

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

STATE OF HAWAII

KAKA'AKO SPECIAL MEETING

TRANSCRIPT OF PROCEEDINGS

Thursday, October 29, 2015

Taken at 547 Queen Street, Second Floor

Honolulu, Hawaii 96813

commencing at 9:01 a.m.

Reported by: JENNIFER DUY, CSR No. 507

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

- John Whalen, Chairperson
- Steven Scott, Vice Chairperson
- Deepak Neupane, Dir. of Planning and Development
- Diana Taira, Deputy Attorney General
- Anthony Ching, Executive Director

MEMBERS PRESENT:

- Jason Okuhama
- Tom McLaughlin
- Tracy Ban
- William Oh
- Mary Pat Waterhouse
- George Atta
- David Rodrigues

1	I N D E X	
2		
3	I. Call to Order	4
4	II. Report of the Executive Director	6
5	III. Approval of Minutes (September 2, 2015)	5
6	IV. Kaka'ako Matters	
7	(Agenda Subpart 2-a)	7
8	(Agenda Subpart 2-b)	8
9	Executive Session	13
10	(Agenda Subpart 4)	15
11	Executive Session (Agenda Subpart 5-7)	78
12		
13	V. Adjournment	78
14		
15	PUBLIC TESTIMONY BY:	
16		
17	John Kobelansky	68
18	Doug Miller	12, 70
19	John Eveleth	75
20		
21		
22		
23		
24		
25		

1 Thursday, October 29, 2015, 9:01 a.m.

2 -o0o-

3 CHAIR WHALEN: Good morning, everyone.

4 I would like to call to order the October 29, 2015,
5 Kaka'ako Special Meeting of the Hawaii Community
6 Development Authority. The time is now 9:01 a.m.

7 Thank you for your interest in
8 Kaka'ako and your attendance today. My name is John
9 Whalen, Chairperson of the Authority.

10 Let the record reflect that the
11 following members are present: Tom McLaughlin,
12 Tracy Ban, Steven Scott, Mary Pat Waterhouse, George
13 Atta, and John Whalen.

14 I note that today's meeting will be
15 the last for Tom McLaughlin, as he is relocating to
16 the mainland. I have enjoyed working with Tom, and
17 it's a sentiment I'm sure other board members share.
18 Let's thank Tom for his long service with the Ala
19 Moana/Kaka'ako Neighborhood Board as well as a
20 shorter tenure on Hawaii Community Development
21 Authority Board.

22 Tom, would you like to say something?

23 MEMBER MCLAUGHLIN: It was a privilege
24 to be appointed to this position. It has been an honor
25 to serve it. I have enjoyed working on behalf of the

1 folks, all of the neighborhood, and with a great group
2 of folks. And I feel certain that the future and the
3 best days of the board are ahead. And I am confident
4 that HCDA, both board and staff, will help make the
5 tough transition to where we are now to the future of
6 Kaka'ako, sensitive to the needs of the community. And
7 I thank everyone for their acceptance of me as a
8 representative. Thank you.

9 CHAIR WHALEN: Thank you, Tom. And
10 making a little presentation.

11 (Applause.)

12 CHAIR WHALEN: First item is approval of
13 minutes for the Kaka'ako regular meeting of
14 September 2, 2015. The minutes of this meeting are
15 located under tab 1 in your packet. I have one
16 comment, just minor correction. This is under item 3,
17 second paragraph. And it would be the three last
18 lines. The sentence -- the proceeding sentence should
19 be, "Housing as well as rental but particularly for
20 rental. Some legislators in Hawaii Housing Finance
21 Development Corporation also very acceptable to this
22 idea and partnership with HHFDC is key." I think it
23 makes -- yes.

24 MEMBER WATERHOUSE: I found another
25 typo, same page, second to the last paragraph, the

1 third line where it says, "100,000 cash in lieu versus
2 about" -- I am pretty sure that is supposed to mean
3 400,000 to 500,000.

4 CHAIR WHALEN: Yeah. Those are just
5 digits, zeros missing at the end.

6 Are there any other comments or
7 corrections to the minutes? If there are no further
8 comments or corrections and without objections, the
9 minutes are approved as amended.

10 So the first item on the Kaka'ako
11 matters is listed as "Decision Making: Shall the
12 Authority Adopt New Park Policies and Procedures." We
13 usually have the Executive Director -- I skipped over
14 that entirely. Go ahead. Sorry, Executive Director's
15 Report.

16 EXECUTIVE DIRECTOR CHING: Good morning,
17 members. It's nice to be back from leave in one piece.
18 I just offer for you that since we are having a general
19 meeting on the 4th, I am going to defer the usual
20 matters that we would discuss on my report, financials,
21 and others.

22 I just note for you that given recent
23 events, staff is working very diligently to establish a
24 program, appropriate programs to address a situation
25 that has arisen in our parks where we would need to

1 enforce our park policies and rules. And so we are
2 underway, and I expect that on November 4, I will have
3 even more information as we have accelerated time line
4 with which to manage and deal with the situation that
5 we find ourselves in the parks. Thank you.

6 CHAIR WHALEN: Is that your entire
7 report?

8 EXECUTIVE DIRECTOR CHING: Yes.

9 CHAIR WHALEN: Okay. Would you like me
10 to note anything?

11 EXECUTIVE DIRECTOR CHING: I think
12 something more forthcoming on November 4 when the whole
13 Authority is here.

14 CHAIR WHALEN: Okay. Thank you.

15 So getting back to Kaka'ako matters,
16 Item 2, Decision Making, shall the Authority adopt new
17 or affirm current park policies and procedures. And
18 there are two subsections. One is relating to items
19 and property left in parks after the parks are closed.
20 And the other is the park hours. And the current park
21 closure times for the Gateway Park and for Kaka'ako
22 Waterfront Park is 10 p.m. to 6 a.m. And for Kewalo
23 Basin Park 10 p.m. to 5:30 a.m. That's what is
24 currently in the rules. Right?

25 EXECUTIVE DIRECTOR CHING: Yes. And so,

1 Chair, for my report on this particular item, on the
2 first item addressing items and property left in the
3 development, parks, after parks have closed, we
4 continue to work with the attorney general's office and
5 representatives of the governor's office and other
6 state agencies. So at this point I would ask that we
7 just defer this matter to November 4, because we are
8 not quite yet completed.

9 With respect to the second item, which
10 is for this Authority to adopt park closure times and
11 affirm the times that are noted, again, I just know our
12 rules allow for the Authority or the agency to set
13 closure times. It has been long our practice that we
14 have published, and there is even signage to that
15 effect, that are consistent with what you see here for
16 Gateway Waterfront and Kewalo Basin Park, which list
17 essentially 10:00 p.m. to 6 a.m. as park closure times.

18 Again, the park, Kewalo Basin Park, is
19 slightly different as the practice has been for 5:30
20 a.m. to be the opening. 10:00 p.m. to be the
21 closure. We bring this matter to the Authority so
22 that we can clarify that it's the Authority's policy
23 that these are its closure times, unless you
24 otherwise determine.

25 So that's the intent of this action today.

1 Again, really to affirm or confirm what times the
2 Authority might set. Our practice has been as
3 stated in this agenda item.

4 CHAIR WHALEN: So essentially what is
5 before us today is just either confirmation of the park
6 closure hours?

7 EXECUTIVE DIRECTOR CHING: That's
8 correct.

9 CHAIR WHALEN: Or some modification to
10 those. Okay. First of all, are there comments from
11 the board?

12 VICE CHAIR SCOTT: What good does it do
13 to have hours of closure if they are not enforced?

14 EXECUTIVE DIRECTOR CHING: I would agree
15 with you, that unless we enforce closure times, that it
16 would appear to be dysfunctional. However, I need to
17 note that historically we have been enforcing closure
18 times of this sort. We have our park security
19 appearing at 10:00 p.m. The gates to the parking lots
20 are locked at that point. We have patrols within the
21 park, which have over time; years, decades, sought to
22 enforce these times.

23 Recent events have produced a situation
24 where there are 160 individuals, perhaps, and families
25 within -- who have just recently occupied the park.

1 And it's not sufficient for our single security guard
2 to effectively take it out or address the issue. So
3 that person is obliged to provide reports to us. We
4 are aware of it. We are mobilizing to take concerted
5 effort. And as you saw in the paper, our target is
6 November 12. To then be quite persistent and
7 consistent in enforcing park closure rules as well as
8 any other rules and administer any other programs that
9 we establish in junction with other state agencies.

10 So we look to be legally defensible.
11 But we look to be persistent and consistent beginning
12 on November 12. And there will be other activities
13 that lead up to that November 12th date and beyond,
14 which includes notice and outreach, which we believe to
15 be appropriate. It means that our signage, we will
16 take that time to ensure that our signage is
17 appropriate. And, again, notice and outreach has been
18 conducted. But it is our intention, and I will tell
19 you more about it on November 4. There will be a very
20 concerted effort which extends beyond November 12 and
21 moves forward, which we believe will be effective in
22 addressing the current situation.

23 VICE CHAIR SCOTT: I know in Kapiolani
24 Park, police will hand out tickets. They just don't
25 allow people to camp at Kapiolani Park. Why is that

1 not the case? These are parks very similar to that.
2 Why isn't that the case with these parks? Why aren't
3 they being given tickets, and why aren't the police
4 enforcing any type of restrictions on ours?

5 EXECUTIVE DIRECTOR CHING: So there is
6 currently much scrutiny on any program that is intended
7 to address issues that arise in the park. Again, we
8 seek to coordinate. Some of your questions and the
9 coordination, we are trying to ensure that we are spot
10 on and that it's, again, appropriate. But your
11 concerns are certainly very legitimate. And its
12 something that we expect to bring much resources and
13 attention to and not just on a single date but as a
14 program moving forward.

15 CHAIR WHALEN: I think probably if we
16 ask more questions of this nature, we should be in
17 executive session with our attorney.

18 DEPUTY ATTORNEY GENERAL TAIRA: There
19 are certain legal requirements that need to be met in
20 dealing with this issue. So if there are any further
21 questions, I would invite executive session so that I
22 could discuss any further questions with regard to
23 legal requirements.

