

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

Wednesday, March 1, 2017

KAKAAKO BUSINESS

I. CALL TO ORDER/ROLL CALL

A general 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 11:57 AM, March 1, 2017 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. Wei Fang
2. Mary Pat Waterhouse
3. Beau Bassett
4. Jason Okuhama
5. Steven Scott
6. John Whalen

Members Absent:

David Rodriguez
William Oh
Laurel Johnston
Kathy Sokugawa

Others Present:

Jesse Souki, Executive Director
Lori Sunakoda, Deputy Attorney General
Deepak Neupane, Kakaako Planning Director
Lindsey Doi, Asset Manager
Aedward Los Banos, ASO
Garett Kamemoto, Communications and Community Outreach Officer
Laura Savo, Court Reporter

II. APPROVAL OF MINUTES

1. Kakaako Meeting of January 4, 2017

Meeting minutes were deferred to the next meeting.

2. Kakaako Regular Meeting of February 1, 2017

Meeting minutes were approved as presented.

III. ACTION ITEMS

3. Decision Making: Shall the Authority Authorize the Executive Director to Award Honeywell International, Inc. a Contract for the Quarterly Maintenance, Repairs and Service of HCDA's Security Camera and Card Access Systems for a Maximum Five-Year Period using Funds from the Hawaii Community Development Authority Revolving Funds, Public Facility Dedication Subaccount?

Ms. Lindsey Doi presented the staff report provided in the board packet.

Member Scott asked what the additional \$5,000.00 per year on the contract is for. Ms. Doi explained the \$5,000.00 will be available and spent only for unforeseen expenses, such as stolen cameras or equipment that will require approval by HCDA.

Member Bassett asked if this is an allowed to be spent under the Public Facilities Dedication Subaccount. ED Souki stated the Public Facility Dedication Subaccount is an error and should not be included in the language. The expense will come from the HCDA Revolving Fund.

There was no further discussion by board members or public comment.

MOTION:

Chair Whalen entertained a motion to authorize the Executive Director to award Honeywell International, Inc. a contract for the quarterly maintenance, repairs and service of HCDA's security camera and card access systems for a maximum five year period using funds from the Hawaii Community Development Authority Revolving Funds.

Member Bassett motioned, Member Waterhouse seconded and Ms. Lindsey Doi conducted the roll call vote. All members unanimously approved with six votes and three excused.

4. Decision Making: Shall the Authority Adopt the Kakaako Makai Parks Active Use Master Plan and Direct the Executive Director to Amend the Makai Area Plan and Rules to Incorporate the Active Use Master Plan?

Mr. Deepak Neupane presented the report provided in the board packet and briefly summarized the park's proposed elements and the location of each.

Chair Whalen and Mr. Neupane discussed the cost estimates listed on page 39 of the master plan's final draft. Member Fang asked why the biergarten is being

brought in at a later phase if the “return on investment” is better than other construction costs. Mr. Neupane explained that the proposed biergarten site will have to be built up to the level where it’ll be economically viable in the park. Member Fang asked if there is a plan to charge for any surface parking. Executive Director Souki stated HCDA would never want to compromise the public’s use of parking while enjoying the park; however, staff is looking into parking counts to see if there may be some spaces where fees could be generated and used toward maintenance and operation.

Vice Chair Scott mentioned that in a previous presentation to the board by COVE, they were willing to pay for and build a sports complex. Mr. Neupane explained that the concept and plan include a sports complex and although there may be organizations interested in building the facilities, the plans do not allow for a particular group to build the complex. ED Souki briefly outlined the process for the project and mentioned that the current request is for the board to approve the general concept. The next steps of the project would be adopting rules; project proposals; community outreach; a request for proposals; and if there are any private/public partnership interest, those requests would be approved by the board.

HCDA staff and board members further discussed concerns with part of the elements that were included in the final draft.

Chair Whalen called for public comment.

PUBLIC TESTIMONY

1. Michelle Matson, Oahu Island Parks Conservancy also provided written testimony and stated overall the current active use master plan draft is basically a good plan that builds upon the Kakaako Makai Master Plan that was adopted by HCDA in 2011.

There was no further discussion by board members or public comment.

Chair Whalen called for a motion.

