

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

MEETING NO. 396
Wednesday, April 2, 2014

KAKAAKO

I. CALL TO ORDER/ROLL CALL

A regular meeting of the Kakaako Members of the Hawaii Community Development Authority ("Authority" or "HCDA"), a body corporate and public instrumentality of the State of Hawaii, was called to order by Mr. Brian Lee, Chairperson of the Authority, at 11:45 a.m. on Wednesday, April 2, 2014, 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: Rodney Funakoshi (DBEDT)
Randy Grune (DOT)
Miles Kamimura
Brian Lee
Lois Mitsunaga
Brian Tamamoto
Kalbert Young (DBF)

Members Absent: Dean Seki (DAGS)

Others Present: Anthony Ching, Executive Director
Lori Tanigawa, Deputy Attorney General
Lindsey Doi, Compliance Assurance & Community Outreach
Officer
Deepak Neupane, Director of Planning & Development-Kakaako
Chris Sadayasu, Asset Manager
Shelby Hoota, Program Specialist
Patricia Yoshino, Secretary
Holly Hackett, Court Reporter

MATERIALS DISTRIBUTED:

1. Report of the Executive Director;
2. Summary Minutes of Regular Kakaako Authority Meeting of March 5, 2014;
3. Decision Making: Shall the Authority Authorize the Executive Director to Execute an Agreement Subordinating its Shared Equity Encumbrance on the

Keola La'i Condominium Unit No. 1608 and Consenting to the Owner's Request to Refinance the Original Mortgage;

4. Decision Making: Shall the Authority Extend the Executive Director's Authorized Exclusive Negotiations with Howard Hughes Corporation for a Potential Lease and Development and Management of Kewalo Basin Harbor for an Additional Sixty (60) Days, Subject to a Thirty (30) Day Update and Whereby the Negotiated Lease Terms Will Be Subject to Authority Approval;
5. Decision Making: Shall the Authority Authorize the Executive Director to Enter Into a One (1) Year Exclusive Negotiation Agreement with Victoria Ward, Limited for the Potential Lease and Development of the Kewalo Basin Harbor Fast Lands Adjacent to the Harbormaster's Office (TMK: (1)2-1-58: 061 & 127);
6. Decision Making: Shall the Authority Authorize the Executive Director to Issue a Right of Entry to Close Construction Inc. for Twelve (12) Months for Parcel TMK: (1)2-1-015:009 in Accordance with the Terms and Conditions Recommended by the Hawaii Community Development Authority Staff Report;
7. Decision Making: Shall the Authority Authorize the Executive Director to Expend Up to \$350,000 from the Hawaii Community Development Revolving Funds, Leasing and Management Subaccount, to Retain Special Legal Counsel to Represent the Hawaii Community Development Authority Regarding the Complaint Filed on March 7, 2014 by Close Construction, Inc., Civil #14-1-0599-03.

II. APPROVAL OF MINUTES

1. Kakaako Regular Meeting of March 5, 2014

Chairperson Lee asked whether there were any corrections to the minutes of the March 5, 2014 meeting. There no comments or corrections from Members, and the minutes were approved as presented.

III. KAKAAKO MATTERS*

2. Decision Making: Shall the Authority Authorize the Executive Director to Execute an Agreement Subordinating its Shared Equity Encumbrance on the Keola La'i Condominium Unit No. 1608 and Consenting to the Owner's Request to Refinance the Original Mortgage?

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 execute an agreement subordinating its shared equity encumbrance on the

Keola La‘i Condominium Unit No. 1608 and consenting to the owner’s request to refinance the original mortgage.

A motion was made by Member Tamamoto and seconded by Member Mitsunaga.

A roll call vote was conducted.

Ayes: Members Funakoshi, Grune, Kamimura, Lee, Mitsunaga, Tamamoto and Young.

Nays: None.

The motion passed 7 to 0 with 2 excused (Member Seki and 1 vacant position).