24 CHAIR WHALEN: Okay. Thank you. Is
25 there a desire to go into executive session now or

1 consult with the attorney directly?

2 MEMBER ATTA: I just have a question.

3 CHAIR WHALEN: Yes, George.

4 MEMBER ATTA: It's not related to the
5 homeless issue. But these hours, are they the same
6 year round? Does the fact that it's summer versus
7 winter make any difference in our hours?

8 EXECUTIVE DIRECTOR CHING: The practice
9 has been that these hours have been consistent year
10 round.

11 MEMBER WATERHOUSE: I move we go into
12 executive session.

13 CHAIR WHALEN: Pat Waterhouse moves that
14 we go into executive session.

15 VICE CHAIR SCOTT: Second.

16 CHAIR WHALEN: I think before we do
17 that, I would like to give the public an opportunity to
18 comment on this agenda item. Doug Miller.

19 MR. MILLER: I had not planned to
20 comment on this agenda item. But I have one answer to
21 Steven Scott's question as to why don't the police do
22 anything in the state parks.

23 The answer is you would have to give the
24 city a property interest. And that has done at Fort
25 DeRussy Beach. There was a memorandum of agreement

1 between the Department of Land and Natural Resources
2 and City Parks. Which gave City Parks jurisdiction to
3 enforce their park closure hours. And that's why
4 police ticket people on Fort DeRussy Beach when it's
5 actually owned by the state of Hawaii. That is not the
6 case, I understand, with Kaka'ako parks. I can't
7 comment on how you would give City Parks a legal
8 interest to enforce the park closure rules on HCDA
9 parks. But I assume there is a mechanism.

10 CHAIR WHALEN: Thank you, Doug. Does
11 anyone else wish to testify?

12 We have a motion that was seconded to go
13 into executive session on this matter. All those in
14 favor say aye.

15 (Board members simultaneously voted in the
16 affirmative.)

17 CHAIR WHALEN: Any opposed?
18 Abstentions? We are going into executive session. I
19 think this should be, like, 10 or 15 minutes, I would
20 think. Ten minutes. Because it will come up again on
21 November 4 on our agenda. So I am sorry, folks. But
22 if you could leave for 10 minutes. We will call you
23 back in after.

24 (Whereupon, the board met in Executive
25 Session from 9:18 a.m. until 9:39 a.m.)

1 CHAIR WHALEN: Thank you, folks. Do I
2 hear a motion from the board affirming the park closure
3 hours that are listed in the agenda?

4 MEMBER WATERHOUSE: So moved.

5 CHAIR WHALEN: So moved. And second by
6 Steve Scott. Mary Pat Waterhouse moved.

7 Is there any discussion on the motion?
8 I think we already had an opportunity for public
9 testimony. So would you make a roll call vote.

10 EXECUTIVE DIRECTOR CHING: Can I clarify
11 who the second was given by?

12 CHAIR WHALEN: Steve Scott.

13 EXECUTIVE DIRECTOR CHING: Members, a
14 motion has been made and seconded to affirm current
15 park closure times as follows: Gateway Park, 10 p.m.
16 to 6 a.m. Kaka'ako Waterfront Park, 10 p.m. to 6 a.m.
17 Kewalo Basin Park, 10:00 p.m. to 5:30 a.m. On that
18 motion, Member Waterhouse?

19 MEMBER WATERHOUSE: Yes.

20 EXECUTIVE DIRECTOR CHING: Member Scott?

21 VICE CHAIR SCOTT: Yes.

22 EXECUTIVE DIRECTOR CHING: Member Ban?

23 MEMBER BAN: Yes.

24 EXECUTIVE DIRECTOR CHING: Member
25 Rodrigues?

1 MEMBER RODRIGUES: Yes.

2 EXECUTIVE DIRECTOR CHING: Member

3 Okuhama?

4 MEMBER OKUHAMA: Yes.

5 EXECUTIVE DIRECTOR CHING: Member

6 McLaughlin?

7 MEMBER MCLAUGHLIN: Yes.

8 EXECUTIVE DIRECTOR CHING:

9 Member Oh?

10 MEMBER OH: Yes.

11 EXECUTIVE DIRECTOR CHING: Chair Whalen?

12 CHAIR WHALEN: Yes.

13 EXECUTIVE DIRECTOR CHING: The motion
14 passes with 8 for the motion and 1 excused.

15 CHAIR WHALEN: Thank you. The next item
16 listed on the agenda was for decision making, but I
17 understand that has now be deferred?

18 EXECUTIVE DIRECTOR CHING: Yes, Chair,
19 at the request of the applicant for petitioner, they
20 ask that this be deferred to November 4.

21 CHAIR WHALEN: Okay. Thank you.

22 So the next item is for information and
23 discussion only, no decision making. This is the
24 solicitation to develop three parcels surrounding
25 Kewalo Basin Park, a portion of tax map key 2-1-058:

1 131 for development Lots 1, 2, and 3.

2 There had been an earlier presentation.
3 There was public comment and much comment from the
4 board as well. We asked the two proposers to come back
5 with a best and final offer, essentially we commented
6 about the intensity of the proposed uses. So, we have
7 that opportunity now. And we have both proposers here.

8 Race Randle, would you like to come up
9 and make a presentation.

10 MR. RANDLE: While we finish getting the
11 audio/visual set up, I just want to say thank you for
12 the opportunity to come back with a best and final
13 offer on this very important three parcels that wrap
14 Kewalo Basin Harbor. Can you hear me okay?

15 CHAIR WHALEN: Yes, I can. Can the
16 court reporter? She is the most important person in
17 the room.

18 MR. RANDLE: Today we are going to
19 present what we believe is the right and ultimate
20 solution for Kewalo Basin Harbor. It is a very high
21 quality but very low scale plan to make Kewalo Basin
22 Harbor a better community gathering place.

23 My name is Race Randle, the vice
24 president of the development at Howard Hughes, Ward
25 Village. And while we finish getting the audio set

1 up, I just want to remind everyone, and I am sure
2 your know and you probably just talked about it, but
3 Kewalo Harbor is today home to over 70 small
4 business that operate in the harbor every day.

5 It is the hub of ocean activities for
6 our visitor community that comes and wants to get out
7 on the ocean; whether it is diving, fishing,
8 parasailing, jet skiing. And at the same time, it's
9 that relaxing destination for watermen and waterwomen
10 who connect with the ocean on a daily basis, myself
11 included when I can find the time.

12 And that is a uniquely Hawaiian, a
13 uniquely South Shore lifestyle that we need to
14 perpetuate. We need to find improvements that make
15 that better, that don't take away from those
16 activities that are happening today. And that's
17 what we are going to present. Because each day
18 Kewalo Harbor can be a better place, in addition for
19 local families to gather, for friends to recreate
20 and enjoy the waterfront.

21 Today the buildings are dilapidated.
22 Barbed wire fences surround entire pieces of land.
23 As you heard earlier, unfortunately, homeless are
24 camping throughout the parks, promenades, sidewalks
25 throughout Kewalo Basin Harbor. And the community

1 suffers when these spaces are not improved, when
2 they are not welcoming, when they are not made
3 available to them.

4 So it's our great pleasure today to
5 present a holistic plan that makes an improvement to
6 Kewalo Basin Harbor. It is holistic because it needs
7 to be planned together. It's not three parcels. It is
8 an entire waterfront. And we spent over a year
9 carefully crafting a community based plan with input
10 from users, businesses, stakeholders, the HCDA, board
11 and staff, to come up with a very high quality, low
12 impact set of improvements to the existing buildings
13 only. And to improve the outdoor areas so that it adds
14 activities, convenience, parking, park improvements,
15 gathering spaces, ocean safety facilities for our
16 waterfront.

17 I just want to thank the HCDA board
18 and the staff for the many hours of discussion and
19 work on this. Joining me on my left is Rob Oipa,
20 from DTL and WCIT, who spent a tremendous amount of
21 time with our planning team, taking into account all
22 the community feedback to come up with a plan and to
23 design a division for Kewalo Harbor that we think
24 meets and exceeds the needs of the users. We are
25 very happy to present that today. So without

1 further to do, I will have him take it away with the
2 plans. Thank you.

3 MR. IOPA: Good morning, Chair, board
4 members. Rob Iopa, WCIT Architecture. Picking up
5 where Race left off. And I think time spent together
6 before we had expressed, at least, the desire and
7 understanding of the fact that this place is a unique
8 and special part of our community. That it has a
9 unique history. It has a unique character. And it's
10 our duty, as we move forward, to represent that
11 character and history appropriately, yet still bring it
12 to contemporary ways and lifestyle, so that it can
13 support what we believe our community needs, wants, and
14 desires.

15 I won't spend a lot of time on this
16 because we have spent time discussing this in the past.
17 But I do believe that it's important to set the
18 framework, that dating back now seven, eight months, we
19 began this process of engaging in the community, even
20 prior to the issuance of the RFBs. This was an intent
21 by Ward Villages to look holistically at the harbor and
22 its uses. When they were the awarded the
23 in-water-based improvements and operations, it was
24 important then to see how we can use the area
25 surrounding to support those activities.

1 We had robust community meetings. We
2 had many of you and many of the members here in the
3 audience participate in those meetings. We had active
4 on-site discussions about the history and importance of
5 this place.

6 Leading from those meetings began to
7 formulate what we believe to be guiding principles that
8 reflect what we heard through this process. And there
9 are five. I will mention them specifically. But in
10 total it was to make our community's gathering place --
11 to make this our makai community gathering place; that
12 Pilina, Piko, Kauhale, Kahakai, and Kai were all
13 important and have unique and special opportunities to
14 be expressed through the master plan. That we can
15 connect to the waterfront, connect our mauka to makai,
16 that we can celebrate its diverse working harbor, that
17 we need to provide some support for the in-water-based
18 activities, the harbor-based activities through this
19 idea of creating a village. That there are unique
20 beach experiences to be celebrated ideally and probably
21 most significantly, this is a place for family and a
22 place to actually connect with our ocean.

