

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

DRAFT

MEETING NO. 385
Wednesday, May 1, 2013

KAKAAKO

I. CALL TO ORDER/ROLL CALL

A regular meeting of the Kakaako 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 12:45 p.m. on Wednesday, May 1, 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: Randy Grune (DOT)
Brian Lee
Lois Mitsunaga
Ralph Morita (DAGS)
Luis Salaveria (DBF)

Members Absent: Miles Kamimura
Kamaki Kanahele
Richard Lim (DBEDT)

Others Present: Anthony Ching, Executive Director
David Louie, Attorney General
Lori Tanigawa, Deputy Attorney General
Amy Mutart, Project Director
Deepak Neupane, Kakaako Director of Planning & Development
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 Kakaako Authority Meeting of April 10, 2013;
3. Decision Making: Shall the Authority Authorize the Executive Director to Grant an Easement to the Hawaiian Electric Company, Inc. Along Portions of Waimanu Street Owned by the Hawaii Community Development Authority in Order to Provide Service to the Waihonua at Kewalo Development Project, as Recommended

- by HCDA Staff;
4. Decision Making: Shall the Authority Authorize the Executive Director to Execute an Agreement Subordinating its Shared Equity Encumbrance on the Pacifica Honolulu Condominium Unit No. 1008 and Consenting to the Owner's Request to Refinance the Original Mortgage;
 5. Decision Making: Shall the Authority Authorize the Executive Director to Expend an Additional \$50,000 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for the Construction of the Reconnection of a Portion of the U.S. Department of the Army Joint Trunk System;
 6. Decision Making: Shall the Authority Authorize the Executive Director to Enter into a Memorandum of Understanding with the Department of Human Services to Continue a Jobs Training Program in the Kakaako District for an Amount Not to Exceed \$354,000.00 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for a Twelve (12) Month Period from July 1, 2013 to June 30, 2014;
 7. Decision Making: Shall the Authority Authorize the Executive Director to Grant the Following Perpetual Non-Exclusive Easements Over Submerged Lands to the Office of Hawaiian Affairs: (a) an Access Easement Over the Deck Adjacent to Fisherman's Wharf; and (b) a Boat Docking Easement Adjacent to Honolulu Marine; both of which have been designated as Easements 1 and 2, respectively, on the Subdivision Map 2012-SUB 170 Approved by the Department of Planning and Permitting, City and County of Honolulu, on March 22, 2013, as Presented in Substantially Final Form;
 8. Information: 690 Pohukaina - Executive Session staff report (confidential material distributed at the meeting).

Chairperson Lee stated that agenda item IV.6 would be taken out of order.

IV. KAKAAKO MATTERS

6. Decision Making: Shall the Authority Authorize the Executive Director to Grant the Following Perpetual Non-Exclusive Easements Over Submerged Lands to the Office of Hawaiian Affairs:
 - (a) an Access Easement Over the Deck Adjacent to Fisherman's Wharf; and
 - (b) a Boat Docking Easement Adjacent to Honolulu Marine;

both of which have been designated as Easements 1 and 2, respectively, on the Subdivision Map 2012-SUB 170 Approved by the Department of Planning and Permitting, City and County of Honolulu, on March 22, 2013, as Presented in Substantially Final Form?

Mr. David Louie, Attorney General of Hawaii, stated his support of the recommendation to authorize the granting of a perpetual non-exclusive easement to the Office of Hawaiian Affairs ("OHA") on certain parcels on Kakaako. These issues were discussed and suggested for inclusion in the settlement that the State reached with OHA.

For Parcel A, which is the Fisherman's Wharf parcel, there is a deck cantilevered over the submerged lands that was not included in the OHA settlement. Title to submerged lands are held by the State and cannot be given away. The easement essentially permits non-exclusive access to the deck by the OHA and their tenants.

For the Honolulu Marine parcel, the prior and present use of the area is as a boat repair facility. The existing lease on the property encompasses the water area and there is a boat docking easement.

Chairperson Lee asked whether the easement can be rescinded at some future date.

Mr. Louie explained that once the easement is granted, property rights are given up and you would have to pay them in order to rescind it.

Deputy Attorney General Tanigawa added that there were built-in considerations that if they do not use it for a certain amount of time, they would have abandoned it and it would revert back to the Hawaii Community Development Authority ("HCDA"). We do invoke conditions upon them. If the grantee violates a condition of the easement, we could seek a legal remedy. Generally, this is an easement that is granted in perpetuity.

Chairperson Lee asked if anyone in the audience had any comments. There were none.

Executive Director Anthony Ching summarized the staff report in the packet distributed to Members.

There were no questions from Members or comments from the public on the staff report.