3. Decision Making: Shall the Authority Extend the Executive Director’s Authorized Exclusive Negotiations with Howard Hughes Corporation for a Potential Lease and Development and Management of Kewalo Basin Harbor for an Additional Sixty (60) Days, Subject to a Thirty (30) Day Update and Whereby the Negotiated Lease Terms Will Be Subject to Authority Approval?

Chairperson Lee explained that the presentation by the Howard Hughes Corporation (“HHC”) and the HCDA staff report would be combined for Agenda Items #3 and #4. After taking public testimony, the Authority would meet in executive session regarding both agenda items.

Mr. David Striph, senior vice president Hawaii, and Mr. Race Randle, senior development director, were present for HHC. Mr. Randle provided a PowerPoint presentation of their vision and concepts for the Kewalo Basin Harbor (see Exhibit A).

For Agenda Item #3, Mr. Ching explained that staff has been working to implement the lease terms into a form that would be suitable for the Authority’s final review and approval. Because of the due diligence that is required, it would take longer than anticipated to finalize lease terms. Regarding Agenda Item #4 on lease and development of fast lands adjacent to the harbormaster’s office, HHC was seeking a context-sensitive use for the area as a community amenity, including a collaboration with KUPU.

PUBLIC TESTIMONY:

Mr. John Leong thanked the Authority and executive director for their support of KUPU. The Net Shed has been transformed from a place of homelessness, drugs and derelict use to an area of community use. KUPU has community workshops for young adults and provides them with programming that is giving them life skills. He was excited that HHC would be making a major improvement in the area and showed a sense of kuleana, or responsibility.

Ms. Lisa Mitchell stated that what HHC is doing is very expansive. She asked that they take it out to the broader community so there can be a lot of collaboration. The bottom line is to incorporate the Hawaiian people.

Member Mitsunaga made a motion to convene in Executive Meeting pursuant to Section 92-5(a)(4). The motion was seconded Member Kamimura. By a voice vote, the motion passed unanimously.

Pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 12:15 p.m.

The regular meeting was reconvened at 1:15 p.m.

Chairperson Lee entertained a motion for the Authority to extend the executive director's authorized exclusive negotiations with Howard Hughes Corporation for a potential lease and development and management of Kewalo Basin Harbor for an additional 60 days, subject to a 30-day update and whereby the negotiated lease terms will be subject to Authority approval.

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

A roll call vote was conducted.

Ayes: Members Funakoshi, Grune, Kamimura, Lee, Mitsunaga, Tamamoto and Young.

Nays: None.

The motion passed 7 to 0 with 2 excused (Member Seki and 1 vacant position).

4. Decision Making: Shall the Authority Authorize the Executive Director to Enter Into a One (1) Year Exclusive Negotiation Agreement with Victoria Ward, Limited for the Potential Lease and Development of the Kewalo Basin Harbor Fast Lands Adjacent to the Harbormaster's Office (TMK: (1)2-1-58: 061 & 127)?

Chairperson Lee entertained a motion for the Authority to authorize the Executive Director to enter into a 1 year exclusive negotiation agreement with Victoria Ward, Limited for the Potential lease and development of the Kewalo Basin Harbor fast lands adjacent to the Harbormaster's Office (TMK: (1)2-1-58: 061 & 127).

A motion was made by Member Tamamoto and seconded by Member Grune.

A roll call vote was conducted.

Ayes: Members Funakoshi, Grune, Kamimura, Lee, Mitsunaga, Tamamoto and Young.

Nays: None.

The motion passed 7 to 0 with 2 excused (Member Seki and 1 vacant position).

The meeting was recessed at 1:10 p.m.

The meeting was reconvened at 1:21 p.m.

Member Mitsunaga exited the meeting at 1:21 p.m.

5. Decision Making: Shall the Authority Authorize the Executive Director to Issue a Right of Entry to Close Construction Inc. for Twelve (12) Months for Parcel TMK: (1)2-1-015:009 in Accordance with the Terms and Conditions Recommended by the Hawaii Community Development Authority Staff Report?