23 These sessions led to diagrammatic
24 thinking that looked for holistic approaches to the
25 master plan. And in and around the time the RFP came

1 out for responses for the three distinct parcels; 1
2 through 3.

3 At that time we convened a second
4 community meeting. We shared a vision. We started to
5 formulate the vision, which represented them in the
6 last proposal that we came to you. One that looked to
7 accentuate these character elements into
8 three-dimensional form and planning principles, a place
9 of gathering, a place of connectivity, and ultimately a
10 place that was open for public use and connected to our
11 waterfronts.

12 Our proposal today is really a
13 continuation of those things. While the planning
14 elements and the actual proposal has been reduced
15 significantly, we still think that the principles
16 established in our early communications are still ones
17 that we can embrace moving forward.

18 Our proposal for Lot 1 are consistent, I
19 believe, in many ways with the idea of creating an
20 ocean/fishing village. Not necessarily in structure
21 but more in amenities that support the functions that
22 happen in the marina.

23 We understand that parking is an
24 important component to this. And we look to enhance
25 the appearance of the parking. We understand the

1 importance of public facilities are important. While
2 no new public facilities are proposed in our
3 improvements here, we do look to substantially improve
4 the look and feel of the public facilities.

5 And, lastly, we believe that in our
6 environments that landscaping can go a long way. We do
7 believe that there is specific landscaping
8 improvements, specific amenities that can be brought
9 into play here that will definitely enhance this area
10 and allow for greater use and activity of the harbor.

11 We know the facilities now, they are in
12 decent shape. They were built stoutly. We know that
13 there are landscape and tree improvements here that are
14 in place. We do believe, though, that in moving
15 forward, there are simple elements that can be done to
16 improve the look, feel, and overall appearance of this
17 to make it more attractive, to make it more appealing,
18 to make it more welcoming.

19 We think that while we have large open
20 spaces, sometimes these open spaces don't necessarily
21 support the type of functions that our families like to
22 see in this area. We believe that we can improve with
23 simple introductions of benches and barbecues and
24 gathering places, places that will actually provide for
25 greater use of the areas that are established in Lot 1.

1 We do believe that connectivity between
2 Ala Moana Beach Park and Kewalo Basin, Kewalo Harbor is
3 important and Kewalo Waterfront Park. And believe that
4 we can improve the connectivity through pathways to
5 allow for pedestrians and bikes and those activities to
6 occur.

7 As we move to Lot 2, our proposal here
8 was Pilina, the idea of connecting mauka to makai. And
9 we still believe that while not in the same breath as
10 originally proposed, that we can achieve that in many
11 different ways.

12 One of the important things is not just
13 physical connectivity but allowing for the community
14 and the users to feel comfortable when they get there,
15 to making those connections to this place. We think
16 convenience provides for specific use that allows for
17 community and visitors to access this area and access
18 the vital chart of boats and small businesses that
19 exist in the harbor.

20 We know of the site parameters. We look
21 to establish our proposal within the site parameters.
22 We are looking to reconstitute the charter building in
23 many ways, shapes, and forms; leaving it essentially
24 intact but providing spaces for gathering, providing
25 actual functions and uses that support the activities

1 that happen in and along the charter areas.

2 We believe that we can do that with
3 character that still is of the fishing and harbor use,
4 that there aren't a lot of, kind of, slick materials.
5 They are still, kind of, in that harbor vernacular that
6 can be seen in its current state and in its historic
7 uses.

8 We believe that landscape can be
9 enhanced, that these types of environments can be
10 created and actually provide greater visibility to
11 people traveling along Ala Moana Boulevard, making it
12 look attractive and thus drawing community members in
13 to support the charter boat activities as well.

14 Our last proposal is that Lot 3. And
15 this is an area that we just called Kai. We know that
16 the activities here at the point are very ocean
17 specific. We know that probably more so than anywhere
18 else that the activities here are sensitive and
19 important to recognize its use. Our proposal has
20 stepped back its proposal of creating new structure
21 here. But in many ways, shapes, and forms, we are
22 still providing for a place that supports the activity
23 and creates an ocean family-friendly destination.

24 Our proposal is to reconstitute, to
25 readopt the existing NOAA Building. Our proposal is

1 one that harkens back to a facility that used to exist
2 on site known as the Kewalo Ice House. And one that
3 looks to provide services for the ocean destination and
4 family activities.

5 We recognize that throughout this
6 process, this idea of the lei of green has been an
7 important component. The green arrows show our general
8 thinking of how one can traverse in and around the site
9 improvements that can be made, simple improvements, to
10 make it more attractive to traverse in and around the
11 site.

12 Also important in this diagram in part
13 of our proposal is the inclusion of significant life
14 safety elements that support the harbor and ocean
15 usage. Our proposal is to provide for space here for
16 the Harbor Master, increase and enhance areas for
17 lifeguards and also potentially support for other
18 public safety type of organizations, potentially the
19 sheriffs or other types of public safety uses.

20 We also believe that this will be a
21 significant gathering place for our community that
22 supports the ongoing activities in the park and the
23 activities that could enhance moving forward. We look
24 to do this, again, in ways that have an industrial,
25 contemporary/industrial type nature, with look that is

1 fun; colors and art and furnishings that can be brought
2 in to make this a lively place.

3 We all know the existing conditions. On
4 the surface it looks that this is almost not
5 salvageable. But in many ways, and we have seen this
6 in our communities, is that places like this can be
7 transformed significantly into places that become very
8 attractive places to be. Simple lettering and graphics
9 that can be included. Simple uses of rather standard
10 materials like wood slats or crates but in creative
11 ways can create environments that are quite special.
12 Simple activities as stringing lights can create these
13 environments that become places of destination. And we
14 are really intrigued by the idea of using simple
15 phrasing in unexpected places to express the history
16 and culture of this place. So contemporary and
17 historic names at parking stalls or on sides of
18 buildings or on doors that you enter into space can be
19 quite unique and special.

20 Existing conditions and what we believe
21 this place could look and feel like moving forward. We
22 have done a fair amount of evaluation of the existing
23 structure. And believe that all proposed here is
24 attainable. Places that can serve as a beach pavilion,
25 that can provide concession-type activities, that can

1 hold community events, places that include repurposed
2 shipping containers that would house groups like the
3 lifeguards and things of that nature.

4 So to provide access and support that is
5 ongoing and actually on display, so those people
6 that are providing us these community services are
7 really celebrated in these great work environments.

8 We know of spaces like this. We have seen
9 them. We have seen them here in our community and
10 we see them across the country in places that are
11 looking to adapt these spaces into new and
12 attractive people places. We also know structures
13 that exist that in other ways may look like they
14 don't have any useful use currently. But how we can
15 reconstitute these as well. So structure that is
16 on-site potentially repurposed as surfboard lockers.
17 Areas that have just hard areas being brought in
18 with planter boxers and seating that become an
19 attractive place to gather.

20 In summary, I think our intent is really
21 to still stay true to the mission, to create this
22 place as our makai community gathering place, and
23 feel that these proposals are consistent with the
24 overall vision that we started with and reflect, at
25 least what we hear coming back, as a desired

1 response to the RFP at this time. Appreciate your
2 time and attention.

3 MR. RANDLE: So to close, again, I want
4 to thank the HCDA and the community members who have
5 been involved for months, if not many years now, in
6 stewarding Kewalo Basin Harbor. We welcome your
7 feedback. This is what we see as another one of our
8 continued community meetings to present the right
9 concept that ultimately gets executed to improve the
10 harbor and our waterfront.

11 We are a little biased, but we obviously
12 think we are the best partner for this task. We have a
13 large development across the street. We have the boots
14 on the ground. We have the best local team that
15 handles leasing, marketing, operation. And we are
16 already operating the harbor. For the past year, we
17 successfully operated the harbor. And we see it as a
18 great amenity for Hawaii. We see it as a place that
19 can be better. And we see this plan as one that can
20 get us there in a short period of time, without
21 significant investment from the HCDA or without
22 investment from HCDA, as was per the request. And we
23 are willing to spend the time, the effort, and the
24 money to get this done, if given the opportunity. So
25 thank you very much.

1 CHAIR WHALEN: Thank you. What I
2 suggest to members, is that we hold questions and
3 public comment until we hear the presentation from the
4 other group so people can see the whole picture. Thank
5 you for your presentation.

6 And Kewalo Basin Partners is up. State
7 your name for the record.

8 MR. MUKAI: Shaun Mukai with McCorriston
9 law firm representing Kewalo Waterfront Partners.

10 Chair Whalen, Vice Chair Scott, board
11 members, and the audience, we thank you for the
12 opportunity to present Kewalo Waterfront Partners best
13 and final offer for the development of Lot 1. And we
14 would like to thank the board members for your service
15 to the public, as volunteer board members as you take
16 time away from your professional careers and family
17 life to attend hearings and read our voluminous
18 submissions.

19 I want to first introduce our team
20 again. We have Mr. Chikako Takeda, president of KWP in
21 the back. I think he is here. Here at the table here
22 to my immediate right is Shane Peters, who is a recent
23 addition to our team. He is our land, use, and public
24 relations consultant. We have Whitney Schneider-Furuya
25 with Aloha Consortium. Mike Goshi, principal of Design

1 Partners, who is our local architectural firm. And
2 Mike Hamasu with Colliers International, who analyze
3 the economics of the proposed development and our
4 projected lease rents.

5 Kewalo Waterfront Partners believes that
6 our best and final offer meets all of the requirements
7 of the HCDA's solicitation request for proposals
8 relating to the development of Lot 1. As we had stated
9 in our previous presentations to the board, KWP remain
10 committed to an ongoing dialogue with HCDA staff,
11 stakeholders, and board members and consider their
12 architectural and program suggestions, which may help
13 the proposal better reflect the needs of the
14 stakeholders and businesses and become even more
15 compatible to existing fishing and maritime operations
16 and the Kaka'ako Makai Master Plan.

17 As you will see in our presentation and
18 our best and final offer, KWP listened and our best and
19 final offer embodies and will continue to embody a
20 collaborative process incorporating some of the
21 suggestions made by board members, staff, and the
22 stakeholders, where we incorporated the inclusion of a
23 convenience store to service the existing businesses at
24 the harbor and refining our architecture to more of a
25 working harbor feel.

