-based rules envision that the frontage types will dictate what you are seeking to build and create an active streetscape where the activity and the built environment are directly adjacent to the sidewalks and the front. Parking lots would be in the back and there would be an active frontage and what is known as a “build to” line. The build to line is essentially saying you must start to build the structure at this point. The point differs a little through the particular T3, T4 and T5 zones, but is relatively close to the front of the lot.

Member Saito asked where the City was inclined to go with its mass transit line.

Mr. Ching stated that his understanding based on the Environmental Impact Statement produced by the City indicates that the transit line alignment has shifted from the 2005 master plan. Because it is a moving target, it is critically important to produce the 2 sets of zoning maps that reflect the transit alignment shown in the master plan and also reflect it without transit, while still retaining the values and densities for the particular area in order to account for each parcel.

Member Souza asked whether the heights in the DiBartolo development would have any bearing on heights in Kalaeloa.

Mr. Ching responded that the DiBartolo property is outside of the HCDA's jurisdiction. The area directly adjacent to DiBartolo and North-South Road would be moderate intensity mixed use areas, as identified in the master plan as a result of a lot of community discussion. It would be T3 which would translate to parcels actually at a lower density and height so the mauka view would be higher.

Member Souza asked Member Park what were the heights of the 2 hotels that the DHHL planned to build.

Member Park responded that he did not have the information readily available.

Member Souza wondered whether the administrative rules could be challenged.

Mr. Ching responded that even if the area is moderate intensity mixed use, the density values would not be as dense as, for example, in Makiki. By being consistent and following the plan and preferences that were communicated by the community, we are able to give back to the developers that kind of certainty on what they can do and expect that they will not be challenged. The plan envisions that there would be a maximum 3 million square feet of commercial space in the whole Kalaeloa Community Development District ("District"). However in the T3 transect alone, the potential development is already over 3 million sf. You could take all the parcels, add up the values again and back it in proportionally amongst the lots to achieve the 3 million sf and still maintain the nature and quality of the community that was talked about during the planning stage.

Member Souza stated during the 8 years she served on the Authority, they have wanted the administrative rules done. She thanked Mr. Ching and HCDA staff for their work because she has seen so much happen within the confines of a few months.

Member Okada posed a question about what would happen if HB1554 passes and there is a development in Kakaako that would want substitute housing in Kalaeloa. The presentation by the DHHL indicated they have more of an emphasis on single family housing units, but Kakaako is multi-family. He asked whether there would have to be some kind of translation of the reserved housing requirements.

Mr. Ching responded that the language in HB1554 says that is on a unit by unit basis. If 20 units need to be provided in Kakaako, the 20 units must be provided either in the Kakaako Community Development District or in an eligible DHHL project within the urban core. The units would still stay in the urban core, and the translation from a multifamily to single family would not be necessary. The DHHL has described a very aggressive and feasible type of development, so it

would be expected to be attractive for a developer in Kalaeloa. The cost for them to build an equivalent unit might be \$100,000, which is very reasonable in West Oahu terms. The DHHL will get assistance in these communities, and the HCDA can still achieve its objective of developing reserved housing.

Member Okada stated that in Kakaako terms, a reserved housing unit would possibly be \$500,000, based on 140% median income. If the unit were switched to a DHHL project, he asked whether it would still be one \$500,000 unit or could it be split into several \$100,000 units.

Mr. Ching stated that the Moana Vista/Pacifica development owes 125 reserved housing units. If the law passes at 33%, that would be about 40 units. If the DHHL wanted to build a mixed use high rise or a commercial high rise project, for example at the Bowl-o-Drome (“BOD”) site which is in homestead inventory, then the relative cost to construct a unit is about \$500 per square foot. A family earning 140% of area median income would have about a \$100,000 annual income and they could afford a \$350,000 unit. If the actual cost to produce that unit was closer to \$300,000, then hypothetically, the developer can say in negotiations that it preferred to give instead of having to sell something; build it for \$250,000 and sell it for \$350,000. The developer will give \$300K to the DHHL, who will take that 300 times 40 and have a cash infusion for a mixed use project at the BOD site and produce a reserved housing type unit in the urban core.

Member Okada asked whether that would be cash in lieu.

Mr. Ching responded that by approving the proposal, the Legislature would be saying that they can cause the unit to be built, and in this circumstance, it would not exactly be cash in lieu.

Member Okada stated that the Kalaeloa Rules and Kakaako Mauka Rules are changing from the traditional method to Form Based Rules. He asked if there could be a presentation to show the differences between traditional and Form Based Rules.

Mr. Ching stated that he appreciated the learning curve that we are all going through in understanding the benefits of Form Based Rules. The process in both Kalaeloa and Kakaako Mauka involves informal consultation and briefings, so when it comes back to the Authority for a decision, Members would have the benefit of understanding how both processes work.