Mr. Ching explained that Close Construction was using Lot C for a baseyard laydown yard while they work on the Brewery Building. If construction is completed sooner than the 12-month extension period requested, the right of entry will terminate earlier.

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 issue a Right of Entry to Close Construction Inc. for 12 months for Parcel TMK: (1)2-1-015:009 in accordance with the terms and conditions recommended by the HCDA staff report.

A motion was made by Member Tamamoto and seconded by Member Young.

A roll call vote was conducted.

Ayes: Members Funakoshi, Grune, Kamimura, Lee, Tamamoto and Young.

Nays: None.

The motion passed 6 to 0 with 3 excused (Members Mitsunaga and Seki, and 1 vacant position).

6. Decision Making: Shall the Authority Authorize the Executive Director to Expend Up to \$350,000 from the Hawaii Community Development Revolving Funds, Leasing and Management Subaccount, to Retain Special Legal Counsel to Represent the Hawaii Community Development Authority Regarding the Complaint Filed on March 7, 2014 by Close Construction, Inc., Civil #14-1-0599-03?

Mr. Ching explained that Close Construction had filed a complaint with respect to construction litigation. Given the specialized nature of the complaint, he recommended that the Authority retain special counsel to ensure all of our rights and protections are in place. The action was supported by the Office of the Attorney General.

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 expend up to \$350,000 from the Hawaii Community Development Revolving Funds, Leasing and Management Subaccount, to retain special legal counsel to represent the HCDA regarding the complaint filed on March 7, 2014 by Close Construction, Inc., Civil #14-1-0599-03.

A motion was made by Member Young and seconded by Member Grune.

A roll call vote was conducted.

Ayes: Members Funakoshi, Grune, Kamimura, Lee, Tamamoto and Young.

Nays: None.

The motion passed 6 to 0 with 3 excused (Members Mitsunaga and Seki, and 1 vacant position).

V. ADJOURNMENT

Member Tamamoto suggested that strategic planning be placed on the agenda for the next meeting.

The meeting was adjourned at 1:29 p.m.

Respectfully submitted,

/s/

Miles Kamimura
Secretary

Attachments: Exhibit A - Kewalo Harbor HCDA Presentation 4/1/14 Kewalo Fast Lands
Vision

*Meals were served to Authority Members and required staff as an integral part of the meeting.

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

KEWALO HARBOR



HCDA Presentation
4/2/14
Kewalo Fast Lands Vision

The Howard Hughes Corporation
& Victoria Ward Limited



4/2/2014 HarborMaster & Fast Lands EIA

KEWALO HARBOR

- 1. The Vision
- 2. Why is this important?
- 3. How will we accomplish the Vision?



4/2/2014 HarborMaster & Fast Lands EIA

KEWALO HARBOR

1. The Vision

KEWALO WILL CONNECT PEOPLE

- 1. CONNECT PEOPLE TO THE OCEAN
- 2. CONNECT PEOPLE TO THE PLACE
- 3. CONNECT PEOPLE TO THE CULTURE
- 4. CONNECT MAUKA TO MAKAI
- 5. CONNECT PEOPLE TO THE COMMUNITY
- 6. CONNECT PEOPLE TO EACH OTHER



4/2/2014 HarborMaster & Fast Lands EIA

KEWALO HARBOR

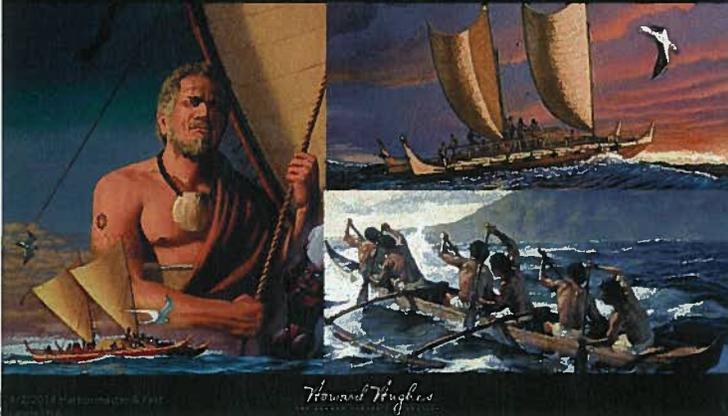
- 1. The Vision
- 2. Why is this important?
- 3. How will we accomplish the Vision?