1 We still remain committed to our
2 original vision of a vibrant gathering place for all to
3 enjoy. We also hope that our best and final offer
4 conveys our commitment to the project and an investment
5 in the state of Hawaii. It's an investment in the
6 state of approximately \$50 million, without any
7 government subsidy or participation, which would result
8 in the creation of approximately 800 jobs and the
9 build-out of much needed off-site and on-site
10 infrastructure.

11 The on-site infrastructure will include
12 the build-out of 250 parking stalls at affordable city
13 rates and upgraded restroom facilities. It's an
14 investment in the state that would provide a compelling
15 \$30 per square foot for the ground lease rent, which
16 would help HCDA with its staffing needs and ability to
17 address other pressing concerns.

18 And probably most importantly, it's an
19 investment in the state's young entrepreneurs by giving
20 a talented Aloha Consortium the opportunity to manage
21 the food and beverage and retail program of this
22 project, who in turn will provide discounted lease
23 rents to young and upcoming local chefs and retailers.

24 I will turn it over to my colleague
25 Shane who will briefly discuss the past history of Lot

1 1 and the proposed use of Lot 1 under the Kaka'ako
2 Master Plan.

3 MR. PETERS: Thank you, Shaun. This
4 project is truly a gathering place for our local
5 community. The KWP project honors the past uses of the
6 site, restoring the vibrancy once present in this area
7 with McWayne Marine Supply, Sampan Inn, and other
8 businesses.

9 We believe it has been thoughtfully
10 designed with public input and provides a win for
11 nearly all constituencies. Now here, obviously, we are
12 really just focusing on the parcel Lot 1, which has
13 historically been waterfront commercial. And with
14 that, I think we can move to the redesign. And I will
15 introduce Mike Goshi, who will talk a little bit about
16 some of the changes.

17 MR. GOSHI: Good morning. My name is
18 Mike Goshi. I am a customer Design Partners. I am
19 here to kind of talk about the revisions. But before I
20 start, it has always been the vision of this process to
21 be a gathering place for all people, including the park
22 uses, the harbor, the boaters, commercial fishing
23 operations, visitors; all in an environment of a
24 growing community.

25 So it was a lot of community input and

1 time spent. So I'm really here today to specifically
2 to indicate the improvements and changes we made to
3 increase accessibility, reduce the scale of the
4 project, create more integration with the park, the
5 boaters, fishing operations, general public.

6 So basically I will start with the
7 original plan, it was a singular building. And it was
8 meant to address a lot of issues in RFP. The new
9 design, what we did was we broke the building in to
10 five different parcels. And the idea is to allow more
11 pedestrian access through the facility.

12 By doing this, we are able to add
13 additional breezeways through the facility by
14 relocating the loading zones and also be able to
15 increase existing pedestrian breezeway. We added a
16 convenience store at the corner, which is really good
17 accessibility visually and physically to the boaters
18 and to the park users. We also add another in-line
19 retail to add more flexibility to the mix along with
20 adding other bathrooms.

21 The new design what we did we added 30
22 stalls on grade. We believe that is going to help make
23 the park users have the ability to conveniently drop in
24 and pick up some ice or some beverages or other park
25 picnic items. And it also would help -- we kind of

1 compressed the footprint a little bit so we can
2 increase the promenade by 1 1/2 times.

3 The original, if you look at the slide
4 below, we were working with a 45-foot height limit. We
5 actually had some portions of the roof that went above
6 that, but with the addition of the on-grade parking and
7 relooking at the building forms, we were able to reduce
8 the building scale now, so we are well below the 45
9 feet, almost two levels less than the original
10 proposal.

11 And the idea now is to use different
12 forms that can reflect the organic-type growth of this
13 area. If you look at the slide, this slide shows the
14 new vision. It's a little more organic. It's a little
15 more free. And allows for a type of architecture that
16 reflects the maritime history of the site.

17 Also, I guess, we try to create a place
18 that really will reflect where the area is going with
19 some reference to the past. At the same time, we
20 would like to restate that design is always a
21 continuing process. We will continue to work with the
22 State and Board of Authority to refine to everyone's
23 vision.

24 At this time I would like to pass it
25 over to Shaun to talk about economic analysis. Oh, I

1 am sorry, I missed the pointers. As part of the
2 project, we are going to do some site work improvements
3 which will be part of the project cost, which will
4 include improvements to the sewer, the water,
5 infrastructure, access. That's about a million dollars
6 in improvements. So with that, I would like to turn it
7 over to Shaun.

8 MR. MUKAI: Part of, I think, the
9 compelling nature of our proposal is the economic
10 benefits to the state. And as you can see, we project
11 800 jobs to be created by our project. In addition, I
12 mention, that we are proposing a very compelling ground
13 lease rent of \$30 per square foot for the rental of the
14 area and also the promotion of local entrepreneurs.
15 And I am going to turn it over to my colleague Whitney,
16 who will discuss more of the program and how it has
17 evolved since we last spoke to the board.

18 MS. SCHNEIDER-FURUYA: Aloha, as
19 advocates for Hawaii's prosperity future generations
20 and emphasis on our local businesses here in Hawaii, as
21 we once shared with you our project is based upon four
22 pillars; eat, drink, shop, and learn. And composed of
23 13 key elements, which I will briefly go over, because
24 I know we talked about this before.

25 The first was the permanent farmers'

1 market, an indoor controlled setting offering farmers a
2 space to sell produce at \$2 a square foot. The food
3 hall all comprised of new eateries, new generation
4 eateries in a hipster, urban setting. The live music
5 hall, bringing back Hawaii Calls, live local and
6 Hawaiian music and then offering a space for mainland
7 groups and even international groups to provide unique
8 entertainment.

9 Other elements such as the signature
10 restaurant, The Beach Cafe, The Sunset Lounge &
11 Terrace, and all overlooking Ala Moana Beach, a
12 beautiful setting.

13 Another key element is the lei stands,
14 bringing back one of the most time-honored traditions
15 of our culture here in Hawaii, giving someone a lei,
16 that beautiful gift. Right?

17 And then, lastly, the newest addition to
18 our project, what you folks have suggested as well as a
19 community to diversify sales, providing a retail space.
20 This retail space will be a place reflecting our unique
21 culture here in Hawaii, also providing items that are
22 necessary in that beach lifestyle, as well as items
23 that are of old Hawaii and modern Hawaii, key items
24 that visitors will want to take home and either place
25 in their house or, et cetera.

1 This retail space will bring together
2 local designers and merchandisers and jewelers in talks
3 with and in relations with many that you may be
4 familiar with such as Matt Bruening, a.wattz, Pineapple
5 Ice, the list goes on, Roberta Oaks, Moo Moo Heaven,
6 all who are excited to share a little of themselves in
7 a retail space.

8 We believe that integrating this
9 element, the retail element, although it wasn't a part
10 of our original plan, we are very excited about it. As
11 am I because I went to school for fashion design and
12 merchandising as well. It will create opportunity and
13 also create an industry for -- an extra industry in a
14 place for people that are in fashion design and
15 merchandising to showcase a reflection of themselves
16 and a reflection of Hawaii. I am going to turn it back
17 over to -- Mike.

18 MR. HAMASU: Good morning, everyone. I
19 have been brought on board to share with you an
20 overview of the retail market, as well as our
21 consideration regarding the financials from rents to
22 ground rents and so forth.

23 First off, Hawaii continues to be a
24 very vibrant retail marketplace in which ground
25 rents in the past three years have escalated by

1 17 percent and vacancy rates have fallen to about
2 3.75 percent. What this means is, if you compare it
3 to any other place in the United States, we are
4 amongst the tightest market in terms of vacancy.
5 What this backdrop provides is a very positive
6 environment for additional retail development. And
7 you are already seeing that throughout the state.

8 One of the things that was brought
9 forward is the objective of creating a gathering
10 place. A gathering place, for me, from a personal
11 perspective, is if there is food, there is drink,
12 and if there is entertainment. And ultimately a
13 large component of this project is focused on that,
14 bringing people together to share food and accompany
15 each other in terms of camaraderie and so forth.

16 With that, there was concerns raised
17 in the previous meeting regarding the pricing and
18 rents for these retail sites. We did an extensive
19 study looking at rent lease comparables, for retail
20 as well as for restaurants. And, of course, they
21 range from \$1.50 all the way up to \$15 for most of
22 the retail locations throughout the island.

23 What is interesting, though, with the
24 focus on the restaurants, its not so much what the
25 average rent is or what the asking rent is but the

1 unique characteristics of the restaurant that generates
2 interest in the site. So we realize that with
3 adjacency to Ala Moana Beach Park, a very popular beach
4 park, the working harbor of Kewalo Basin, the huge
5 amount of residential developments that is springing up
6 in Kaka'ako and the fact that you have Ward and Ala
7 Moana Shopping Center as a destination for the site,
8 this particular development site benefits from all of
9 those variables.

10 Unfortunately when we look for
11 restaurants or retailers that share those
12 characteristics, some of those have a few of those
13 characteristic but not all. For instance, if we
14 identified retailers at Kua'Aina and Kaka'ako
15 Kitchen at Ward, they share, of course, the growth
16 in the Kaka'ako Marketplace.

17 If you look at Lei Lei out in Turtle Bay
18 or Monkeypod Kitchen out in Ko Olina, very unique
19 location, very attractive, very beautiful locations,
20 very characteristic of very successful restaurants, all
21 four of these that we mention.

22 If we look at it from just a rental rate
23 perspective and we weren't able to determine anything
24 from that. But if you look at that from our health
25 ratio, and that's what the retail industry uses to

1 measure success on whether or not they can pay an
2 occupancy cost. The health ratio for retail
3 restaurants is usually between 8 to 10 percent of their
4 gross sales. So these four restaurants, if you look at
5 their sales, based on the health ratio of 8 to 10
6 percent, it can generally pay rents in excess of 8 to 9
7 to \$10 a square foot. So basically that kind of
8 addresses that question.

