

DRAFT

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

MEETING NO. 380
Wednesday, December 5, 2012

KAKAAKO

I. CALL TO ORDER/ROLL CALL

A regular meeting of the Kakaako 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. Brian Lee, Chairperson of the Authority, at 10:50 a.m. on Wednesday, December 5, 2012, at the Authority's principal executive offices at 461 Cooke Street, Honolulu, Hawaii, pursuant to Article IV, Section 1 of the Authority's Bylaws.

Members Present: Grady Chun
Scott Kami (DBF)
Miles Kamimura
Kamaki Kanahele
Brian Lee
Lois Mitsunaga

Members Absent: Randy Grune (DOT)
Richard Lim (DBEDT)
Dean Seki (DAGS)

Others Present: Anthony Ching, Executive Director
Lori Tanigawa, Deputy Attorney General
Neal Imada, Project Management Engineer
Chris Sadayasu, Asset Manager
Shelby Hoota, Program Specialist
Patricia Yoshino, Secretary
Holly Hackett, Court Reporter

MATERIALS DISTRIBUTED:

1. Report of the Executive Director;
2. Report of the Executive Director, Kamehameha Schools Letter of November 28, 2012 regarding Condominium Conversion of Pagoda Terrace to Rycroft Terrace (distributed at the meeting);
3. Summary Minutes of Kakaako Authority Meeting of November 7, 2012;
4. Appointment of an Authority Member to the Design Advisory Board Pursuant to

Section 15-217-80(f), Hawaii Administrative Rules;

5. Decision Making: Shall the Authority Authorize the Executive Director to Expend an Additional \$100,000 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for the Construction of the Reconnection of a Portion of the U.S. Department of the Army Joint Trunk System;
6. Decision Making: Shall the Authority Authorize the Executive Director to Amend a Grant of Easement to the Hawaiian Electric Company, Inc. on Hawaii Community Development Authority Lands in Kewalo Basin Fronting Ala Moana Boulevard;
7. Decision Making: Shall the Authority Exercise Its Option to Buy-Back the Pacifica Honolulu Condominium Reserved Housing Unit #1206 (distributed at the meeting).

II. APPROVAL OF MINUTES

1. Regular Kakaako Meeting of November 7, 2012

Chairperson Lee asked whether there were any corrections to the minutes of the November 7, 2012 meeting. There were no comments or corrections from the Members, and 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).

Member Kanahale asked what the charge is for yachts at the Kewalo Basin harbor and whether any refurbishing could be accommodated.

Mr. Ching responded that it was a few thousand dollars, based on the length of the vessel. Only interior refurbishing was permitted, but no exterior work due to the effect on water quality.

There were no public comments on this agenda item.

IV. KAKAAKO MATTERS

2. Appointment of an Authority Member to the Design Advisory Board Pursuant to Section 15-217-80(f), Hawaii Administrative Rules

Chairperson Lee explained that the Mauka Area Plan and Rules provide that the Authority may convene a Design Advisory Board ("DAB") to review development permit applications and provide non-binding recommendations to the Authority before it makes a decision on a development permit. The Authority had previously established a DAB, but with the recent restructuring of the Authority, the previous DAB had been functionally disbanded.

Pursuant to 15-0217-80(f), Hawaii Administrative Rules, the Authority was establishing

a DAB, and Chairperson Lee appointed Member Lois Mitsunaga to serve for one calendar year, subject to annual extension or appointment of another member.

There were no questions from Members or comments from the public on the agenda item.

3. Appointment of Members to the Selection Committee that the Department of the Attorney General is Convening for Purposes of Procuring a Special Deputy Attorney General to Advise the Authority Regarding the 690 Pohukaina Project

Chairperson Lee stated that at its October 10, 2012 meeting, the Authority had approved the expenditure of special funds to retain special counsel to assist with its deliberations on the 690 Pohukaina Project. Pursuant to section 92-2.5(b), Hawaii Revised Statutes, he appointed Member Miles Kamimura and member Dean Seki to the selection committee that the Attorney General was convening for purposes of procuring a special Deputy Attorney General.

Member Kanahale asked how often the Authority selects a special Deputy Attorney General.

Mr. Ching explained that it would only be when the Authority determines that special counsel is required.

