

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

MEETING NO. 355
Wednesday, August 4, 2010

Members Present: C. Scott Bradley
Grady Chun (9:17 a.m.)
Joseph Dwight, IV
Scott Kami
Paul Kimura
Christopher Kobayashi
Jonathan Lai (9:09 a.m.)
Kay Mukaigawa (9:11 a.m.)
Dexter Okada
William Pieper, II

Kalaeloa Members: Linda Chinn
Evelyn Souza
Maeda Timson (9:20 a.m.)

Members Absent: Stanton Enomoto (9:04 a.m.)
Theodore Liu
Brennon Morioka
Russ Saito
David Tanoue

Others Present: Anthony Ching, Executive Director
Sandra Ching, Deputy Attorney General
Richard Kuitunen, Asset Manager
Tessa Malama, Kalaeloa Director of Planning and Development
Deepak Neupane, Director of Planning and Development for Kakaako
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 9:07 a.m. on Wednesday, August 4, 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 July 7, 2010;
4. Information: Kalaeloa Status Report;
5. Action: Shall the Authority Authorize the Executive Director to Expend Additional Hawaii Community Development Revolving Funds to Complete the Tenant Improvements for the Hawaii Community Development Authority's Kakaako Office at 461 Cooke Street;
6. Action: Shall the Authority Increase the Amount of its Previous Approval to Expend of \$158,000 from \$124,000 for Non-Emergency Roof Repair Costs at the CFS3 Building;
7. Information: Kakaako Makai Master Planning Report;
8. Information: Draft Mauka Area Rules.

Chairperson Bradley introduced Mr. Scott Kami from the Department of Budget and Finance, who is the alternate designee for Member Georgina Kawamura.

Chairperson Bradley deferred approval of the minutes of the meeting of July 7, 2010 until appropriate quorum was present.

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 whether the proposed solar farm for Kalaeloa would be built on the ground.

Mr. Ching responded that the developer would look for flat, cleared lands, and the panels and arrays would sit on top of a framework that would go no deeper than 4 feet in the ground. There are maps of the resources that need to be preserved, so the arrays would be located appropriately.

Member Okada asked whether anything might be built on top to make better use of the land.

Mr. Ching replied that the lands in Kalaeloa are subject to stewardship responsibility because of the concentrations of archaeological resources that must be preserved. It would

be easier and more efficient to place the panels about 4 feet above the ground and slanted in a southerly direction because that's the maximum radiation value.

Member Okada inquired whether the Queen Street Parks would be kept open to the public in the event that the City and County of Honolulu ("City") does not accept dedication and the surrounding condominium owners have to provide the maintenance.

Mr. Ching responded that it would be maintained as a public easement and there would be no restrictions on public access.

Member Okada noted that housing was mentioned in the legislative update of the report. After the Kakaako Makai Planning workshop #2, it was clear that housing was off limits. He recommended that the context of housing in the report be explained to the Kakaako Makai Community Planning Advisory Council ("CPAC") so there would be no misunderstanding.

Mr. Ching responded that when the Hawaii Community Development Authority ("HCDA") was asked what lots are available for housing, he clearly indicated that there is a legislative instruction for no housing in the Makai area.

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

II. APPROVAL OF MINUTES

1. Minutes of the Regular Meeting of July 7, 2010

Chairperson Bradley asked whether there were any corrections to the minutes of the July 7, 2010 meeting. There being none, the minutes were approved as presented.

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 Timson remarked that there are problems again with graffiti and break-ins in the area. She asked what measures are being taken to improve security.

Ms. Malama responded that Ford Island Ventures ("FIV") and the Department of Hawaiian Home Lands ("DHHL") have tenants in the district, so incidents of graffiti, break-ins, stealing of machinery, and brush fires are increasing. The Kalaeloa Public Safety group ("KPS") has discussed the problem. The U.S. Navy ("Navy") has 2 patrols that concentrate on the east side of the district, the Honolulu Police

Department has agreed to increase its presence, and FIV had added security. Some tenants on DHHL property are entering into an agreement to hire private security organizations. While the HCDA has not committed a specific amount to hire a security company, it is designated as part of the budget so it could be done.