9 Now, in regards to the ground lease, the
10 Department of Land & Natural Resources typically uses a
11 6 percent of fair market value to determine what the
12 ground lease would be. At \$30 a square foot, that
13 equates to \$500 a square foot in fair market value for
14 that land.

15 A recent comp just happened yesterday, a
16 Korean firm bought 14,000 square feet along Kapiolani
17 Boulevard and paid about \$348 a square foot. Just that
18 alone indicates that this site is already at or above
19 market in terms of the ground rent that can be
20 generated for the site.

21 Additionally, the annual increase of
22 3 percent will help to keep that value and that
23 opportunity for HCDA to benefit from the ground rent to
24 continue to exceed market value. So you are actually
25 getting a very beneficial ground lease perspective.

1 That kind of summaries the financial points. Shane.

2 MR. PETERS: I think what we are hearing
3 here, and what KWP is proposing, is a truly thoughtful
4 approach that tries to incorporate all of the public
5 input we received so far. To the extent possible, we
6 really tried to balance the needs of all the
7 constituencies here.

8 I think, through this project, provided
9 tremendous community benefits. The project is truly
10 designed to compliment and support the park, ocean, and
11 harbor experience of the area, not to distract or
12 compete with it. And the design changes you have seen
13 include widening the promenade, eliminating the parking
14 deck on top and actually taking off a floor, reducing
15 the building mass and really trying to provide lateral
16 access to the building to further encourage more
17 pedestrian access. The recreational opportunities are
18 going to increase for park users and oceangoers with a
19 250 additional stalls we are going to add to the area,
20 all at affordable prices.

21 And the three new public restrooms we
22 are going to add to the area will support all of the
23 harbor users, all of the park users, and the oceangoers
24 in the area.

25 Roughly \$1 million in off-site

1 infrastructure costs are going to be absorbed by the
2 developer and that includes sewer, utilities, water,
3 both potable and fire water for the area are going to
4 be invested into the project. And that benefits public
5 users as well as the neighboring businesses.

6 The economic opportunities really can't
7 be underestimated here. We are really focusing on
8 local entrepreneurs and restaurateurs. And we are not
9 talking about large corporate restaurants chains here.

10 In fact, discounted rents will be given
11 to local food growers that are part of the permanent
12 farmers' market, as you heard from our colleagues. And
13 an estimated 800 jobs will be created through this
14 project, including long-term permanent positions and
15 short-term construction jobs.

16 Neighboring commercial operators at the
17 harbor will benefit from the increased foot traffic and
18 visibility. The project has already received
19 significant support from the Department of Agriculture,
20 farmers like Dean Okimoto of Nalo Farms and other
21 business leaders.

22 We also expect significant revenue for
23 the State, which cannot be underestimated here as well.
24 The lease rent alone to HCDA will be over \$2 million in
25 the first year and increasing every year thereafter.

1 And that's over \$100 million at the end of the 30-year
2 span of this lease.

3 At the end of the day, we think this
4 project truly helps to have HCDA realize the vision for
5 the area. It really helps, we think, to link Ala Moana
6 with Kaka'ako and really help to support the visitor
7 and local experience to, kind of, really enjoy the
8 waterfront.

9 At the end of the day, we think the
10 balanced approach taken by this project will improve
11 the area, provide increased public facilities for
12 beachgoers, surfers, and fishermen, give the State and
13 HCDA additional revenue, grow economic opportunities
14 for local entrepreneurs, and provide the community
15 possibly with the first casual, quality dining shopping
16 and entertainment on the waterfront. Thank you.

17 CHAIR WHALEN: So, it looks like those
18 two tables are full, so I would like to have, maybe,
19 both teams represented at the front, probably the board
20 has some questions and open it up for public comment as
21 well. There are a number of people that have submitted
22 testimony and signed up to speak. So maybe just a
23 couple of people from each team. Race Randle and Rob
24 Oipa.

25 Well, I would like to open this up with

1 sort of a general comment. Following on the
2 presentations that we had earlier, which led to us
3 giving advice to both teams to come back with a
4 proposal that was less intensive use, less intensive
5 commercial use.

6 Kewalo Basin is first and foremost a
7 boat harbor and a public park. So the three lots are
8 zoned for commercial use. But at least I have always
9 envisioned them as sort of accessory in support of the
10 harbor and the public park, not competing with those
11 uses. Those are the primary purposes of the Kewalo
12 Basin.

13 In that regard I have a question about,
14 first of all, I appreciate -- starting with Victoria
15 Ward. I appreciate the responsiveness of the revised
16 proposal. It really reduced the uses to the existing
17 building footprints and renovated those spaces.

18 What I thought was particularly
19 interesting was Lot 3, which we said you wouldn't need
20 to submit a revised proposal. But it struck me that
21 the reuse that you are proposing is very similar to
22 what Kupu Net Shed, that role that it presently
23 provides, kind of a gathering space.

24 I am wondering if you had any thought or
25 consideration about some kind of a partnership with

1 Kupu? They want to keep the Net Shed, but is it
2 possible to incorporate them into this Ice House as an
3 adaptive reuse?

4 MR. RANDLE: First time I have heard
5 about that. I am very familiar with their concept
6 plans of the renovation of the Net Shed. But like we
7 said, this is a concept that involves a large community
8 gathering space in that Lot 3. It would be something
9 that we can definitely discuss.

10 CHAIR WHALEN: Okay. It has sort of
11 informal meeting facilities. It look like it has a
12 kind of food service there for community meetings and
13 that sort of thing. And it's a commercial use. It's
14 not located within the park itself. It's just adjacent
15 to it.

16 I don't expect an answer right here,
17 just putting out an idea here. Because that would
18 possibly reduce the amount of building that occurs on
19 Kewalo Peninsula now to optimize the use of the park.

20 As far as Kewalo Basin Partners, I
21 guess, my question is, I know you have developed -- and
22 it's a very interesting proposal, you know, in terms of
23 the many parts of it, I think, that it could bring to
24 this area of Kaka'ako.

25 But as you know, Office of Hawaiian

1 Affairs is doing a master plan now. And it seems to me
2 it is not so much the use being proposed but the
3 location, the particular location. And as I was
4 hearing this proposal I thought, well, what a great use
5 to be located where Fisherman's Wharf was once located.
6 I mean, it seems -- it's generating revenue. It's
7 introducing Hawaiian products and food and all of that.
8 It has got great exposure for people passing along Ala
9 Moana Boulevard. I am hoping that there might be a
10 place there, if this proposal is not accepted for this
11 location.

12 Anyway, those are two of my thoughts
13 about this. But I would like to open it up to the
14 other board members and their questions, if there are
15 questions. Yes, David.

16 MEMBER RODRIGUEZ: To Howard Hughes, I
17 see that other than a grease interceptor and how much
18 you are spending on infrastructure improvements, what
19 would you highlight other public benefits would be?

20 MR. RANDLE: With our plan the
21 buildings, again, are already there. I think the
22 public benefit is allowing people to access them,
23 putting the right uses in those buildings, and
24 reopening them. Currently the public, like I said, is
25 stopped by a barbed wire fence at Lot 3. And that

1 large potential parking area of over 100 additional
2 parking stalls that aren't currently there, could get
3 brought to life in a matter of months.

4 So there is great public benefit just in
5 usability and accessibility and convenience. And the
6 plan specifically was designed so that there weren't
7 large infrastructure requirements needed. So we didn't
8 have to take out parking in order to put in roads. We
9 didn't have to block things while we put in new
10 sewer/water lines. It was specifically designed to
11 utilize not only the existing buildings, but to maximum
12 the infrastructure that is there. So we didn't have to
13 take things off line, and it would continue to be a
14 functional space for the community and the boaters
15 especially, who depend on the access and the
16 circulation in that area to run those 70 plus small
17 businesses.

18 For the public, you saw some of the
19 images of picnic tables, benches, barbecues. But
20 taking some of those areas that are included in this
21 RFP, and then programming them so that they can be more
22 usable. So the public can get there. They can park
23 easier. They can recreate easier. Cleaner and more
24 accessible bathrooms. Places to grab convenience items
25 and just enjoy the beach.

1 CHAIR WHALEN: Any other? George Atta.

2 MEMBER ATTA: Just looking at the two
3 proposals, I am kind of struck at the difference in
4 orientation. I mean, the Howard Hughes proposal seems
5 to treat the harbor as an extension of the park and
6 makes minimal improvements. Whereas the other one
7 actually goes back to a Kaka'ako of an earlier time
8 when Kaka'ako was more of a fisherman's commercial hub.

9 And so as far as seeing two such
10 different visions, I am just wondering from the
11 Kaka'ako plan, what do we anticipate? Are we trying to
12 create an extension of Ala Moana Park?

13 Because I am beginning to feel very old.
14 I don't know how many people remember, as a kid I used
15 to go to McWayne's Marine Supply and watch the guys
16 swimming with the sharks in the tanks out in the makai
17 area. And as a student at UH, I took boat rides out of
18 the NOAA Lab on the Thompson Cromwell. It was a very
19 diverse, active place.

20 And, so, the two visions seem quite
21 different in their direction. I am not sure whether --
22 so depending on what we are trying to achieve as a
23 board, one vision would fit as opposed to the other.
24 It just makes me wonder seeing that.

25 MR. MUKAI: I think KWP -- we

1 respectfully submit that we are both responsive to the
2 RFP for Lot 1. In the RFP it states that with the
3 expansion of the harbor an anticipated 250 parking
4 stalls would be needed. We submitted a proposal that
5 directly addressed that need at our own cost and
6 expense. I think that is a significant community
7 benefit that can't be overlooked.

8 And, Chair Whalen, I am not sure if
9 you mentioned Lot 1 in particular, but Lot 1 under
10 the master plan was never designated as park. It
11 was for commercial waterfront, that was under the
12 master plan. And I think our chart showed it. I
13 think as part of our project, we are creating green
14 space and park corridors in our project. It may not
15 be as much as people wanted, but I think we've made
16 an effort that a responsible and sincere developer
17 would -- took into account those type of issues. We
18 are trying to create that right balance.

19 We want to be able to have an
20 economically viable project, which we think we can.
21 And with Mike Hamasu's analysis, we feel that
22 location is very conducive to creating that unique,
23 local, gathering space.