Chairperson Lee entertained a motion for the Authority to authorize the Executive Director to grant the following perpetual non-exclusive easements over submerged lands to the Office of Hawaiian Affairs for (a) an Access Easement Over the Deck Adjacent to Fisherman's Wharf; and (b) a Boat Docking Easement Adjacent to Honolulu Marine; both of which have been designated as Easements 1 and 2, respectively, on the Subdivision Map 2012-SUB 170 Approved by the Department of Planning and Permitting, City and County of Honolulu, on March 22, 2013, as Presented in Substantially Final Form.

A motion was made by Member Salaveria and seconded by Member Morita.

A roll call vote was conducted.

Ayes: Members Grune, Lee, Mitsunaga, Morita and Salaveria.

Nays: None.

The motion passed 5 to 0 with 4 excused (Members Kamimura, Kanahele, Lim and 1 vacant position).

II. APPROVAL OF MINUTES

1. Regular Kakaako Meeting of April 10, 2013

Chairperson Lee asked whether there were any corrections to the minutes of the April 10, 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). He noted that two committees had been established: one to examine the HCDA by-laws and make recommendations, and the other for the evaluation of the executive director. Since the Authority's membership has been affected recently, the Chairperson intended to make new appointments and reconvene the committees.

Chairperson Lee asked whether the HCDA would have any role in the 21st Century Schools building.

Mr. Ching responded that the bill did not pass. The conference draft versions did not specifically authorize any work for the HCDA. Should we be engaged as perhaps the project manager, the Legislature would make that call in a subsequent session.

There were no public comments offered on the executive director's report.

IV. KAKAAKO MATTERS - continued

2. Decision Making: Shall the Authority Authorize the Executive Director to Grant an Easement to the Hawaiian Electric Company, Inc. Along Portions of Waimanu Street Owned by the Hawaii Community Development Authority in Order to Provide Service to the Waihonua at Kewalo Development Project, as Recommended by HCDA Staff?

(Deferred from April 10, 2013 Meeting)

Mr. Ching summarized the staff 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 grant an easement to the Hawaiian Electric Company, Inc. along portions of Waimanu Street owned by the Hawaii Community Development Authority in order to provide service to the Waihonua at Kewalo Development Project, as recommended

by HCDA staff.

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

A roll call vote was conducted.

Ayes: Members Grune, Lee, Mitsunaga, Morita and Salaveria.

Nays: None.

The motion passed 5 to 0 with 4 excused (Members Kamimura, Kanahale, Lim and 1 vacant position).

3. Decision Making: Shall the Authority Authorize the Executive Director to Execute an Agreement Subordinating its Shared Equity Encumbrance on the Pacifica Honolulu Condominium Unit No. 1008 and Consenting to the Owner's Request to Refinance the Original Mortgage?
(Deferred from April 10, 2013 Meeting)

Mr. Ching summarized the staff report in the packet distributed to Members.

Member Salaveria asked whether the HCDA would be subordinating itself to the owner's condominium.

Mr. Ching explained that we would be technically maintaining the second lien position with the bank that would be refinancing. It was not subordinating to the owner as much as maintaining our second position to the bank.

There were no 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 Pacifica Honolulu Condominium Unit No. 1008 and consenting to the owner's request to refinance the original mortgage.

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

A roll call vote was conducted.

Ayes: Members Grune, Lee, Mitsunaga, Morita and Salaveria.

Nays: None.

The motion passed 5 to 0 with 4 excused (Members Kamimura, Kanahale, Lim and 1 vacant position).

4. Decision Making: Shall the Authority Authorize the Executive Director to Expend an

Additional \$50,000 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for the Construction of the Reconnection of a Portion of the U.S. Department of the Army Joint Trunk System?

Mr. Ching summarized the staff report in the packet distributed to Members.

Chairperson Lee asked who would be the general contractor for the project.

Mr. Ching did not have the information available, but would provide it to Members later.

There were no comments from the public on the agenda item.

Chairperson Lee entertained a motion for the Authority to authorize the Executive Director to expend an additional \$50,000 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for the construction of the reconnection of a portion of the U.S. Department of the Army Joint Trunk System.

A motion was made by Member Salaveria and seconded by Member Morita.

A roll call vote was conducted.

Ayes: Members Grune, Lee, Mitsunaga, Morita and Salaveria.

Nays: None.

The motion passed 5 to 0 with 4 excused (Members Kamimura, Kanahele, Lim and 1 vacant position).

5. Decision Making: Shall the Authority Authorize the Executive Director to Enter into a Memorandum of Understanding with the Department of Human Services to Continue a Jobs Training Program in the Kakaako District for an Amount Not to Exceed \$354,000.00 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for a Twelve (12) Month Period from July 1, 2013 to June 30, 2014?

Mr. Ching summarized the staff report in the packet distributed to Members.

