

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

Wednesday, April 4, 2018

KAKAAKO BUSINESS

I. CALL TO ORDER/ROLL CALL

A regular business meeting of the Kakaako Members of the Hawaii Community Development Authority (“Authority” or “HCDA”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by Chair Whalen at 10:00 AM, April 4, 2018 at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813, pursuant to Article IV, Section 1 of the Authority’s Bylaws.

Members Present:

1. John Whalen
2. Mary Pat Waterhouse
3. Wei Fang
4. Phillip Hasha
5. Jason Okuhama
6. Mark Anderson (B&F Ex-officio)
7. William Oh
8. David Rodriguez (DOT Ex-officio)

Member Absent: Kathy Sokugawa (DPP non-voting)

Others Present:

Garett Kamemoto, Interim Executive Director
Aedward Los Banos, Administrative Services Officer
Deepak Neupane, Kakaako Planning and Development Director
Tessa Malama, Kalaeloa Planning and Development Director
Lindsey Doi, Asset Manager
Francine Murray, HCDA Program Specialist
Tommilyn Soares, Secretary
Lori Sunakoda, Deputy Attorney General
Max Levins, Deputy Attorney General

II. APPROVAL OF MINUTES

Meeting minutes for March 7, 2018 were deferred.

III. INFORMATION AND DISCUSSION

Possible Transfer of Kakaako Makai Park Lands to the City and County of Honolulu.

The Authority anticipates convening an executive meeting pursuant to HRS § 92-5 (a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers duties, privileges, immunities and liabilities relating to the above item

Ms. Lindsey Doi presented the report provided in the board packet and noted that the report includes information on agenda items #2 and #3 as they are related items. She explained that the parcels are park lands in Kakaako Makai comprising of approximately 41 acres that include Kewalo Basin Park, Kakaako Waterfront Park and Gateway Park. Ms. Doi also clarified for Member Waterhouse that the KUPU net shed (located in Kewalo Basin Park) is a maximum 35-year lease and the initial term is for 15 years with two additional 10-year options to extend.

Mr. Kamemoto added that the current park transfer parcel list does not include the Kakaako Makai roads. He also added the next item for board action, HCDA has contemplated to help fund the park maintenance contracts until June 2019 so that the City can request budget appropriations from City Council to fund the park maintenance. The City also noted that HCDA will continue to collect revenues on the current leases, to help offset the cost of maintaining the parks until the end of June 2019.

Mr. Ford Fuchigami, Administrative Director for Governor David Ige explained that the Governor's office is not involved in the actual land transfer between the City and HCDA; however, the Governor's office helped to coordinate enforcement efforts for the homeless encampments in Kakaako and the Nimitz viaduct and have been working very closely with HCDA's Executive Director and the City's corporation counsel and is now helping to facilitate the possible transfer of HCDA's Kakaako Parks to the City and County of Honolulu.

Ms. Donna Leong, Corporation Counsel for the City and County of Honolulu thanked the board for the opportunity of a possible HCDA park transfer to the City. She explained that one of the City's main missions is to maintain parks in the City and County of Honolulu and would be honored and pleased to operate and maintain the Kakaako Parks for the residents of the City and County of Honolulu as well as its visitors.

****Member Oh and Rodriguez joined the meeting.**

Member Waterhouse asked Ms. Leong the following questions:

1. How the City and County of Honolulu foresees paying for the operations and maintenance of the Kakaako parks after June 2019?
2. Where the City will take money from in order to pay for the maintenance of the Kakaako Parks?
3. Are there any plans with the parking offered at the parks? Will the City add parking meters?
4. What does the City plan to do with the Maintenance Shed (Family Assessment Center), the Look Lab Lot and the Wastewater Lot?

Ms. Leong responded that the City will need to appropriate funds in fiscal year 2020 accordingly and that the funds will come from the real property assessments. She added that the City has not yet discussed parking plans. The City will assume the current lease with the Family Assessment Center and entertain discussions for an extension, if any at the Maintenance Shed, there are no firm plans regarding the Look Lab Lot; however, there are discussions for a staging area for one of the City Departments. She also noted, at this time, there are no plans for the Wastewater Lot.

Chair Whalen stated that the board's expectation would be that the City continue to follow the current Master Plan process with community involvement and that the regulations would remain under HCDA?

Ms. Leong stated the ownership is what is being discussed today and that the current zoning/regulations will remain with HCDA and kept in place, at this time.

Mr. Fuchigami added that as the facilitator of these meetings, there have been past discussions (that included the previous Executive Director, Jesse Souki) but not to the level of detail that the board is asking today and some of it would be premature to discuss until this board grants permission to move forward. Ms. Leong came on board to help with the legal aspects of how to go about transferring these parks to the City; however, there are future discussions that will be conducted if this item moves forward and hopes to come back to the board after those discussions to explain what those plans are for the area.