Member Timson stated that she had received complaints that police were called but did not respond to complaints about people standing at the 4 corners of the entrance asking for money with fishnets. They cause a traffic jam since they go there at the busiest times. She requested that Ms. Malama bring it up with the KPS.

Member Timson offered her congratulations about the positive impact of the Kalaeloa shuttle service. Since not everyone in Kalaeloa is homeless, she hoped that the shuttle may be able to charge other people to use it and maximize its usefulness.

Ms. Malama stated that August 9 is the relaunch date for the shuttle service. The operator is working on passes that could be sold to users outside of the shelter system.

Member Kimura asked whether the precast yard for Kiewit was part of the rail project.

Ms. Malama responded in the affirmative.

Member Kimura asked whether the rail project was already approved.

Ms. Malama responded that while Kiewit is concentrating on moving forward, the project is still pending the Governor's approval of the final Environmental Impact Statement.

Member Souza remarked that the recent incident of a tree falling on a family was a Navy issue. She asked if there were any plans to prevent a recurrence.

Ms. Malama responded that the Navy's public response was that the yearly inspection was completed last year, and it was coming up for inspection again. She would have to ask the Navy for a specific response on what happened.

Member Souza asked if the HCDA could be given a comprehensive report from the arborist that the Navy was planning to hire. According to a television report, there were millions of termites escaping when the tree fell, so the tree was rotten to begin with. She asked whether the HCDA had any liability.

Ms. Malama replied that the land is still owned by the Navy under license agreement to the City.

There were no public comments offered on this agenda item.

V. ITEMS FOR ACTION

2. Shall the Authority Authorize the Executive Director to Expend Additional Hawaii Community Development Revolving Funds to Complete the Tenant Improvements for the Hawaii Community Development Authority's Kakaako Office at 461 Cooke Street?

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

Chairperson Bradley asked whether Members had any comments.

Member Souza inquired whether the additional \$31,000 would be used to close up the wall and build shelving.

Mr. Ching responded in the affirmative.

Member Souza asked if the contractor was selected through a bid process.

Mr. Ching replied that the contractor was selected by the landlord, Kamehameha Schools, to perform the tenant improvements.

Member Timson asked about the length of the lease for the office.

Mr. Ching responded that it was 5 years with a 5-year extension option.

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

Chairperson Bradley entertained a motion for the Authority to authorize the executive director to expend additional Hawaii Community Development Revolving Funds to complete the tenant improvements for the Hawaii Community Development Authority's Kakaako Office at 461 Cooke Street.

A motion was made by Member Kimura 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 Bradley, Chun, Dwight, Kami, Kimura, Kobayashi, Lai, Mukaigawa, Okada, Pieper, Souza, and Timson.

Nays: None.

The motion passed 12 to 0 with 6 excused (Members Enomoto, Liu, Morioka, Park, Saito and Tanoue).

A recess was taken at 9:45 a.m. to allow the Kalaeloa Members to exit the meeting.

The meeting was reconvened at 9:49 a.m.

3. Shall the Authority Increase the Amount of its Previous Approval to Expend of \$158,000 from \$124,000 for Non-Emergency Roof Repair Costs at the CFS3 Building?

Chairperson Bradley stated that HCDA staff requested the action item be deferred. There were no objections from Members.

VI. ITEMS FOR INFORMATION - KAKAAKO

B. Kakaako Makai Master Planning Report

Mr. Ching presented his report via a PowerPoint presentation (see Exhibit B).

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

Member Kimura suggested that the Museum of Hawaiian Music and Dance could be coordinated with the existing Hawaii Children's Discovery Center and Kewalo Keiki Fishing Conservancy into a tourist site.

Mr. Ching responded that the concept was consistent with the overall vision communicated by the Legislature to create public gathering place activities. Some of the ideas discussed with the Kakaako Makai Planning project team included the possibility of a trolley system connecting Waikiki to the attractions in Kewalo.