4/2/2014 HarborMaster & Fast Lands EIA

KEWALO HARBOR

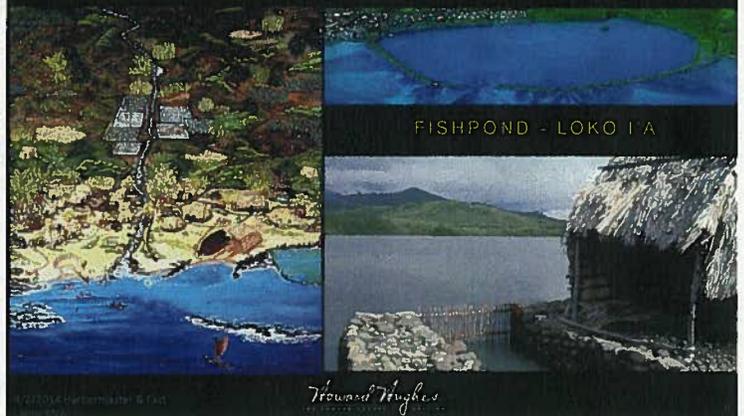
2. Why is this connection important?
A rich history of master sailors, navigators and watermen



4/2/2014 HarborMaster & Fast Lands EIA

KEWALO HARBOR

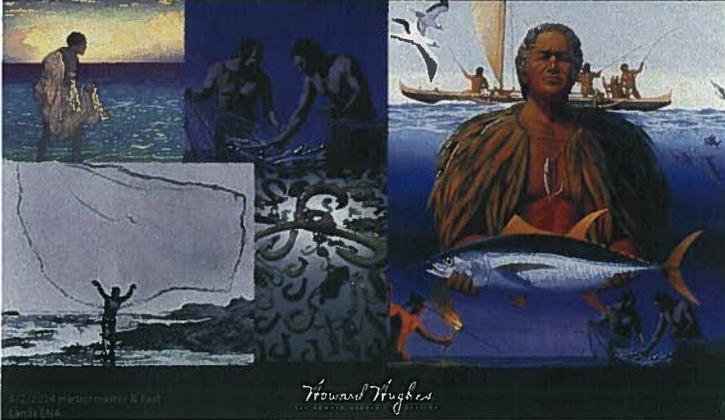
2. Why is this connection important?
A traditional connection to the ocean



