

HIGHLIGHTS OF SEPTEMBER 6, 2006 HCDA MEETING

Following is a summary of actions taken and informational items presented at the September 6, 2006 meeting of the Hawaii Community Development Authority (HCDA).

Waterfront Advisory Working Group

HCDA staff provided an update on the formation of a proposed Advisory Working Group to recommend the most beneficial use of the Kaka'ako Waterfront lands. The purpose of the group is to establish a community participatory planning process that will engage the public in the planning process and result in a consensus land use plan with analysis of various alternatives that will result in development of the Waterfront lands for the benefit of not only the Kaka'ako community, but for all the people of Hawaii. To be successful, the process needs to be fair, transparent, and inclusive by reaching out in multiple ways to several constituencies, including the public-at-large.

HCDA staff presented four possible approaches, each of which have the following in common:

- The need for a set of agreed upon guiding principles and goals in order to reach the desired outcome.
- Making available background information on the Waterfront (including relevant statutes, land covenants, legislative resolutions, policy directives and studies).
- Use of a facilitator and technical consultant services in order to develop a series of alternatives that will result in the most beneficial use of the Waterfront lands from an economic as well as a community benefits standpoint.
- Continuation of the Advisory Working Group in the process throughout the subsequent master planning, and Request for Proposals implementation process. The desired end result of this process is to develop a Strategic Plan for the Waterfront that identifies land uses as well as the Advisory Working Group's (1) recommendation and rationale; (2) means of funding both capital and operational needs; and (3) matrix analysis of the alternatives considered with the pros/cons identified.

Transition of Kewalo Basin Management

The Department of Transportation-Harbors Division on July 1, 2007 will relinquish jurisdictional and management responsibilities of Kewalo Basin to HCDA. The Authority is currently developing a transition plan that will address: day-to-day management of Kewalo Basin; deferred maintenance; negative cash flow due to below market rates; vacancy in slip occupancy; and planned relocation of Honolulu Marine to Keehi Lagoon. In December 2005, HCDA created a Task Force (including basin users) to assist in the drafting of rules for Kewalo Basin. It is proposed that the Task Force be reconstituted with additional members who are experienced in harbor operations, in order to utilize their

operational insight throughout the transition process, including recommendations for capital improvement projects. Staff reported the anticipated development of a business plan, with preliminary budget, by December 31, 2006 for Authority input, review and approval.

Radio Tower Site in Kaka'ako Makai

Authority members authorized the HCDA Executive Director to consent to the assignment of the two-third interest in the lease for the Radio Tower Site in Kaka'ako Makai from Hochman-McCann Hawaii, Inc. to Salem Media of Hawaii, Inc. The site, located on Ahui Street, currently contains a radio tower and two small single-story ancillary buildings. After the assignment, Salem Media will transmit signals for KGU, KHCM and KZOO stations.

Moana Vista Project

HCDA members approved a revised Joint Development and Planned Development Permit for the Moana Vista Project. Members also authorized the HCDA Executive Director to administratively amend the Development Permit for development of Parcel 40 and to set aside up to \$5.6 million in Public Facility Fund to acquire public parking spaces. The Moana Vista Project, originally approved in December 2005, consisted of separate parcels (Moana Vista, Obun Hawaii and Public Storage) to be jointly developed into a mixed-use residential/commercial/industrial complex at 1015 Kapiolani Boulevard and 1025 Waimanu Street (Parcel 40). At HCDA's request, the developer had agreed to provide temporary parking on Parcel 40 until March 2008 for use by businesses affected by Improvement District 11 Project on Queen Street. The developer requested a revision to the original permit because Obun Hawaii decided not to proceed with a joint development.

Under the revised permit, Obun Hawaii is deleted from the joint development. Moana Vista now proposes approximately 552,000 square feet of floor area, 492 residential units, 5,500 square feet of commercial area, and 22,000 square feet of industrial space. The developer will also deliver not less than 124 two-bedroom reserved housing units, intended to be rentals, not later than September 2009. Under the revised permit, HCDA will continue to use Parcel 40 for parking until March 2008 and the developer may submit a proposal for additional development on Parcel 40 to HCDA before March 2007. Otherwise, HCDA may condemn the Parcel for public purposes.