

HIGHLIGHTS OF JANUARY 11, 2006 HCDA MEETING

Following is a summary of information presented at the Jan. 11, 2006 meeting of the Hawaii Community Development Authority (HCDA).

Subcommittee Report on the Revised Proposal Presented by A&B Properties, Inc. for the Kaka'ako Waterfront Plan

On September 14, 2005, HCDA selected A&B Properties, Inc. (A&B) as the Master Developer for the Makai Area lands as set forth in the Waterfront Request for Proposal (RFP). The Authority also established a negotiating team to negotiate the lease and development agreements and a Waterfront Subcommittee (Subcommittee) to assist the negotiating team. On December 7, 2005, A&B submitted a revised proposal for the Authority to consider. The Subcommittee met on December 29, 2005 and reviewed the revised proposal submitted by A&B. The Subcommittee offered the following recommendations on the revised proposal for the Authority to consider:

1. Accept the revised proposal of no development at Kewalo Basin Park.
2. Accept eliminating the bridge over the entrance of Kewalo Basin; however, further effort in design should be made in strengthening the connection on the Mauka side of Kewalo Basin to link the East and West portions of the RFP site.
3. Accept removal of one (1) structure on the Diamond Head/Mauka side of Kewalo Basin.
4. Accept removal of the structure at Point Panic site and recommend that the site be made a part of the Kaka'ako Waterfront Park.
5. Accept additional parking proposed at the Point Panic site; however, more thought needs to be given in designing the parking location so that the park space and public enjoyment of the area can be maximized.
6. Accept removal of one residential pod and recommend to A&B that both residential pods be located on the Mauka side of the site thereby keeping the Makai portion of the site open.
7. Request A&B to explore the possibility of including residential rental units over the retail structures along the Ewa side of Kewalo Basin.

The Subcommittee also concurred with the HCDA Chairperson's December 7, 2005 statement to postpone the prescribed January 16, 2006 deadline for executing the Letter of Intent (LOI) as indicated in the RFP. The Subcommittee also concurred with the Executive Director's commitment to the Ala Moana/Kaka'ako Neighborhood Board not to make a decision on signing the LOI prior to their scheduled meeting on January 24, 2006 and to extend the deadline for signing the LOI to February 2006. This is intended to provide adequate time for A&B to incorporate the feedback on the revised proposal by the Authority and the community at large. The time extension for signing of the LOI is an administrative matter that will be handled by the Executive Director.

Members of the "Save Our Kaka'ako" presented their ["People's Preferred Plan" \(click here - 8.6 MB\)](#) to the Authority.

Project Information and Update on Improvement District 11 (ID-11)

At its meeting of December 7, 2005, the Authority requested background information on the ID-11 project. In addition, the Authority also requested information on the basis for design of the planned roadway as well as a summary of the public process. The following was discussed:

The Mauka Area Plan and Rules includes the network of planned roadways that are needed to accommodate and facilitate traffic throughout the district. Further, as one of its major efforts to stimulate redevelopment, HCDA has been implementing an Improvement District ("ID") Program for the past two decades to construct improvements to streets, drainage, sewer, water and utility systems throughout Kaka'ako. In 1999, the Legislature appropriated \$9.6 million dollars for the construction of the Queen Street Extension and improvements in Queen Street between Ward Avenue and Kamakee Street. The funds were initially used to construct the new Queen Street Extension from Kamakee Street to Waimanu Street ("ID-10"). The 2002 Legislature appropriated an additional \$6.5 million to continue the construction of improvements in Queen Street between Ward Avenue and Kamakee Street.

At its regular meeting of October 2, 2002, the Authority approved the start of Improvement District 11. In April 2004, the Authority approved the proposed rule amendments establishing ID-11 and directed staff to seek alternative assessment methods to lessen the impact of the property assessments. In August and September 2004, alternative assessments were presented to the Authority with an alternative approved on September 1, that gives preference to small lots within the Central Kaka'ako Service Business Precinct and limits benefiting properties' total share of the ID-11 construction cost to 28 percent (average landowner cost of all previous Mauka IDs). Final Authority action to proceed with the Improvement District occurred in November 2004; subsequently the Governor signed the Rule amendments. On August 1, 2005 notice to proceed was issued to Kiewit Pacific Company.

Final approval of the design is with the City and County of Honolulu and public utility companies as the roadway and improvements will be dedicated to the respective owner after the ID is completed.

All but one property owner have accepted HCDA's offers to purchase portions of their property needed for ID-11. HCDA staff anticipates the start of construction in March 2006.