Member Waterhouse noted her questions are being asked because this area is included in a Park Master Plan and the community anticipating it remains a park is concerned with what happens to the revenue generating properties and whether there will be changes with parking that will happen. Member Waterhouse added that she understands this is the first step but to keep the community in mind when having these discussions.

Mr. Fuchigami responded that the City and County is very good at community outreach and discussions before any changes are made to City parks. He also added that both the City and HCDA will also benefit from transferring the remnant road parcels.

Mr. Kamemoto added that the remnant road parcels will be included in the second phase of this transfer.

Member Fang asked what the timeline and milestones will be.

Mr. Kamemoto responded that if the board moves forward, there will be a Right of Entry with the City so that they are able to work with the Governor's Homeless coordinator to start enforcing its rules and laws. HCDA's Deputy Attorney General's will then work on the deeds to help grant the transfer over to the City; however, that process may take some time. There will also be further discussion like HCDA's park permitting process.

Member Waterhouse asked whether the Sheriff Department or Honolulu Police Department will be enforcing this area.

Mr. Fuchigami and Mr. Kamemoto responded that one of the issues and the reason for the current discussion is that Kakaako Gateway Park include several ownerships of property, sidewalks and remnant roads that make it difficult for enforcement so what this transfer does is assist in bringing the ownership under one jurisdiction with the City.

Public Testimony

Chair Whalen noted the written testimonies received in support of the Park transfer proposal from Ms. Loretta Yajima of the the Children's Discovery Center and Ms. Virginia Hinshaw of UH's John A. Burns, School of Medicine and there was also one written testimony in opposition from Ms. Michelle Matson of Oahu Island Parks Conservancy.

Mr. Ron Iwami, Friends of Kewalos (also representing the park users) expressed concerns about what the impacts/changes to the current use of the parks will be and stated he hopes the City will not make many changes and supports free parking that the park users currently enjoy. He added that he would like to see similar parks rules used at Ala Moana Beach Park applied to Kewalo Basin.

Ms. Michelle Matson reiterated her written testimony opposing the park transfer. In addition, Ms. Matson stated that the City and County of Honolulu is staggering from its park maintenance and staff deficiencies, stemming from funding shortages. She suggested a partnership should be formed with HCDA and the Honolulu Police Department to assist with deterring the current homeless activities that is occurring at the Kakaako Parks and that at this time it is not a good idea to transfer these parks to the City.

Mr. Wayne Takamine, Kakaako resident stated his opposition of the park transfer and agrees with Mr. Iwami and Ms. Matson's comments of being pleased by the way HCDA is currently maintaining the Kakaako Parks and forming a partnership with HPD to help deter the homeless activities.

There were no further comments or questions.

IV. Shall the Authority Continue to Fund the Existing Service Contracts for the Kakaako Makai Parks (Kewalo Basin, Kakaako Waterfront, Kakaako Mauka Gateway and Kakaako Makai Gateway), Until June 30, 2019 for Use by the City in the Management of These Parks?

Mr. Kamemoto and Ms. Doi explained that a Right of Entry with the City memorializes HCDA's commitment to continue to pay for the operations and maintenance of the Kakaako Parks until June 30, 2019 and also that the HCDA will maintain the zoning authority.

Member Fang asked when the Right of Entry will start or when will it come to the board for approval?

Mr. Kamemoto responded that the ROE will be six months; therefore, board action is not required and is anticipated to start sometime in April?

Member Fang asked why it's a six month right of entry instead of one-year?

Mr. Kamemoto replied that with the current discussion and the City's willingness to operate and maintain the parks, it is anticipated that within the six months of the ROE, details will be ironed out with the State and the City in order to transfer the park parcels.

Public Testimony

Ms. Michelle Matson stated she felt the public should be better informed about the true intent of HCDA's planning activities regarding transferring the park lands to the City and County of Honolulu.

Chair Whalen and Member Hasha explained for Ms. Matson that during the information and discussion part of the meeting, board members were given an overview of what is being proposed, that the Park transfer is for ownership and not zoning/use, also that the second item is for HCDA to continue to fund the operations and maintenance of the Kakaako Parks. The right of entry is not an action item required by the board because it is less than one-year.

Member Waterhouse stated after Ms. Matson's statement she is also concerned about the intent of what is being presented to the board. Based on what was presented it appears that next month the board will have to make a decision on transferring these parcels with many unanswered questions and prefers to see a longer period for the Right of Entry so that the board and community members questions can be answered.

Member Fang suggest more engagement with the board and community members on transferring these park parcels before the board decides.

Member Hasha, Waterhouse and Fang suggest conducting a trial period during the six-month right of entry to see how City operations and maintenance of the Kakaako Parks are handled.

Member Hasha asked if the City Council will need to vote to accept the Kakaako Park Parcels.