24 I don't think there is going to be
25 any other opportunity where a local family can enjoy

1 a nice dinner on a waterfront property and not
2 paying, you know, \$75 a head. We are looking at a
3 nice comfortable, casual, dining setting for local
4 families and tourists. We are not going to turn
5 away tourists. They are the lifeline of our state
6 in terms of revenue.

7 It's that balance that we are coming
8 with the development proposal for Lot 1, and
9 hopefully the board can consider that.

10 CHAIR WHALEN: Thank you, Shaun. Any
11 other questions from the board? Tom.

12 MEMBER MCLAUGHLIN: I won't be here to
13 vote for this, my advice or my commentary is free, and
14 probably worth just about that much. But I never let
15 that stop me any way.

16 A quick reaction that is I saw something
17 that I think is missing or maybe not fully developed in
18 both proposals. Echoing George that they are very
19 diverse; one is very open space and passive and the
20 other is far more active and there is more money
21 involved in it. But both, I think, have room to add
22 considerably more in the area of art, history, and
23 education. All of these have been touched on to some
24 degree in both proposals. But what we leave behind for
25 the next generations is not necessarily going to be

1 retail stores, but it's not necessarily empty space
2 either. We have to remember where it came from to know
3 where it's going.

4 So I think, personal opinion only, that
5 open space can be enhanced with the addition of public
6 art, with a lot more things that harken back to the
7 history of the area, whether they be displays,
8 mini-museums, photography, something, that brings the
9 history back to the next generation. And education,
10 that is built into it, educational opportunities for
11 people. Likewise in the more commercial, if you will,
12 development area. I think those same elements could
13 exist more than they do now. That's just my opinion.

14 CHAIR WHALEN: Any other questions or
15 comments? Steve.

16 VICE CHAIR SCOTT: This is to Kewalo
17 Waterfront Partners. How many different restaurants do
18 you envision? I count quite a bit. How many different
19 restaurants do you envision there? And, also, how many
20 people do you think it takes to support that number of
21 different restaurants and/or food establishments? And
22 how viable is it to expect that you are going to get
23 those number of people?

24 And, also, don't you think that with the
25 way it's setup since Kewalo Basin Park out there --

1 it's going to be stranded. You are basically
2 diverting, the way you usurped the road that now goes
3 straight out there, you are having people go all the
4 way around. And Kewalo Basin Park is basically very
5 isolated. So how is that going -- the people that now
6 use it, they are going to feel like this is gonna
7 impede their access to the park. Then you bring in all
8 these others, locals and/or visitors, to support all
9 those restaurants.

10 Now the last question, how many
11 weddings do you think you will be performing? Do
12 you think weddings are an appropriate activity in a
13 place like Kewalo Basin Park?

14 MR. MUKAI: I will let my colleague
15 Whitney go through the food and beverage operations and
16 the amount of restaurants. And then I think we will
17 have Mike come back and talk about the connectivity
18 between Ala Moana and Kewalo Basin. And I can address
19 your last question on the wedding chapels.

20 MS. SCHNEIDER-FURUYA: So to address
21 your comment on restaurants, there will be one
22 signature restaurant. But the food hall will
23 incorporate multiple food concepts. So if you think of
24 going into, like, a food court, essentially, it's
25 something like that.

1 And we believe that there is more
2 business opportunity, there is more customer growth,
3 and money -- potential money providing the customer
4 with multiple options versus it just being a space of
5 one restaurant or two restaurants. Providing the
6 community with a space where they can be like, oh, I
7 have all these different options, that all cohesively
8 come together and support each other. So that's my
9 answer in terms of the restaurants.

10 VICE CHAIR SCOTT: But how many people
11 do you think you need to bring in to this location to
12 support that type of activity? I count -- you have a
13 food hall, Food Hall B, Food Hall A, then you have 1,
14 2, 3, 4, 5, 6 marked as kitchens and then a beachside
15 cafe. How many people does it take to support that
16 much food distribution or whatever, restaurants?

17 I just want a number. You have to
18 have -- if you are going to be charging this type of
19 rent that you are charging, how many people does it
20 take to support that? How many people do you need to
21 bring in to this park to support that?

22 MS. SCHNEIDER-FURUYA: When we did our
23 analysis, I believe it's provided there for you in our
24 numbers. But at least a few 100 a day.

25 VICE CHAIR SCOTT: Dollar figures are

1 there but not people.

2 MS. SCHNEIDER-FURUYA: It's a reflection
3 upon what we estimate each customer will be spending
4 and the growth in sales per day. It's definitely a few
5 100 customers per day. But grant it weekends would
6 bring in a lot more people.

7 MR. MUKAI: We will bring up Mike to
8 talk a little bit about the connectivity and
9 accessibility of the sites.

10 MR. GOSHI: I think what we have done
11 here is we have really opened up this place to the
12 park. We add -- there is five ways to get through this
13 facility. The major breezeway is about 25, 30 feet
14 wide. The other thing that, increasing the promenade
15 by 1 1/2 times will allow vehicles to drive on the
16 promenade to load fishing boats and those kinds of
17 things. So I think the balance of providing, you know,
18 this gathering place was in the context of the park and
19 balancing all the needs.

20 But also we have the roadway access, the
21 additional parking on the site, on-grade. Makes it a
22 lot easier to get in and out for people that are not
23 going there for a destination. So I think it's really
24 a good partner to the park that we have right now.

25 The visual architecture really ties into

1 the rest of the marina. It's change -- it is not some
2 kind of an iconic structure. It is more of a
3 collection of forms that really reflect the metal
4 roofs, the wood materials, really brings back what
5 Kaka'ako used to be. Because it's so organic, you
6 know. It can stand the test of time. Because the
7 harbor will always be the harbor. It will always have
8 a certain vocabulary. This building is pretty much
9 reflecting that heritage.

10 MR. MUKAI: Can you put up the rendering
11 of the multi-purpose facility, so we can show where the
12 weddings will be held.

13 VICE CHAIR SCOTT: The other question I
14 have, and I have had quite a few concerns from boat
15 owners because their access for refueling is that road
16 that you are going to be eliminating. And you are
17 going to have -- fuel trucks have to access what you
18 call the harbor promenade. And they express a lot of
19 concerns with that because you're investing a lot of
20 money in doing this. But you are eliminating their
21 road to access all these piers.

22 MR. GOSHI: I think we are willing to
23 work with that situation because as -- it's really an
24 idea and a philosophy we are trying to bring to the
25 table here. There are a lot of details to be worked

1 out. This is not the design. It's really just the
2 start of a process.

3 VICE CHAIR SCOTT: This was brought up
4 last time and none of those concerns were addressed.
5 You still have the exact same plan.

6 MR. GOSHI: I think that we can address
7 that. And I think that the major thing was reducing
8 the scale by increasing the promenade by 1 1/2 times,
9 allows more access. We are certainly going to look at
10 it and come up with an idea.

11 MR. MUKAI: Vice Chair Scott, related to
12 your question on chapels, on the weddings. I just want
13 to put up the rendering of the multi-purpose building.
14 As I indicated in our prior presentation, the
15 multi-purpose facility is barely 1/10 in terms of
16 square footage of the entire project. And weddings
17 would only be conducted during the daytime.

18 For weddings that may cater to the
19 Japanese wedding culture, you are only looking at
20 maybe mom and dad, if they are alive, brother and
21 sister, no aunties and uncles, no first cousin,
22 second cousin. It is not a big wedding. It's a
23 very low intense use.

24 We anticipate, you know, the more
25 weddings the more commercially viable the project

1 becomes and we can pay lease rent to the State. But
2 ideally maybe five to ten small weddings, 1 to 2 hours
3 during the day.

4 During the nighttime and during days
5 where there are no weddings, it can be turned into
6 other uses for nonprofits, presentations by other
7 users. So it's not just weddings that will be
8 conducted at the multi-use venue. And it doesn't look
9 like 53 By The Sea or other wedding chapels. It's a
10 very -- we wanted to make sure that the aesthetics is
11 complimentary to that site.

12 VICE CHAIR SCOTT: I just have concerns
13 that it's an appropriate use for a park.

14 MR. MUKAI: Again, the Lot 1 is not a
15 park designation.

16 VICE CHAIR SCOTT: Tell that to all the
17 people that go down there to Kewalo. It is a park. It
18 used to be McWayne Marine Supply, which was a marine
19 supply. We are not talking restaurants. We are not
20 talking anything other than McWayne Marine Supply. And
21 like George, unfortunately, I am old enough, I remember
22 going down there to McWayne Marine Supply and that was
23 for the harbor. Nothing you have here is for the boats
24 in the harbor, nothing.

25 MR. MUKAI: We did, as part of our

1 program, include a convenience store per the comments
2 of the board and the stakeholders to help accommodate
3 the commercial fishermen, to give them supplies and
4 other essentials so that it can be conducive to their
5 businesses.

6 We have been incorporating -- and
7 this is an evolving process. As Mike mentioned, on
8 the architectural side we will continue to work with
9 the stakeholders to make it a more functional,
10 complementary working harbor.

11 CHAIR WHALEN: Thank you. Yes, Mary
12 Pat.

13 MEMBER WATERHOUSE: Where exactly are
14 the weddings going to take place?

15 MR. MUKAI: It will be in the multi-use
16 venue.

17 MEMBER WATERHOUSE: So it's going to be
18 in an closed area, is that what you mean?

19 MR. MUKAI: That's correct.

20 MEMBER WATERHOUSE: So they are not
21 going to be out to the park areas?

22 MR. MUKAI: There may be picture taking
23 and other activities that will be in that area. But
24 the actual wedding itself will be held in the
25 multi-purpose venue.

1 MEMBER WATERHOUSE: So what park areas
2 are they going to go out to have picture taking?

3 MR. MUKAI: I think in the venue there
4 is a deck that we had shown in some of the renderings
5 that will be part of the picture taking area.