Member Bassett recommended the matter be deferred so that the master plan document, as presented, could be amended to address some of the concerns that were mentioned. Chair Whalen stated that staff could take the comments that were made under advisement. Mr. Neupane, Chair Whalen and ED Souki and Member Fang discussed the necessary procedures and impacts if the board motioned to approve the current action item to move forward on the broad agreements of the project vs. amending the current draft plan. Chair Whalen noted that per ED Souki, the planning is a dynamic process and the board is not locked in by an approval on the action items as the “master plan is essentially conceptual.” Mr. Neupane explained that if the draft plan of the Makai Area Plan is authorized, staff will take comments from today’s discussion and make

refinements to the Master Plan. Mr. Neupane also suggested the board appoint a task force to work on parts of the final draft that were discussed.

ED Souki asked Ms. Lori Sunakoda, Attorney General to provide the board with guidance on creating a permitted interaction group task force. Ms. Sunakoda and ED Souki stated for the board that a motion will need to be made to create a task force that states its task and those members being appointed.

MOTION:

Member Bassett made a motion for the board to create a permitted interaction group, i.e., task force, with the task force's scope to envision potential amendments to the park master plan and to have discussions about amending the phasing priorities. Member Bassett, Member Okuhama, Member Waterhouse and member Scott volunteered.

ED Souki confirmed the motion made by Member Bassett to create a task force that will research the following as it pertains to the Kakaako Makai Area Parks Active Use Master Plan and Final Draft:

1. Amendments to the Master Plan;
2. Reorganizing priorities; and
3. Financial Feasibility

Chair Whalen confirmed the four members that have volunteered are, Members Beau Bassett, Jason Okuhama, Mary Pat Waterhouse and Steven Scott.

Member Bassett stated that he would like to note for the audience that the task force will get started immediately and would like them to have confidence that the board will come back with a report very soon.

Ms. Michelle Matson asked if there would be any community representation on the task force. Member Bassett preferred that the task force include board members for efficiency and noted for Ms. Matson that he did hear her verbal testimony and will take it to heart.

There were no further comments or discussion.

IV. EXECUTIVE DIRECTOR REPORT

5. Information: Kakaako Community Development District Reserved Housing Rules Proposed Draft Amendments.

Mr. Deepak Neupane presented the report and the proposed amendments that were provided in the board packet.

Chair Whalen asked if the task force, in regard to workforce housing, discussed if the current floor area restriction is necessary if there is a buyback provision. Mr. Neupane explained that the task force members discussed that and as the unit size was no longer relevant; that part of the rules were deleted.

Chair Whalen called for public testimony.

PUBLIC TESTIMONY

Anders Hostelley, President of Honolulu HomeLoans, stated serious concerns over the deed restrictions that have been proposed for condominiums built in Kakaako. Although well intended, the restrictions will have a negative impact on the affordability of housing in urban Honolulu.

Derek Lock, Downtown Capital LLC (Developer of 801 South Street), mentioned that there were many buyers for 801 South Street that were present earlier but have since left which is unfortunate as they wanted to express their views as buyers (end users). Mr. Lock stated his concerns for the proposed amendments and noted that HCDA's intentions are good however they may have a negative impact on the community in regard to the production of affordable housing.

Ryan Harada, member of the 801 South Street development team, expressed his concerns and stated his issues on the proposed amendments and asked HCDA to leave subchapter 4 as it is written to encourage more developers to build workforce housing.

Henry Chang, stated that the new rules will adversely affect the feasibility of current and future workforce projects and encourages HCDA do a factual study of historic production of workforce versus reserved housing in Kakaako and the resale pricing, before implementing new rules.

Dale Nishikawa, CEO of Marcus and Associates (sales agent for 801 South Street) stated his opposition of the proposed rule change as they relate to Subchapter 4, workforce housing.

There was no further discussion by board members or public comment.

6. Report of the Executive Direction

ED Souki highlighted the report of the dog bite of an 11-year old girl as there have been problems in the park with unleashed dogs and issues with enforcing rules. Staff is working on a framework to enforce rules but will require assistance with law enforcement and the homeless coordinator.

Member Scott asked what the timeline for the Governor to sign the park rule amendments was. ED Souki stated the park rule amendments are being revised for proper formatting and will be sent to the Governor for signature.

There was no discussion or comments from board members or public comment.

V. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 4:06 p.m..

Respectfully submitted,

/s/
John Whalen,
Chair

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