4/2/2014 HarborMaster & Fast Lands EIA

KEWALO HARBOR

2. Why is this connection important?
A tradition of sustainability

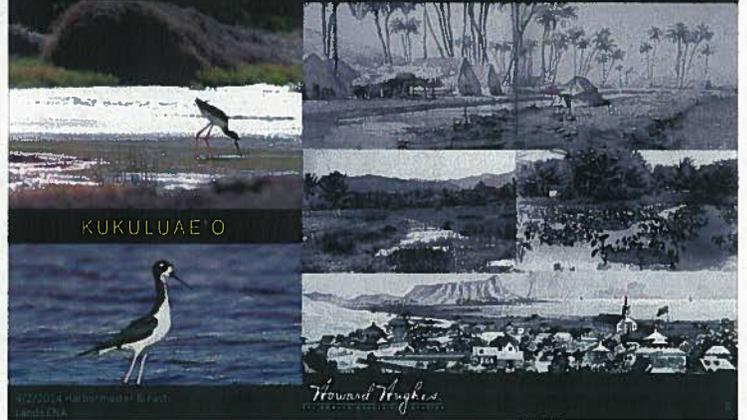


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Linda Dea

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CONSTRUCTION SERVICES

KEWALO HARBOR

2. Why is this connection important?
This Historical significance is harder today to find



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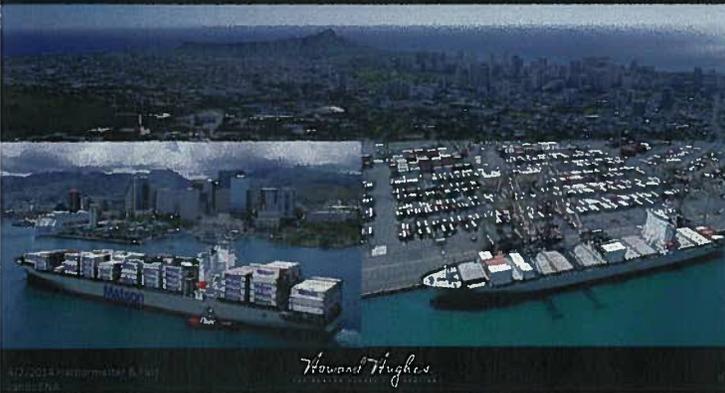
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KUKULUAE'O



KEWALO HARBOR

2. Why is this connection important?
Current Issue – disconnection from the water

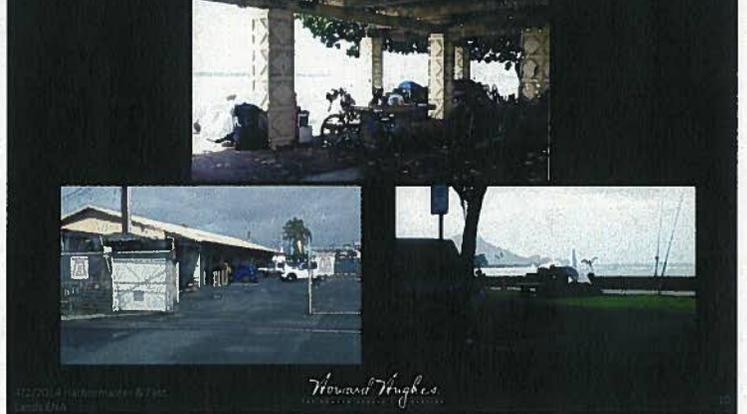


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KEWALO HARBOR

2. Why is this connection important?
Current Issue – area not comfortable for recreational users

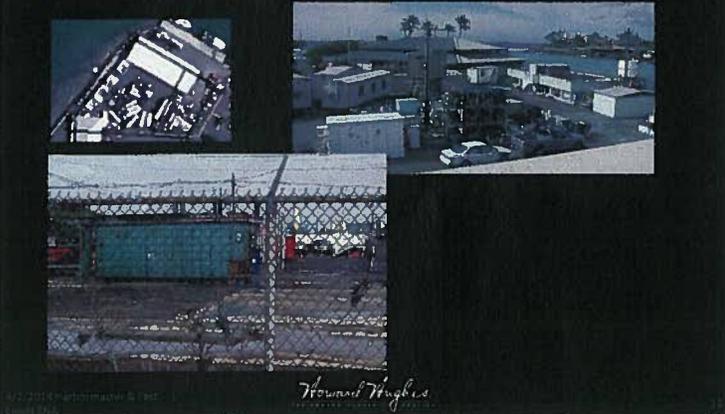


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2. Why is this connection important?
The current site does not welcome access or interaction

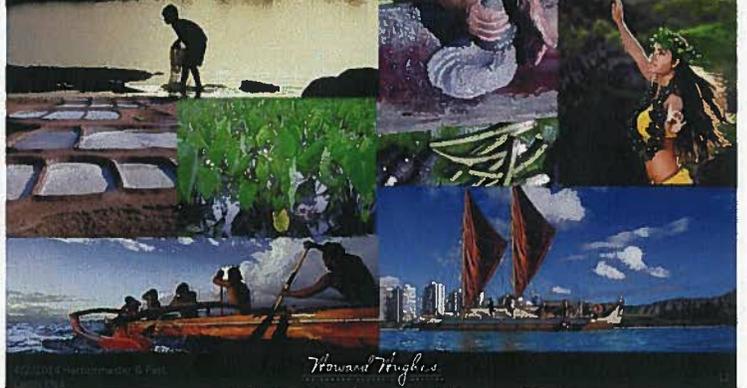


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2. Why is this connection important?
Looking Forward-A resurrection of the culture of this location through connections to the ocean