Ms. Leong replied that they have taken a look at that issue and does not believe the City Council will need to approve the transfer of the property to the City. She added that she understands the board members concerns on transferring the parcels to the city within a month, however, there have been several discussions prior to today's discussion and believes the City will be prepared to take the property. The city prefers to own the property in order to apply the City's rules and regulations rather than the Right of Entry because the Right of Entry is intended only to be an interim measure until the board gives approval for the transfer. The purpose of the action item in regard to the service contracts is to bridge the gap from an operations and maintenance perspective for the personnel as well as budget aspects of the transaction.

Public Testimony

Ms. Michelle Matson asked the board to visit what transpired with Thomas Square Park and noted that is a very important precedence for HCDA and that HCDA should not make the City a viable option.

Mr. Wayne Takamine suggests revising the action item and strike out language that states "... for Use by the City in the Management of These Parks?" because its misleading and appears the transfer of the park parcels will be transferred to the City without a discussion.

MOTION:

Member Fang made a motion for the board to continue to fund the existing service contracts for the Kakaako Makai Parks (Kewalo Basin, Kakaako Waterfront, Kakaako Mauka Gateway and Kakaako Makai Gateway), until June 30, 2019 in the event the City assumes the management of these parks.

Member Hasha seconded.

Ms Doi conducted the roll call vote. Motion passed with 8 yes votes.

Shall the Authority Authorize the Interim Executive Director to Enter into a Ground Lease with 630 Cooke Street Partnership LP (Bronx Pro Group) for the 630 Cooke Street Parcel, Tax Map Key (1) 2-1-051014, Substantially in the Form Provided in Exhibit A, Pending Any Further Review of Legal Matters by the Deputy Attorney General?

The Authority anticipates convening an executive meeting pursuant to HRS § 92-5 (a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers duties, privileges, immunities and liabilities relating to the above item

Mr. Deepak Neupane summarized the report provided in the board packet and noted that one of the items required before Bronx Pro Group closes on its funding for this project is the ground lease.

There were no questions and no public testimony.

MOTION:

Member Okuhama motioned for the board to authorize the Interim Executive Director to enter into a ground lease with 630 Cooke Street Partnership LP (Brox Pro Group) for the 630 Cooke Street Parcel, Tax Map Key (1) 2-1-051014, substantially in the form provided in Exhibit A, pending any further review of legal matters by the Deputy Attorney General.

Member Anderson seconded.

Mr. Neupane conducted the roll call vote. Motion passed with 8 yes votes.

Shall the Authority Authorize the Interim Executive Director to Execute the “Declaration of Land Use Restrictive Covenant” Required by the Hawaii Housing Finance and Development Corporation for the 630 Cooke Street Parcel (Tax Map Key (1) 2-1-051014), Substantially in the Form Provided in Exhibit A, Pending Any Further Review of Legal Matters by the Deputy Attorney General?

Mr. Neupane referred to the report provided in the board packet.

There were no questions and no public testimony.

Member Anderson motioned for the board to authorize the Interim Executive Director to execute the “Declaration of Land Use Restrictive Covenant” required by the Hawaii Housing Finance and Development Corporation for the 630 Cooke Street parcel (Tax Map Key (1) 2-1-051014), substantially in the form provided in Exhibit A, pending any Further review of legal matters by the Deputy Attorney General?

Member Fang seconded.

Mr. Neupane conducted the roll call vote. Motion passed with 8 yes votes.

Shall the Authority Authorize the Interim Executive Director to Execute a Lease with U.S. Customs and Border Protection for a Portion of “Forrest Private Driveway”, TMK No. (1) 2-1-015-052 (por)?

Ms. Doi summarized the report provided in the board packet and noted that this lease will be for an intergovernmental lease at no cost for an initial one-year term and four additional 1-year options to extend and beyond the first five years there is an extension of an additional 5-years with a maximum of a 10-year lease, that US Customs and Borders Protection acknowledges is a sufficient amount of time.

Chair Whalen asked if there were any homeless encampments in this area.

Ms. Doi replied that they were not impacted because of a secured fenced-in area to the U.S. Customs and Border Protection office, but just outside of the fenced area there were some encampments.

Member Rodriguez asked if there is a possibility of transferring that private driveway to DOT?

Mr. Kamemoto responded that HCDA has not been approached with a request; however, can begin discussions.

There were no further questions and no public testimony.

Member Rodriguez motioned for the board to authorize the Interim Executive Director to execute a lease with U.S. Customs and Border Protection for a portion of "Forrest Private Driveway", TMK No. (1) 2-1-015-052 (por)?

Member Waterhouse seconded.

Ms. Doi conducted the roll call vote. Motion passed with 8 yes votes.

V. INTERIM EXECUTIVE DIRECTOR REPORT

Monthly and Status report on the following:

- a. Approved permit applications that did not require HRS § 206E-5.6 public hearings.

Mr. Kamemoto referred to the report provided in the board packet.

There were no comments or questions and no public testimony.

VI. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 11:45 a.m.

Approved and Submitted by,



John P. Whalen, Chairperson

MAY 02 2018

Date Approved by HCDA Board