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

4. Decision Making: Shall the Authority Authorize the Executive Director to Expend an Additional \$100,000 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for the Construction of the Reconnection of a Portion of the U.S. Department of the Army Joint Trunk System?

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

Member Salaveria asked whether the project was being done for the Department of the Army ("Army").

Mr. Ching explained that during an improvement district project which rebuilt Ilalo Street, we encountered the Army's trunk system which conflicted with the new utilities that were being put in. At the time, the Army stated that they would contact us when they needed it. They need it now, so because of our previous agreement, we are obligated to rebuild the trunk connection at Ilalo Street.

Member Salaveria asked if it was just a matter of getting a contractor to do the work at the original price that we anticipated or at the bid amount of the next bidder in line.

Mr. Ching replied in the affirmative.

There were no public comments offered on the agenda item.

Chairperson Lee entertained a motion for the Authority to authorize the Executive Director to expend an additional \$100,000 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for the construction of the reconnection of a portion of the U.S. Department of the Army Joint Trunk System.

A motion was made by Member Kanahale and seconded by Member Kamimura.

Chairperson Lee asked whether there was a big difference between the # 1 and # 2 bidders and the grouping on the rest of the bidders.

Mr. Neal Imada, HCDA Project Management Engineer, stated that between the first and second bidder, there was about a \$90,000 difference. Between the second, third and fourth bids, it was very close, within \$20,000 to \$30,000, so it appeared there was an error on the first low bidder. We contacted the first low bidder, who confirmed that there had been an error in the bid that had been submitted.

A roll call vote was conducted.

Ayes: Members Chun, Kamimura, Kanahale, Lee, Mitsunaga and Salaveria.

Nays: None.

The motion passed 6 to 0 with 3 excused (Members Grune, Lim and Seki).

5. Decision Making: Shall the Authority Authorize the Executive Director to Amend a Grant of Easement to the Hawaiian Electric Company, Inc. on Hawaii Community Development Authority Lands in Kewalo Basin Fronting Ala Moana Boulevard?

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

There were no questions from Members or comments from the public on the agenda item.

Chairperson Lee entertained a motion for the Authority to authorize the Executive Director to amend a grant of easement to the Hawaiian Electric Company, Inc. on Hawaii Community Development Authority lands in Kewalo Basin fronting Ala Moana Boulevard.

A motion was made by Member Kanahale and seconded by Member Salaveria.

A roll call vote was conducted.

Ayes: Members Chun, Kamimura, Kanahale, Lee, Mitsunaga and Salaveria.

Nays: None.

The motion passed 6 to 0 with 3 excused (Members Grune, Lim and Seki).

6. Decision Making: Shall the Authority Exercise Its Option to Buy-Back the Pacifica Honolulu Condominium Reserved Housing Unit #1206?

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

Member Kanahele inquired whether legislation would be submitted to amend and allow the HCDA to sell these properties.

Mr. Ching responded that the HCDA has submitted proposals in the past, but within the last 2 sessions, the Legislature enacted further requirements that any sale of state land requires the concurrence of two-thirds majority of both Houses for individual sales. It is not a simple matter of seeking a release from the prohibition as there are greater issues with respect to the process for selling state land.

Member Kanahele asked what happens procedurally if the Authority votes to waive its buy-back option.

Mr. Ching explained that if the Authority waives its option to buy back the unit, it would allow the owner to sell the unit to a willing market purchaser. Upon closing, the HCDA would receive its shared equity payment.

There were no public comments offered on the agenda item.

Chairperson Lee entertained a motion for the Authority to exercise its option to buy-back the Pacifica Honolulu Condominium Reserved Housing Unit #1206.

A motion was made by Member Kanahele and seconded by Member Chun.

Chairperson Lee noted that this type of request is often presented to the Authority and wondered if there should be discussion on a policy to handle the requests.

Deputy Attorney General Lori Tanigawa stated that it would be difficult to give a blanket authorization because each circumstance is unique. The Authority would have to take each transaction as it comes up.

Member Kanahele recommended that the Authority should have a discussion on legislation.

Mr. Chris Sadayasu, HCDA asset manager, explained that the motion should be corrected for the Authority to waive its option to buy-back the unit.