Chairperson Lee asked whether this request would be coming up annually.

Mr. Ching replied in the affirmative.

There were no comments from the public on the agenda item.

Chairperson Lee entertained a motion for the Authority to authorize the Executive Director to enter into a Memorandum of Understanding with the Department of Human Services to continue a jobs training program in the Kakaako District for an

amount not to exceed \$354,000.00 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for a twelve (12) month period from July 1, 2013 to June 30, 2014.

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

A roll call vote was conducted.

Ayes: Members Grune, Lee, Mitsunaga, Morita and Salaveria.

Nays: None.

The motion passed 5 to 0 with 4 excused (Members Kamimura, Kanahele, Lim and 1 vacant position).

7. 690 Pohukaina: The Authority anticipates convening an Executive Meeting pursuant to Section 92-5(a)(3), Hawaii Revised Statutes, to discuss negotiations relating to the acquisition of public property and Section 92-5(a)(4) to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities.
(Deferred from April 10, 2013 Meeting)

Chairperson Lee asked whether anyone in the audience wished to comment on the agenda item. There were none.

Member Grune made a motion to convene in Executive Meeting pursuant to Section 92-5(a)(3) and (4), Hawaii Revised Statutes. Member Mitsunaga seconded the motion.

A roll call vote was conducted.

Ayes: Members Grune, Lee, Mitsunaga, Morita and Salaveria.

Nays: None.

The motion passed 5 to 0 with 4 excused (Members Kamimura, Kanahele, Lim and 1 vacant position).

Chairperson Lee asked that Ms. Tanigawa, Mr. Ching, Mr. Neupane, Ms. Mutart and Ms. Yoshino join the executive session.

Pursuant to Section 92-5(a)(2) and 92-5(a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 1:43 p.m.

The regular meeting was reconvened at 2:16 p.m.

IV. ADJOURNMENT

A motion to adjourn was made by Member Salaveria and seconded by Member Grune. By a show of hands vote, the motion carried unanimously.

The meeting adjourned at 2:17 p.m.

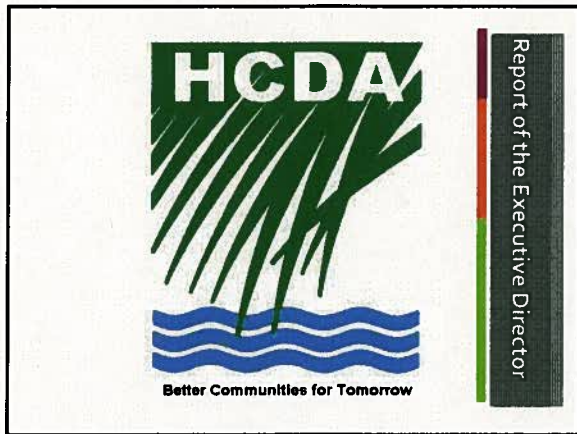
Respectfully submitted,

/s/

Brian Lee
Chairperson

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.



ED's May 2013 Report

- Summary Agency Financial Report
- Legislative Review
- Kewalo Basin Update
- Correspondence
- Staff Conference Report
- Next Meeting

Legislative Review

Requests	Results
<ul style="list-style-type: none"> ➤ Two Significant Proposals Included in the Administrative Package <ul style="list-style-type: none"> ➤ Complete Streets ➤ Notice Requirements ➤ Several CIP Requests Submitted <ul style="list-style-type: none"> ➤ Agency Staffing for 19 staff - \$1.855M ➤ Complete Streets - \$5M ➤ Performing Arts Facilities - \$3.5M ➤ Kewalo Basin Harbor Jetty Repair - \$1M ➤ Other Proposals <ul style="list-style-type: none"> ➤ HCDA Support for 21st Century School Development 	<ul style="list-style-type: none"> ➤ Complete Streets —stalled in Senate ➤ Notice Requirements —stalled in Senate ➤ Agency Staffing CIP- Approved ➤ Jetty Repair CIP – Approved ➤ All Other Proposals – stalled in conference

Legislative Review

- HB 560 HD1 SD1 CD1 Relating to Affordable Housing Urban Gardening
 - Allows HCDA to develop incentive program for housing projects that incorporate urban gardening programs
 - Must Consult with UH Manoa (College of Tropical Agriculture/Human Resources) re:
 - Urban Gardening
 - Vertical Gardening
 - Aquaponics
 - Community Gardening

Legislative Review

- SB 1171 SD1 HD2
 - Allows DLNR GE Review to be on a phased basis for a project provided that
 - A Programmatic Agreement is in Place Between DLNR and Project Applicant Provided That
 - Identifies Each Phase and Estimated Timeline
 - Project Consists of Corridors or Large Land Areas
 - Access to Project is Restricted, or
 - Circumstances Dictate that Construction Be Done in Stages

Legislative Review

- Bills Generally Affecting Boards and Commissions Will Be Reviewed and Analyzed for Impact
 - Report to be Compiled and Provided at Next Meeting
- Bills Generally Affecting Agency Operations Will Be Reviewed and Analyzed for Impact
 - SB 722 SD2 HD1 CD1 – Requires that all state agencies shall report to DAGS with an inventory of public buildings, facilities and sites owned or operated by agency
 - DAGS to Submit Report to Legislature.