Member Enomoto stated that much of the District is designated as T3, and he was curious about the T3 lands that are along the west perimeter road where Parcel No. 7 is set aside for the DHHL. Since it overlaps with FAA regulations, runway protection zones and other kinds of overlapping restrictions on types of uses, residential units cannot be built there. He asked how the T3 designation related to

pre-existing requirements in the master plan for public facilities or schools in the area and how the HCDA or the developer/landowner would go about making sure that schools get built.

Mr. Ching responded that the preferred land use map indicates where industrial, public facilities, mixed use and schools are located. The parcel (Parcel 8 and 9) that Member Enomoto indicated is located at the edge of the runway and was designated T3 and eco-industrial. The eco-industrial designation would preclude any housing being developed on those parcels. The DHHL envisions that a recurrent solar farm would be developed on Parcel 7. That parcel is designated T2 and would allow for solar farms, but would not allow for other industrial activities or housing.

Member Enomoto stated that drainage was huge problem with regard to dry wells, and the problem is still there with the City not wanting to accept dry wells as a means of drainage. He asked if there were some next steps going forward to try and address that in terms of infrastructure.

Mr. Ching responded that it first needed to be determined more precisely what the infrastructure system should be. In specific areas, you would know whether or not a special drainage district could be developed and be appropriate for the planned development in the area. It is critical to produce the zoning maps to be able to determine whether storm drains or dry wells would work, and then figure out the cost and feasibility. With respect to infrastructure studies, we want to thank Hunt for giving us a lot of support, and we have been working closely with Belt Collins to make sure that the arithmetic is logical and meets the engineering test.

Member Kimura asked who is responsible for determining how much public parking is necessary for the areas around the transit station. Parking will be needed for people who have to drive to the station, not for people who live in the immediate area.

Mr. Ching responded that as a function of zoning rules, the HCDA will ultimately be responsible for parking requirements and ratios. On-site parking at a transit station or within a TOD area will not be an issue because of the densities in those particular areas. The City, who is running the rail, will condemn land for the station and should have some projections as to how much land they need for commuter parking. The zoning will allow for parking structures to be built. Where structures over 100 stalls are built, there are new State laws that will require an electric charging facility as well as dedicated parking for electric vehicles.

Member Saito stated that wherever there is a transit station, people have to get to that station, and not everyone is going to be within 1/2 mile of that station. The planned route has 20 stations with only 3 or 4 parking lots, so parking is going to

be an issue. If you only depend only on people who are within 1/2 mile of the station, you will not get the ridership that you are looking for. Parking somehow has to be accommodated in the plans.

Mr. Ching responded that with zoning for the rail line, the areas next to the station are going to be of urban nature and will have space for parking facilities. However, as far as who is going to pay for the facilities, it should not be the HCDA and should be whoever is developing the rail station.

Ms. Malama provided information on the 3 transit centers proposed for the Kapolei region. The first center will be located by the Kroc Center for people from Ewa, Kalaeloa and lower Kapolei. The second center is near the University of Hawaii along Farrington Highway for people coming from upper Makakilo, the Waianae Coast and any of the bus transits that go along Farrington Highway. The third center is in the District, where Ewa Beach will connect to Kalaeloa. It is still unknown where the transit center will actually be placed within the District and how it is going to affect the landowners.

Member Dwight stated that it is the City that will be responsible for condemning enough land to provide the parking for any transit station.

Member Souza stated the parking issue has always been problematic, and she hoped that the City would play a bigger role to accommodate the number of cars that transit stations would be bringing in to Kalaeloa.

Public Testimony:

*Mr. Robert Whitford*, from the Federal Fire Department, stated that the existing roadways were not adequate for emergency response. Water lines and two ways were needed to get in and out of the District.

D. Kalaeloa Infrastructure Master Plan Concepts

Ms. Malama summarized the written report in the packet distributed to Members.

Member Souza stated that Fort Barrette Road will eventually be widened and will come up to the railroad tracks. She asked whether the road could also be extended from the railroad track onto Roosevelt.

Ms. Malama responded that there is a discussion with the DOT for a traffic roundabout within the intersection which would also address what to do with the railroad tracks.

Ms. Trina Onuma of Belt Collins, consultant for the Infrastructure Master Plan, provided a summary of the potable water systems in Kalaeloa. For the infrastructure development, the basis for design was to take the development

densities provided in Version 7 of the rules and make some assumptions as to what would be a reasonable mix of development within the District. The transects allowed for either solely residential, commercial or a mix of the two. They had corresponded directly with the U. S. Navy (“Navy”), HIARNG, U. S. Coast Guard (“USCG”), and the DOT to obtain their development requirements in several different time frames, 0-7 years, 7-20 years, and 20 years and beyond. With the understanding that the area has to be incrementally developed, they needed to address individual developer’s criteria and time frames, which gave more flexibility as to when certain infrastructure will need to be developed within the District.

