

February 5, 2014
General Authority Meeting

ED Report (General Business)

- HCDA budget and revolving fund summary
- CIP requests summary
 - o Kalaeloa Enterprise Energy Corridor \$7M
 - o Kakaako Complete Streets \$5M
 - o Heeia Infrastructure \$500,000
- Upcoming legislation involving HCDA
 - o 7 bills being heard Feb. 8 (HB1860-HB1867, except HB1862)
- Will explore amending HCDA rules in regards to signage and noise in area
- HCDA Kalaeloa office moved to DHHL Kapolei building on Jan. 30, 2014
- Kakaako special authority meeting: February 19, 2014
- Next regular authority meeting: March 5, 2014

Executive director evaluation

- Authority committee **APPROVED** motion to develop process and conduct ED performance evaluation and establish ED salary

February 5, 2014
Kakaako Authority Meeting

- Keola Lai subordinate shared equity encumbrance
 - o **APPROVED** 7-0
 - o HCDA maintains its second lien position after original mortgage per homeowner's refinancing request
- Pacifica waive buy-back option
 - o **APPROVED** 7-0
 - o HCDA waives its option to buy back reserved housing unit #803
 - Cost prohibitive and inefficient use of staff time
 - HCDA still receives shared equity payment

Kewalo Basin Harbor Lease

- Selection for 30-year lease agreement, with 10-year option to extend
- Only harbor submerged lands included in lease
- RFP for service conducted and Almar responded for contract from 2009 to 2014
- Current Almar contract expires at end of February 2014
- Management and communication plan needed for harbor
- Harbor rules have not been updated for 25 years (Rules adopted in 2009)
- Priority as commercial harbor
 - o Commercial fishing, charter/ tour/ excursions given first priority
- Kewalo Basin Harbor Stakeholders group established to give input

Howard Hughes Corp. Presentation

- We have a big stake in having the harbor succeed due to proximity of Ward Centers and other Howard Hughes development
- Want to keep it a great community amenity for all
- Want input from community before setting a design for harbor
- No objections to building a lifeguard station on site for rescue craft

KB Marina LP/ Almar Management Presentation

- Have previous harbor management and marina experience, including Koolina Lagoons
- Have relationship with current harbor tenants and understand needs
- Learned from years of previous mistakes and experiences
- Understand the unique challenges of Kewalo Harbor (105 mph wind gusts, deep water, soil conditions, wave environment)
- Propose dry stack boat storage facility to provide affordable option for about 200 boats in Fast Lands parcel

Public Testimony

Hina Wong, OIBC

- **SUPPORT Howard Hughes** for harbor lease
- From Hawaiian culture perspective, Howard Hughes as manager would empower other cultural groups to ensure land management is consistent with Hawaiian values and philosophies
- Howard Hughes can create a place for the community
- Howard Hughes has already proven their dedication to preserving the hawaiian culture, as they've demonstrated extreme care for 'iwi kupuna

Bill Hecker, Alabama resident/ works on ADA compliance

- COMMENTS on HCDA ADA compliance duties
 - o Inclusion of accessible design in redevelopment of harbor facilities
 - o Regulations for state agencies for program accessibility (Existing facilities are made ADA compliant)
- HCDA needs to make harbor better for program accessibility, then transfer responsibility to the lease

Paul Sheriff

- COMMENTS
- Howard Hughes harbor plan includes land and water, but needs a little more harbor inclusion
- Almar plan needs more ADA compliance, disability access to harbor hasn't been improved yet in their time as manager
- Hawaiian culture is very important, must be preserved in harbor plans
- Look at bigger picture, community as a whole, to make sure you make right decision on harbor management

Mike DeRego, longtime Kewalo basin boater

- **SUPPORTS Almar**, stay with what we know, they've been responsive to boaters needs so far and have the experience that's needed
- Physically visit harbor before deciding anything
- Understand what Hawaii is about, tourists say Hawaii is losing what makes it "Hawaii"
- Concerned about creating a non-Hawaiian environment with lots of new buildings like Japanese wedding chapel, etc.