Governor's Appointments

- GMs Confirmed by the State Senate
 - GM 753 Mahaalani Cypher (Heeia)
 - GM 754 Brian Lee (Kakaako)
 - GM 756 Lois Mitsunaga (Kakaako)
 - GM 759 Shirley Swinney (Kalaeloa)
- GM 755 Kamaki Kanahale (Kakaako/Kalaeloa/Heeia)
 - Withdrawn by the Governor
- Vacancies
 - Cultural Specialist (as of sine die)
 - Heeia – One/Kalaeloa – One/Kakaako – One

CIP Requests

Request	\$Requested
Reauthorization of 19 Project Staff Positions	\$1.855M
Complete Streets – Establish Bike Sharing and Street Demo Programs	\$5.0M
Kewalo Basin Harbor Intersection Improvements	\$5.6M
Waterfront Amphitheater & Community Performing Center Facilities	\$4.5M
Kakaako Parks Repair and Maintenance	\$3.6M
Repair of Kewalo Basin Channel Jetty	\$1.0M

HCDA Financial Summary

Current Month - March

Fiscal Year to Date

Actual	Budget	Variance	Actual	Budget	Variance
(KA) 155,017	202,540	(47,523)	1,769,534	1,902,495	(132,961)
(KL) 27,522	26,639	883	220,844	224,438	(3,594)
Revenue	Expenditure	Net Change	Revenue	Expenditure	Net Change
(ID) -	1,462,981	(1,462,981)	166,061	7,542,280	(7,376,219)
(LM) 86,911	96,325	(9,414)	732,190	738,102	(5,912)
(PFD) -	42,550	(42,550)	8,473	454,692	(446,219)
(RH) -	518,963	(518,963)	155,070	1,529,779	(1,374,709)
(CL) 6,735	333	6,402	45,798	2,686	43,112
(SDep) 5,300	-	5,300	27,550	37,362	(9,812)
(KL) 88,823	2,691	86,132	184,162	7,506	176,656
(Heeia) -	47,261	47,261	-	47,261	(47,261)

Summary of HCDA Revolving Funds

Description	Amount
Cash on Hand	
HCDA Revolving Fund & Kakaako District Operating Fund	24,978,178
Outstanding Obligations	
Subtotal – Known Obligations as of 02/29/2012	20,187,322
Cash Balance	4,790,856
Additional Cash	
Kewalo Basin Harbor Operations Fund (for KBH only)	2,033,924
Kalaeloa Community Development District Revolving Fund	277,860
Kalaeloa Community Development District Operating Fund	55,714
Heeia Community Development District Revolving Fund	-
Subtotal Additional Cash Balance	2,367,498

Kewalo Basin Update

	March	April
Overall Occupancy	100%	100%
Slip Revenue	\$94,000	\$94,000
Parking Revenue	\$1,500	\$1,500
Total Revenue	\$115,000	\$115,000
Operating Expenses	\$60,000	\$60,000
Net Income	\$55,000	\$55,000
Deposits (02-29-12)	\$123,465.54	

Correspondence

- HCDA Website Contact Form
 - Norman Noguchi
 - Represents Iolani Sportswear
 - Notes Critical Need to Improve Condition of Roadways From Piikoi Street to Kamakee Street.
 - Sections of Kona and Hoapaka Streets in this Area Makes Vehicular and Pedestrian Traffic Very Hazardous.
 - Response Requested as to When Repaving will occur
 - Response
 - Reconstruction of Streets Requires Curb and Gutter to be Constructed
 - Major Improvement Needs Legislative Appropriation and Benefitting Landowner Contribution

Staff Conference Report

- **The New York Times Energy for Tomorrow – Building Sustainable Cities Conference**
 - April 25, 2013
 - Staff Report is Being Drafted and Will Be Circulated to Members
- **Site Visits Conducted (Development Programs and Operations of Tall Buildings)**
 - Forest City/Gehry Development – 8 Spruce Street
 - Forest City/New York Times Building
- **Research and Viewing**
 - Empire State Building and Trump Tower

Next Meeting

- **Regularly Scheduled Meeting**
 - June 5, 2013
- **Location**
 - 461 Cooke Street
- **Special Public Hearing Dates**
 - June 19, 2013
 - July 17, 2013