Member Chun withdrew his second to the motion.

Chairperson Lee entertained a motion for the Authority to waive its option to buy-back the Pacifica Honolulu Condominium Reserved Housing Unit #1206.

A motion was made by Member Kanahele and seconded by Member Chun.

A roll call vote was conducted.

Ayes: Members Chun, Kamimura, Kanahele, Lee, Mitsunaga and Salaveria.

Nays: None.

The motion passed 6 to 0 with 3 excused (Members Grune, Lim and Seki).

IV. ADJOURNMENT

There being no further business, a motion was made by Member Kamimura and seconded by Member Salaveria to adjourn the meeting. By a show of hands vote, the motion carried unanimously.

The meeting adjourned at 11:21 a.m.

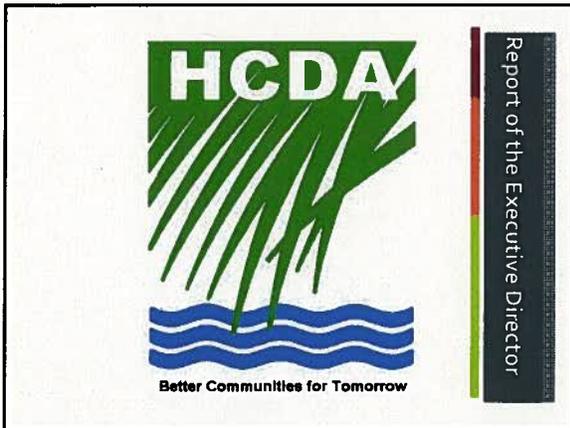
Respectfully submitted,

/s/

Miles Kamimura
Secretary

Attachment: Exhibit A - Report of the Executive Director

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



ED's December 2012 Report

- Financial Summary
- Pagoda Terrace Conversion
- 690 Pohukaina Open Houses
- Kakaako Kalikimaka
- Kewalo Basin Harbor
- Meeting Schedule

Kakaako/Kalaehoa Financial Summary

Actual	Budget	Variance	Actual	Budget	Variance
(KA) 262,698	205,773	56,925	832,185	878,132	(45,947)
(KL) 34,822	28,668	11,159	103,859	100,172	3,687
Revenue	Expenditure	Net Change	Revenue	Expenditure	Net Change
(ID) 7,875	435,147	(427,272)	20,814	527,005	(506,191)
(LM) 133,116	66,278	66,838	330,352	259,071	71,281
(PFD) 3,374	73,886	(70,512)	6,220	223,481	(217,261)
(RH) 155,070	163,601	(8,531)	155,070	398,152	(243,082)
(CL) 3,290	-	3,290	16,760	-	16,760
(Sec Dep) 5,300	-	5,300	5,725	37,362	(31,637)
(KL) 54	1,528	(1,474)	112	1,892	(1,780)
(Heeia) -	-	-	-	-	-

Summary of HCDA Revolving Funds

	Description	Amount
Cash on Hand		
	HCDA Revolving Fund & Kakaako District Operating Fund	33,148,574
Outstanding Obligations		
	Subtotal – Known Obligations as of 02/29/2012	30,353,418
Cash Balance		2,851,402
Additional Cash		
	Kewalo Basin Harbor Operations Fund (for KBH only)	2,672,321
	Kalaehoa Community Development District Revolving Fund	99,424
	Kalaehoa Community Development District Operating Fund	17,542
	Heeia Community Development District Revolving Fund	50,000
	Subtotal Additional Cash Balance	2,839,287

- ### Pagoda Terrace Conversion
- November 28, 2012 Status Report
 - Developer's Position Original Permit – 82 stall required, 121 available
 - DPP – Permit Approved a 137 stall structure
 - HIH Terrace is working to fulfill 137 stall requirement
 - Developer & KS is working to resolve issue

- ### 690 Pohukaina Open House
- Informational Briefing Held
 - November 29, 2012 – 3 to 7 pm
 - December 1, 2012 – 10 to 1 pm
 - Attendance Over Two Briefings
 - 42
 - Written Comments Received
 - 18
 - Mix of Comments: For/Against, Comments regarding height/congestion, supportive of Concepts/Lend Lease, More Info