Nick Fidelibus, Waikiki diving

- **OPPOSE** long term harbor lease
- Money from harbor should stay with harbor and allow harbor to run itself
- Almar has experience running harbor and could help arrange harbor repairs
- Keep public lands in public hands
- 15-20 year lease term would allow harbor repairs to pay for themselves, anything longer than that would be giving money away

Rob Harrington, Kewalo charter boat operator

- **SUPPORTS Almar**, even though Howard Hughes is a good company
- Great presentations and ideas from both HH and Almar
- However, the lack of harbor management experience of Howard Hughes is a concern
- Almar has a good working relationship with current boaters, already working
- Dry stack option is good solution for boat storage, affordable

Tony Mathis, Kewalo charter boat operator

- **SUPPORTS Almar**, if decision must be made today
- Great presentations from both, wish we could merge them together
- But harbor needs major work
- Should fund harbor repairs with current harbor profits, but construction and maintenance needs Almar's experience
- Almar has proven track record of building and maintaining harbors
- However, Howard Hughes has a lot of money for harbor improvements and good marketing techniques
- Perhaps should postpone decision to see if Almar can do better marketing and if HH can create better plan to design harbor

Charles St. Romain, charter boat owner

- **SUPPORTS Almar**
- They have the experience necessary to run harbor
- Only positive things to say about interactions with Almar in previous years
- In favor of experience over inexperience, Howard Hughes doesn't have the experience and you can't outsource harbor management

Robert St. Romain, charter boat owner

- **SUPPORTS Almar**
- State of Hawaii should own and run harbor
- But we already know Almar and they understand the issues at hand
- Didn't like Almar at first, but we got to know them
- The longer you defer harbor plans, the more the plans get outdated
- Stop the delay, make a decision now

Joe Ferraro, Kakaako architect and Howard Hughes consultant

- **SUPPORTS Howard Hughes**
- I've worked on both NOAA and UH projects in Kewalo for past 20 years
- Howard Hughes incorporates locals to get involved with projects, does its research thoroughly
- Architectural community feels Kakaako needs world class facilities like those around the world, needs an impressive harbor
- It doesn't currently exist in Kakaako today, but Howard Hughes can change that by investing millions into this community

Ron Iwami, Friends of Kewalos

- Neutral on who to choose for harbor management
- Just hope the manager realizes the needs and concerns of the recreational users who have been using Kewalo for long time
- I grew up in Kewalo, still surf there, and want to retain ocean access and free parking to Kewalo basin
- Don't want to make it more limiting so surfers/ park users don't want to come there anymore
- Keep Hawaii, Hawaii and keep culture there

Kewalo Basin Harbor Fast Lands Exclusive Negotiation Agreement

Mike DeRego, longtime Kewalo basin boater

- **OPPOSE** lease for any restaurant in fast lands
- Would rather see dry stack boat storage than Italian restaurant there

Nick Fidelibus, Waikiki diving

- **OPPOSE** exclusive negotiation agreement
- It's state property, so should be put out to bid
- These decisions are not in best interest of public, HCDA shouldn't make exclusive negotiation agreements that lead to negative perceptions
- Prime location for many things, don't limit it to one thing

Rob Harrington, Kewalo charter boat operator

- Boaters need to be allowed to give more input on Fastlands development
- We know what works and how problems are solved
- But harbor master office in restaurant space

- Nice seafood restaurant, grills, showers, any of those ideas can be developed, don't limit your options

Tony Mathis, Kewalo charter boat operator

- Agree with other boaters, need to hold off on exclusive negotiation agreements
- Too much, too fast, we need to slow down on the development

Charles St. Romain/ Robert St. Romain, charter boat owner

- Agree, utilize that piece of land to its full potential
- Not just dry dock storage

Jack Hamada

- Make stipulation that contract won't allow deep drag private yachts or boats in Kewalo basin harbor for duration of contract
- One small condition, but will help many people in different ways
- Keep Kewalo Basin, Kewalo Basin and Hawaii

With a 5-1 vote, the Authority **APPROVES** allowing the executive director to enter into exclusive negotiations with **Howard Hughes Corp.** for a 60-day period, with negotiated terms to be subject to board approval.

Authority **defers** 1-year exclusive negotiation agreement for lease and development of Kewalo Fast Lands

AOAO One Waterfront Towers and Kakaako United Petition

- Authority **APPROVED** 5-0 issuing an order to show cause for the petition for relief and to schedule a hearing for an Order to Show Cause