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KEWALO HARBOR

2. Why is this connection important?

Looking Forward- A resurrection of the culture in the heart of Honolulu



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Lands, LHA

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KEWALO HARBOR

2. Why is this connection important?

Kewalo is the prime amenity location and recreational area for locals and visitors to enjoy.



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KEWALO HARBOR

1. The Vision

2. Why?

3. How?

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KEWALO HARBOR

2. How?

Secure, Renovate and improve the harbor facilities



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KEWALO HARBOR

2. How?

Assist Kupu with Green Jobs Training Center



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KEWALO HARBOR

3. How?

Educational way finding of the history of the area



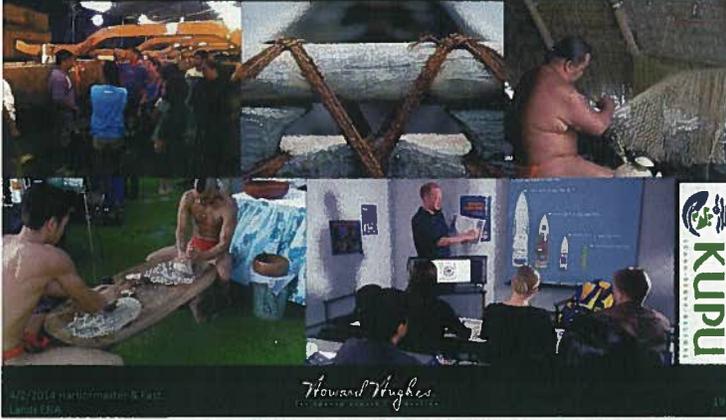
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KEWALO HARBOR

2. How?
Maritime Programming in partnership with KUPU & others



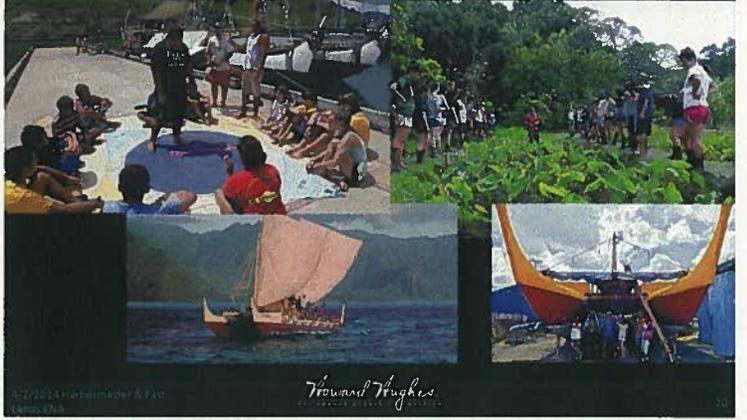
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KEWALO HARBOR

2. How?
Educational and historical experiences



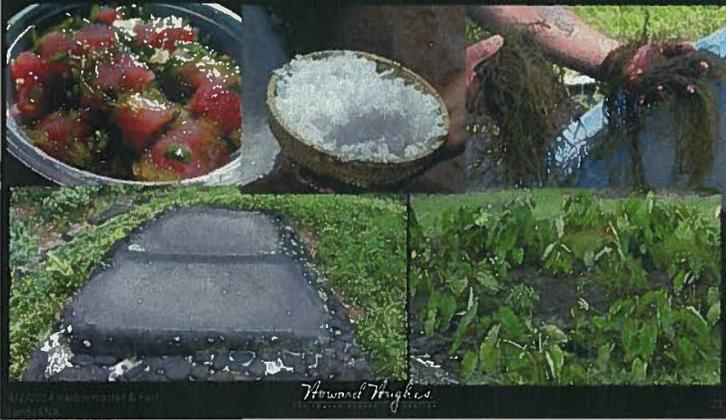
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KEWALO HARBOR