6 MEMBER WATERHOUSE: Is it this right
7 here, the deck that is open to the public?

8 MR. PETERS: Right here is the open
9 deck, that is adjacent to the multi use.

10 MEMBER WATERHOUSE: Is that the one that
11 is open to the public?

12 MR. PETERS: Right. So I think we
13 should be clear that the multi-use venue is really
14 gonna be used for weddings a fraction of the time. And
15 it's really meant to be sort of a community facility
16 for baby's first luau, for graduation parties, other
17 events besides just weddings. We want to make that
18 clear, and we anticipate a fifth of the use might be
19 for weddings.

20 MR. MUKAI: It would only be used for
21 daytime during days where the weddings have been
22 reserved. But, again, it's a multi -- it's a truly
23 multi-use venue that is going to be available for other
24 uses.

25 CHAIR WHALEN: Any other questions from

1 the board before we move -- yes.

2 MEMBER OH: For Victoria Limited,
3 Mr. Randle, I just have a quick question. First of
4 all, I just want to clarify, is the proposal for all
5 three or nothing, or is it -- pretty much for all three
6 lots, right?

7 MR. RANDLE: The proposal is for all
8 three.

9 MEMBER OH: Okay. I guess, secondly,
10 this is because the two proposals that we have in front
11 of us, at least in terms of a financial standpoint, is
12 just at total opposite ends of the spectrum. And there
13 is evaluation of present value and that present value.
14 But when you are talking about the net present value of
15 either two of these proposals, we are just at a stark
16 contrast.

17 Is there any opportunities to take
18 advantage of the gross lease square foot, I mean, the
19 space on the third lot to a certain -- or is this just
20 basically your final as in the amount of the least
21 square foot that you want to be able to lease out?
22 Because, obviously, on the surface of it we have a
23 percentage grant. But after the recovery and the break
24 even point, there is not really any income coming in
25 besides just the base rent, right? Essentially when

1 taking about performance analysis.

2 So taking advantage and talking about
3 the great demand for retail and 9 to \$12 a square foot,
4 is there any opportunities to maybe, perhaps, increase
5 the footprint just a little bit more? Or is this
6 pretty much what you are thinking based on the feedback
7 that we got from the community so far?

8 MR. RANDLE: There is a big constraint
9 that I brought up earlier and that is infrastructure.
10 The second that you begin to expand that footprint or
11 improve some of those buildings beyond just renovating
12 the existing structure, there is a need for a very
13 large investment and infrastructure; to get water,
14 sewer, other things out to Lot 3, for example, and even
15 to relocate and improve those that serve Lot 1.

16 So what you saw in our first
17 presentation was the highest and best use, which we
18 still think if that was the desire of the board, that
19 it could be executed and it could pay a higher lease
20 rent. And it could pay for all the infrastructure
21 needed.

22 On the flip side, in order to do
23 something that we think is of a lower scale, we do
24 think that you need to go back to renovation of the
25 existing buildings and kind of maximizing the

1 infrastructure availability that serve those today.
2 The issue is again, once you start to try to do even a
3 little more than what is currently out there, you
4 trigger the need to upgrade a large amount of
5 infrastructure. A big capital outlay that really
6 presents the ability for the redevelopment of a small
7 scale project to pay significant ground lease payment
8 to the HCDA.

9 MR. MUKAI: On your question on the
10 harbor promenade and refueling areas, my colleague from
11 Design Partners she did mention that based upon input
12 with the fishermen, we have identified in some
13 sketches, which are in the best and final offer, areas
14 of refueling, that they can go into. So this is one of
15 the actual parts of the proposal that the fishermen did
16 like.

17 And it's on the sketch on the first
18 floor plan right after page 74, there is the project
19 site plans. It may be difficult to kind of look at,
20 but it would be on the 9th page of the sketchings, the
21 first floor plan. If you can see there are areas
22 designated where there is refueling. And that was
23 based upon consultation with the fisherman.

24 MR. PETERS: While you guys are
25 examining the rendering, Whitney just wanted to make a

1 couple of extra points that address some the comments
2 from your members.

3 MS. SCHNEIDER-FURUYA: I also wanted to
4 shine light upon the businesses that are currently in
5 the harbor, the ones that are activity-based businesses
6 like parasailing, et cetera. Our plan, this
7 development idea that we have will provide a place for
8 those customers for those businesses to grab a place to
9 eat or grab sunscreen or a towel or a hat, et cetera.

10 As well as the other businesses that are
11 fishing-based businesses that -- or the fishing tours,
12 they take people out to catch fish. We also have our
13 chefs' club. We have the farmers' market, that all
14 provide a place for the fishermen to sell fish, fresh
15 fish right out of the harbor. And it makes it more
16 customer friendly versus customers coming straight to
17 those businesses in the harbor, it allows the
18 businesses that are in the harbor another place, a
19 relationship other than their little stall to make
20 money in a sense, you know?

21 So it's not like we are aside of the
22 harbor. We are there to be with the harbor and those
23 businesses within the harbor to create this cycle. It
24 is a circle, right? So we are there to help make money
25 for those businesses as well as -- I hope you

1 understand that. Anyway.

2 MEMBER OH: Kewalo Basin, did you have
3 opportunities to meet with stakeholders and the
4 community since the last proposal?

5 MR. MUKAI: Yes, consultants have met
6 with some of the stakeholders to get their opinions.
7 And, again, Board Member Oh, it is a collaborative
8 process. And when we are saying this is our best and
9 final offer, we continue to appreciate and take in
10 comments and suggestions. Because ultimately we want
11 to make this a better project for all to enjoy.

12 CHAIR WHALEN: George.

13 MEMBER ATTA: The statement that
14 Mr. Randle made about the reason why they didn't go
15 beyond the renovations is because of the infrastructure
16 requirements. And so your plan, I guess, have you done
17 the analysis of the kinds of infrastructure
18 improvements that would be required? Because I think
19 the two plans really show different directions for
20 Kewalo Basin.

21 One essentially keeps it fundamentally
22 the way it is, and maybe it makes minor improvements.
23 It is more park like in the setting. The other one
24 starts to look at the Kewalo Basin more like a
25 Fisherman's Wharf or a Sydney Waterfront kind of

1 condition with very active, commercial retail adjacent
2 to the waterfront.

3 So in my mind there are two different
4 visions. And I think the statement by Mr. Randle about
5 the infrastructure requirements are going from one
6 level to the next level is clearly important. And for
7 the board itself, I mean, one proposal keeps the
8 infrastructure basically as it is, the other one would
9 upgrade -- would result in upgrades of infrastructure.

10 And, again, is that something HCDA wants
11 or not, that really is part of the equation, I think.
12 So what kind of harbor front are we trying to achieve
13 here?

14 MR. MUKAI: Board Member, you raised a
15 good point. And it was actually at our previous
16 presentation where Board Member McLaughlin noted that
17 there is off-site infrastructure issues that we need to
18 consider. While there wasn't a lot of time to do a
19 very in-depth review of the infrastructure, we did
20 retain a consultant to look at the project and what the
21 requirements would be. And we have noted it in our
22 best and final offer of approximately a million dollars
23 in off-site improvements that we will need to do at our
24 cost and expense to get this project up and aboard.
25 But it will be a benefit to the State when we -- after

1 our lease expires, hopefully we have a long-term
2 relationship with HCDA, but those are community
3 benefits that I think are very valuable for
4 consideration.

5 CHAIR WHALEN: Any other questions from
6 the board before I open for public comment?

7 VICE CHAIR SCOTT: This is actually for
8 Howard Hughes. I think at the last meeting we had we
9 went over this -- this is getting back to the
10 infrastructure. I think we discussed in depth the
11 amount of improvements that were needed for the volume
12 of all the uses and people that would be coming in.

13 How extensive did they get to address
14 the sewage, the water, the drainage, obviously all that
15 had to go into it. But how extensive was it? Because
16 I know that was one of the concerns that we expressed
17 to you, you've come back. You addressed that. But
18 what were they?

19 MR. RANDLE: Included -- we actually
20 included, again, the study that we did with our
21 engineers. I think we had a similar amount of time,
22 but we actually commissioned a full infrastructure
23 study of all of the lots and requirements that would be
24 necessary to improve any of those.

25 One of the big ones to remember, as

1 well, is the flood elevation. So in addition to moving
2 pipes around and installing new conduits, due to the
3 new flood elevation, you actually needed to potentially
4 increase grade and raise some of these sites, which is
5 an enormous cost and circulation issue that is caused
6 when you have to potentially raise streets or provide
7 stairs and ramps to access new buildings.

8 That study and that report is included
9 again in this proposal, as reference. But just to give
10 you an idea of scale, magnitude of the infrastructure
11 that could be required, it includes an estimate of
12 roughly 12 million total infrastructure cost. Once you
13 start to make significant improvements to the area, you
14 have to upgrade the water, sewer, electrical, fire
15 protection to the area and that grading that I mention
16 which is enormous cost, plus any additional cost for
17 building new roads in addition to what is already there
18 today.

19 VICE CHAIR SCOTT: Okay.

20 CHAIR WHALEN: Thank you. Okay. Before
21 I open for public comment, I would like to give the
22 court reporter at least a 5-minute break.

23 (A short recess was taken.)

24 CHAIR WHALEN: We have several people,
25 as I mentioned earlier, who submitted testimony via the

1 website. And I am going to read off the names and if
2 you are present and would like to speak, you can come
3 forward please. First on the list is Linda Wong.
4 Linda Wong is not present. David Kelly. I am just
5 reading them off. I think there are a couple in the
6 audience. Jay Blanco. Joshua Echemendia. Sandy
7 Moneymaker. Greg Schlais. Bianca Isaki, I don't see.
8 Okay.

9 And then -- Wayne Takamine, I don't
10 see present. John Kobelansky. Do you want to
11 speak?

12 MR. KOBELANSKY: John Kobelansky,
13 formerly concerned area resident of Kaka'ako, now
14 frequent beach user of parks Ala Moana and Kewalo Park
15 Basin.

16 I like to look at the big picture.
17 And when I say the big picture, why do all of us
18 live here? Why do a lot of people want to come
19 here? That's the big picture. And from there I
20 work down to the details. Because I am a
21 detail-oriented guy. But to me the big picture is
22 the most important thing. Without that there would
23 be no Hawaii.