The potable water system is based on the Navy’s utility system which was built during the 1940-1950s. The infrastructure needs to be totally redeveloped, but we don’t know whether to design to either City Department of Environmental Services (“ENV”) or the Board of Water Supply (“BWS”) standards at this time, or whether it will be taken over by a private entity that would possibly have different standards.

The nonpotable water concept basically acknowledges that water is a limited resource. The Navy system is constrained to a 2 million gallon system. When Kalaeloa is fully developed, the anticipated need is much more than that amount. To address the discrepancy, they made the assumption that there would be a dual water system to provide drinking water for homes and buildings, and R-1 treated water from the Honouliuli wastewater treatment plant for irrigating grass, shrubs, parks and to operate toilets.

The sewer system is also old and undersized for the eventual development of Kalaeloa. The basic reason ENV did not want to accept the system was because the sewer line to the existing lift/pump station was located under the airport runway and then pumped via force main to the Honouliuli plant. At this time, a different concept was being provided to address the needs of the core area and take it to an area within the downtown where it could then be pumped a shorter distance to the Honouliuli plant.

The USCG station is directly adjacent to the pump station area. Since there is a difference between ENV standards and private utility company standards, an assumption was made that this pump station could still be in use to service the USCG station and the southern part of the District. Discussion is needed as to whether ENV would be satisfied with that type of system and be more likely then to take over the system.

Ms. Malama stated that during a Roadways breakout session at the summit meeting, ENV and BWS directed Belt Collins to an R. M. Towill study on dry wells done for the BRAC commission. Once Belt Collins has a scheme of what the dry wells look like, there will be a follow up meeting with ENV to determine what City requirements would have to be included.

Mr. Ching stated that the priority projects have been identified to bring Hawaiian Electric Co. (“HECO”) into the District, recognizing the future Federal Bureau of Investigation (“FBI”) site has a unique requirement. The site is overrun by two 46 kV power lines which need to be relocated to allow for the FBI development to occur. They envision being able to turn on an existing circuit that can take 46 kV power and to feed the substation and enable those lines to be eliminated. The Kalaeloa Enterprise Corridor project will bring 12 kV into the District. Another priority would be the Coral Seas project to bring power to the USCG station as well as development of solar farms on both sides of the Coral Seas Road. This would also address power needs of the Carmel Partners development.

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

Public Testimony:

*Mr. Robert Main*, Honolulu Fire Department (“HFD”) Captain, Administrative Services, stated that they would welcome a new station to replace the federal station that was removed several years ago. There is a need to bring area water systems up to standard to enhance their ability to provide needed emergency services to the area. In the short term, they would bring in an engine and tanker company with them to fight fires. In the long term, the developers will be bringing in more water and bringing the buildings up to modern codes which would reduce the fire load. He hoped that some of the land turned over to the HCDA through the Congressional Act could be made available to the HFD for a tactical training area.

*Mr. Stephen Fredette*, Kalaeloa Fire Department, stated that there needed to be more than one way in and one way out to Campbell Industrial Park along Coral Seas for emergency purposes as well as convenience. If something goes wrong like the chemical fire in Campbell Industrial Park, there wasn’t another way around.

*Mr. Ronnie Torres*, HIARNG, requested a copy of the infrastructure plans, preferably in GIS format. HIARNG has a very aggressive construction plan for next 5-10 years in Kalaeloa because they are pulling in units from different sites to Kalaeloa, including Wheeler, Diamond Head sites.

*Ms. Marissa Capelouto*, Oahu Express, asked a question regarding the runway if a back up was needed when something happens at Honolulu International Airport.

*Mr. Whitford* stated that the runway is capable of accommodating a 767 in the event of an emergency at the reef runway at Honolulu International

Airport. Otherwise, aircraft would be diverted to the Kaneohe Marine Corps Air Station.

Member Souza asked whether small aircraft were being moved to Kalaeloa.

Ms. Malama responded that Kalaeloa is the reliever airport to Honolulu International Airport. The DOT is working on expanding the hangars in Kalaeloa and there have been preliminary discussions to relocate some aviation businesses currently at Lagoon Drive to Kalaeloa.

Chairperson Bradley stated he was encouraged to see the momentum going in Kalaeloa. He thanked the emergency services personnel for their assistance in the planning stages.

**V. ADJOURNMENT**

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

The meeting adjourned at 11:57 a.m.

Respectfully submitted,

/s/

C. Scott Bradley  
Chairperson

Attachment: Exhibit A - Report of the Executive Director  
Exhibit B - DHHL Presentation  
Exhibit C - Kalaeloa Draft Administrative Rules