2. How?
Farm/Garden to table - Connection to traditional lifestyle

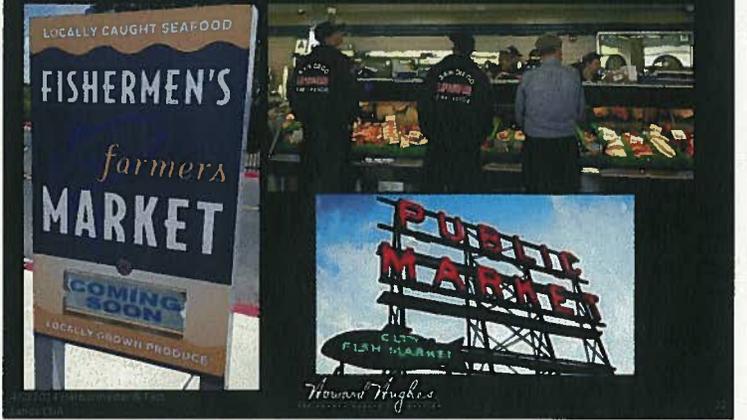


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3. How?
Ocean to table - Buy fresh - at the Kewalo Fishery



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3. How?
Ocean to Table - Dine fresh

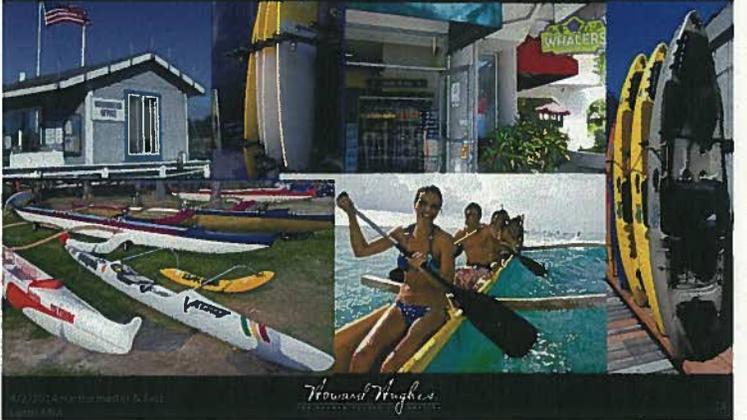


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3. How?
Get wet and set sail - at the Navigator's Club



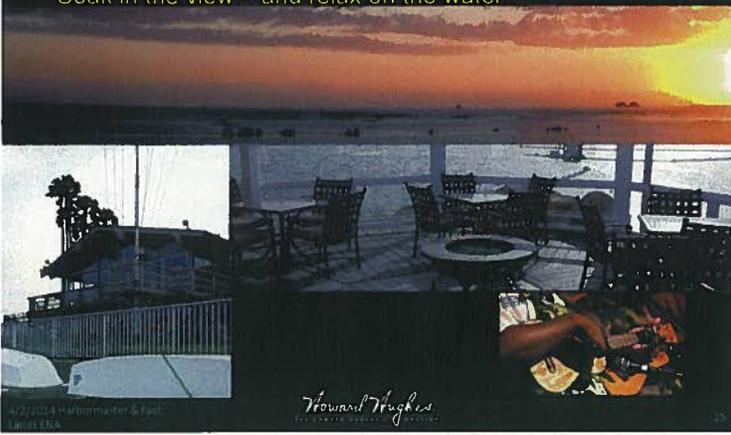
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KEWALO HARBOR

3. How?

Soak in the view – and relax on the water



KEWALO HARBOR

3. How?

Next Steps

1. Community outreach
2. Design
3. Execute lease
4. Permit
5. Construct

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