

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

DRAFT

MEETING NO. 383
Wednesday, March 6, 2013

KALAELOA

I. CALL TO ORDER/ROLL CALL

A regular meeting of the Kalaeloa 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 12:50 p.m. on Wednesday, March 6, 2013, 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: Jade Butay (DOT)
Grady Chun
Miles Kamimura
Kamaki Kanahele
Mary Lou Kobayashi (DBEDT)
Luis Salaveria (DBF)
Dean Seki (DAGS)

Members Absent: Linda Chinn (DHHL)

Others Present: Brian Lee, Chairperson of the Authority
Anthony Ching, Executive Director
Lori Tanigawa, Deputy Attorney General
Tessa Malama, Kalaeloa Director of Planning & Development
Shelby Hoota, program Specialist
Patricia Yoshino, Secretary
Holly Hackett, Court Reporter

MATERIALS DISTRIBUTED:

1. Report of the Executive Director;
2. Summary Minutes of Kalaeloa Authority Meeting of January 9, 2013.

II. APPROVAL OF MINUTES

1. Regular Kalaeloa Meeting of January 9, 2013

Chairperson Lee asked whether there were any corrections to the minutes of the January 9, 2013 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 Ching provided his report via a PowerPoint presentation (see Exhibit A).

Member Kanahale asked when a federal entity such as the military decides it no longer needs land here in Hawaii, whether it was automatic that the first offering goes to the State. In his past experiences with the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands, the first offering went to the State. When the federal government relinquishes property, most often it is willing to expend money to make the transfer to the State comfortable. He asked Mr. Ching to check if there are any options for the federal government to pick up the costs, so we do not get stuck with the transfer and the ownership from the U. S. Navy ("Navy"). He also asked Deputy Attorney General Tanigawa to look into the federal law.

Ms. Tanigawa stated she could not answer at this time.

Mr. Ching explained that Member Kanahale was generally correct that the State is one of the options. However, depending on whether it is a BRAC or release of surplus lands, the federal government would typically offer to other federal agencies first then, down the line to the State. The BRAC did seek to make transition easier in Kalaeloa; however, the BRAC process there is quite mature, having started in early 2000s, and the time for BRAC is just about done in particular areas. The Navy would be more than happy for any other entity to take over the role of providing utility services for water, waste water, power and telecommunications in Kalaeloa. The Navy has not made any investment in the area in the last 10 years. Water and wastewater are being shifted to a new public utility commission regulated entity. Unfortunately, electric power has been problematic over the years and no one, including the Hawaiian Electric Company ("HECO"), wants to assume the liabilities of the Navy's current distribution system. HECO believes they need to construct a new distribution system there. The only option that has not been tried and was considered not tenable, would be for an entity to come into the district, try to harness PV, and utilize a tax increment financing program to fund and establish a new utility to service only Kalaeloa. The difficulty is the load for the Kalaeloa market is very low and can be serviced by a 12 kV line, so the economics to make money are not there for an electric utility to take over and capitalize the new distribution system. The only way the economics will work out would be to partner with HECO to tap into their grid for safeguards and as well as contribute to the overall grid.

Member Kanahale requested a map in color be provided in the future for Members to use as a reference and get an idea as to the changes in Kalaeloa.

There were no public comments offered on the report.

IV. ADJOURNMENT

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

The meeting adjourned at 1:04 p.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.

Kalaeloa Report

Enterprise Road (Energy Corridor)

- \$5,620,000 – KA Revolving Fund Budget
- \$500,000 – HI Army National Guard
- \$500,000 – HI DOT/Airports
- \$6,620,000 – Total Budget
 - \$1,035,485 Plan/Design/Bid Docs (Encumbered)
- 12 Kv Line Extension From Kapolei Parkway to Midway
 - Serve FBI, National Guard, DOT Airports, DHHL Properties Along Enterprise Road
 - Energize Navy Substation D

Enterprise Road (Energy Corridor)

- Total Budget - \$6,620,000
 - \$1,035,485 Plan/Design/Bid Docs (Encumbered)
- HECO Expense to Pull Wire
 - April 2010 - \$392,000
 - December 2012 – New Estimate - \$3.65 M
- New Projected Budget - \$9.85M
- Updated Details Provided by HECO
 - Additional 12 Kv Circuits Needed to Serve Projected Load
 - Significant Additional Work to Tap New Circuits From Kapolei Parkway

Enterprise Road (Energy Corridor)

- Energize Substation D
 - New Switch Gear - \$220,000
 - HECO Expense to Pull Wire From FBI Stubout - \$200,00 estimated
- Navy Facilities Plan Being Discussed
 - Accept Substation D Upgrade?
 - New Utility Rates?
- Agency Consultation Initiated
 - HIARNG, DOT Airports, DHHL, FBI/GSA

Kalaeloa Map Orientation



Next Meeting

- Regularly Scheduled Meeting
 - Shifted From 1st to 2nd Wednesday
 - April 10, 2013
- Location
 - 461 Cooke Street
- May Meeting May Be Scheduled for Kalaeloa