Member Okada commented that while the agenda for the Kakaako Makai Planning project was being pushed along, quality should not be sacrificed for expediency.

Chairperson Bradley asked whether anyone in the audience wished to comment.

Public Testimony:

Mr. Wayne Takamine, acting chair of the CPAC, stated that the meetings with the project team were moving forward at a pretty good level. They would like to establish a park conservancy to accept donations and maintain the park. They wanted a champion for federal funding for amenities for the park and would be approaching U.S. Senators Daniel Inouye and Daniel Akaka to see if they can help with funding for the park amenities.

Ms. Michelle Matson, secretary of the CPAC, stated that of the categories that they had reviewed, there was a question about the combination of Hawaiian culture and performing arts. There is a strong contingent that wants to see a Museum of Hawaiian Music and Dance who have been talking to the legislators and seem to be very well organized. It would need to be a part of the review process so as not to have ideas being pushed elsewhere and then come back saying it's a done deal.

Hawaiian culture is all-encompassing and is one of CPAC's very largest priorities and guiding principles, but they want to incorporate other aspects of the Hawaiian culture, not just performing arts.

There have been discussions about the need for lifeguard presence at Ala Moana Beach Park, especially at Point Panic due to concerns about surfers crossing the channel with the boat traffic. There have been times where they need to have immediate access through Kewalo Basin for emergency response and to transport people to medical facilities. CPAC is taking it under advisement as a public safety issue.

In addition to park expansion and Kewalo Basin, other categories receiving responses were historic preservation, marine sciences and education.

C. Draft Mauka Area Rules

Mr. Deepak Neupane, Director of Planning and Development for Kakaako, presented his report via a PowerPoint presentation (see Exhibit C).

Chairperson Bradley asked whether Members had any comments.

Member Okada asked whether the consultant Torti Gallas was planning to meet with stakeholders in Kakaako to present the rules in laymen's terms.

Mr. Neupane responded in the affirmative. The rules would be accessible to the public via the Limehouse web portal.

Member Okada asked whether the rules would address the differences between the distinct districts within the Mauka area. Torti Gallas did state that Kakaako is different from anyplace else and there were discussions about leaving the streets as is, with parking in front of the facilities.

Mr. Neupane responded that the rules had established the types of land use that would be allowed in Central Kakaako and talked about density, allowed heights, frontage types and street hierarchy. It takes current practices such as perpendicular parking with no pedestrian walkway and makes that an allowable use. The new rule proposes that there is no mandatory off-site parking requirement, leaving it up to businesses. There would be no regulatory requirement to provide parking within Kakaako, the same as what the City does for downtown Honolulu. So there would be certain standards applied to different neighborhoods.

Member Kami asked for clarification on the rationale for the reserved housing requirement being based on 20% of residential floor area as opposed to 20% of units.

Mr. Neupane responded that it would allow more opportunity for having a variation on reserved housing by using floor area instead of units. A good example would be Keola

Lai where reserved housing is integrated with the building. In that building, there was really no difference between 20% of floor area and 20% of units. In other projects, the floor area comes out a little bit better, like the Nauru project where reserved housing was applied separately in the different towers. There will be more flexibility in designing the types and number of units by basing the percentage on floor area.

Public Testimony:

Ms. Matson requested a copy of the Mauka Area Rules.

Mr. Neupane replied that it would be available on the Limehouse web portal.

Ms. Matson stated that the CPAC was having a difficult time with their meetings and requested that copies of the agenda and attachments be provided to them.

VII. 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 10 to 0 with 3 excused (Members Liu, Morioka, and Saito).

The meeting adjourned at 10:38 a.m.

Respectfully submitted,

/s/

C. Scott Bradley
Chairperson

Attachment: Exhibit A - Report of the Executive Director
 Exhibit B - Makai Master Planning Update
 Exhibit C - Kakaako Community Development Rule Amendment

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