24 So the big picture to me is the least
25 amount of impact that we can go ahead and do this

1 kind of work that is being presented here today.

2 The least amount of impact to me means that the
3 crown jewel that we are talking about here, the
4 beachfront properties, remain the crown jewels.

5 If we go ahead and start messing
6 around with it too much and we start making a lot of
7 money from it, it will overdevelop the area. The
8 locals will stay away. They are going to charge for
9 parking. You know, it's just an endless spiral that
10 goes backwards. It does not go forward. That to me
11 is the big picture.

12 So minimizing the impact is very
13 important to people like me who live in Kaka'ako. I
14 use the beaches frequently. I teach swimming out
15 there. It's very important. I am already under a
16 lot of stress because on the front page today there
17 are talks about shark attacks. There have been
18 eight in the past month or so. So these things work
19 against us. They work against tourism. And I think
20 if we flood the area with a lot of development or
21 development that is not quite right, it doesn't
22 really fit it to what the public thinks it should
23 be, we are going to be having a major problem.

24 And I see the future ahead. The past
25 shows Waikiki, a lot of improvements in there, a lot

1 of buildings, a lot of infrastructure problems,
2 sewers overflowing, et cetera, et cetera, had to be
3 addressed after the fact.

4 I hope that if something is done
5 inside here, the infrastructure problems are
6 addressed now. Traffic is becoming an issue now. I
7 have friends that visit from other areas in the
8 country. When they come here they can't believe the
9 amount of cars they are seeing now. I am talking
10 like a few weeks ago.

11 So we have to get on board here. We
12 have to concentrate on what is good for the
13 community and not be selfish and think about what I
14 am going to do to build my corporation up and make
15 more money and my stockholders will be all happy.
16 We have to think about what is good for the
17 community in general. Work on those principles and
18 establish some good ground rules and make these
19 things work so Hawaii is the place we want to live.
20 That's all I have to say today. Thank you.

21 CHAIR WHALEN: Doug Miller.

22 MR. MILLER: I am speaking for myself
23 and not for anybody else. I previously submitted
24 testimony on the two development proposals. And I have
25 not had an opportunity to review the revised proposals

1 in order to prepare more testimony. But I will
2 reiterate a few points I previously made and had some
3 comments about what I saw on the screens, which may not
4 accurately reflect what is proposed.

5 First of all, you might notice that
6 these proposals are going to need permits outside of
7 the HCDA. Anything that happens in Kewalo Basin Harbor
8 is going to need a SMA permit from the Department of
9 Business and Economic Development. That means people
10 can ask for a contested case hearing on the SMA permit.
11 That means, practically speaking, that permit would be
12 in jeopardy. There have been court rulings that you
13 cannot hold a contested case hearing without having
14 contested case hearing rules. And DBEDT does not have
15 contested case hearing rules in order to hold SMA
16 permits.

17 What I am trying to say is, if a
18 proposal is controversial and they apply for their SMA
19 permit for Kewalo Basin and somebody asks for a
20 contested case hearing and then litigates the hearing
21 and the decision, that decision is going to get turned
22 down by the court. That same thing happened at
23 McKinley High School when the HCDA had a decision to
24 allow University of Hawaii housing there. So this is
25 not exactly a trivial issue. So what I am trying to

1 say is, a very controversial proposal is dead on
2 arrival.

3 The second point is that if you are
4 going to have a road into Ala Moana Park you are going
5 to need the approval of the Honolulu City Council and
6 the SMA permit from the Honolulu City Council. And I
7 think dumping more traffic onto a congested road is
8 going to have a really rough sledding before the City
9 Council. I don't think they are going to allow it.

10 Regarding the leasing of property for
11 paid parking, if you have paid parking next to Ala
12 Moana Beach Park or next to Kewalo Basin Park, the
13 people that don't want to pay for the parking are going
14 to move to the free public parking stalls and take them
15 away from the park users.

16 On the other hand, if you have parking
17 which is free, and I do recall McWayne Marine Supply
18 you didn't have to pay to park, that means that when
19 the commercial uses are not in use, then the park
20 users, when the park is overflowing, they can move onto
21 the parking stalls and use them. So there is
22 possibility of synergy there.

23 But I kept hearing Waterfront Partners
24 saying that they were proposing pay parking. As I
25 recall at Aloha Tower, what killed Aloha Tower was the

1 fact they had paid parking. People just didn't
2 patronize. They weren't willing to pay to go down
3 there to park in order to browse or do whatever.

4 And there is a significant risk that if
5 you do the same thing at Kewalo Basin, you will end up
6 with a bunch of under-utilized buildings that don't
7 generate rents, end up with another Aloha Tower
8 situation where the buildings end up being basically
9 abandoned and bankrupt.

10 Regarding the specific proposals -- what
11 Kewalo Waterfront Partners is proposing, if they wanted
12 to stick it on the Hawaiian Homes Portion of the
13 harbor, I would say my blessings to them. I would love
14 to see it. I don't really want to see it next to Ala
15 Moana Park. I would like to see a restaurant next to
16 Ala Moana Park, that's a difficult proposition.

17 There is a state law that says county
18 park property can be given out as concessions but not
19 as leases. There is no way you are going to have a
20 lease for a restaurant in any county park. The same
21 issue has arisen before. It killed proposed
22 restaurants in the zoo and other places.

23 But I would like to see a restaurant
24 right next to Ala Moana Park where park users can walk
25 over and use it. That would be a really nice thing.

1 I like the idea of adaptive reuse of
2 existing structures. It would be relatively
3 noncontroversial. If you can have synergy with the
4 parking and allow people to use it for one purpose at
5 one time of the week and another purpose another time
6 of the week, that would be a really good thing.

7 There are times when Kewalo Basin Park
8 overflows, especially when the surf is good. There is
9 just isn't a place to park. It would be nice if you
10 could walk over to that parking lot right across the
11 street and it wasn't fenced off and you didn't have to
12 feed meters in order to park there.

13 Regarding rent from the property under
14 HCDA's jurisdiction, I don't think it's a done deal
15 that the HCDA decided that maximizing rent is what you
16 are all about. It was a different bunch of people who
17 were appointed that made the decision that generating
18 rent is what you were about. I think the current
19 people on the board might have a different perspective.
20 I would hope so.

21 Generating revenue from waterfront
22 property is not what most people in the city and county
23 of Honolulu would like to see. I think we would like
24 to see maximization of public recreational use of our
25 waterfront.

1 I do think it would be a good thing to
2 have some commercial uses that cater to the harbor
3 uses, whether it belongs on the Hawaiian Homes
4 Commission side of -- Hawaiian Housing -- pardon me,
5 the Hawaiian OHA property or whether it belongs on the
6 McWayne Marine Supply, the Ewa -- the Diamond Head
7 side, I don't know whether that's -- splitting the
8 planning is kind of, I think, a mistake. It has been
9 done, so I don't know what you do to rectify the
10 situation.

11 Anyway, those are my informal comments.
12 And I would be happy to answer your questions.

13 CHAIR WHALEN: Thanks, Doug. Any
14 questions for the speaker? Thank you.

15 Next one signed up is John Eveleth.
16 Also, you submitted written testimony, too, that I
17 have.

18 MR. EVELETH: Thanks for letting me
19 speak. My name is John Eveleth. I have been working
20 at Kewalo Harbor in different capacities since 2000.
21 I worked with different business as an employee, a deck
22 hand, a captain, and I have been the Harbor Master for
23 the last two years.

24 I have experienced the transition
25 from the Department of Transportation to HCDA in

1 2009 and the transition from HCDA to Howard Hughes
2 Corporation in 2014.

3 I support the Ward Village Proposal
4 submitted for Kewalo Harbor in response to the HCDA's
5 issued RFP for Lots 1, 2, and 3. I believe that the
6 Howard Hughes proposal will deliver a comprehensive and
7 unified master plan that does address what is required
8 to achieve an improvement community gathering place for
9 the local people, businesses, and visitors.

10 I believe this because I have been --
11 I have seen the commitment from Howard Hughes to
12 bring improvements to the harbor, since being
13 awarded the lease a year ago. I know the boat
14 businesses and owners of Kewalo Harbor see this
15 every day as well. I support this proposal and
16 believe as a kama'aina and as the Harbor Master that
17 this proposal will bring continued stability and
18 improvements to the Kewalo community.

19 After being here for over 15 years, I
20 know that there is a need for improved
21 infrastructure, facilities, and amenities. And I
22 also feel that Kewalo is truly a special place and
23 deserves the support that this proposal will bring.
24 Thank you for letting me express my thoughts.

25 CHAIR WHALEN: Any questions from the

1 board? Thank you very much.

2 Well, that brings us back to the
3 remaining items on the agenda, actually are all for
4 executive session. They are just preliminary and
5 briefings. I think on those three items, which are for
6 information and discussion regarding the potential
7 ground lease and development proposal for Lot C,
8 information and discussion regarding the potential
9 ground lease and development proposal for
10 690 Pohukaina, and information and discussion regarding
11 procurement process for retaining consultant for
12 professional services.

13 So we will be meeting with our legal
14 counsel on some of those items. But are there any
15 comments at this time frame from anyone in the audience
16 on any of those three items before we convene in
17 executive session?

18 So as I mentioned the Authority
19 anticipates convening in executive meeting, pursuant to
20 Hawaii Revised Statutes 92-5(a)(4) to consult with the
21 Board's attorney on questions and issues pertaining to
22 the Board's powers, duties, privileges, immunities, and
23 liabilities with respect to these items.

24 When our discussions is completed, we
25 will reconvene for the sole purpose of adjourning this

1 meeting. So is there a motion for the Authority to
2 convene in executive session pursuant to HRS Section
3 92-5(a)(4)?

4 VICE CHAIR SCOTT: So moved.

5 CHAIR WHALEN: Steve Scott moves.
6 Second?

7 MEMBER OKUHAMA: Second.

8 CHAIR WHALEN: Second. That's Jason.

9 MEMBER OKUHAMA: Yes.

10 CHAIR WHALEN: All those in favor say
11 aye.

12 (Board members voted simultaneously in the
13 affirmative.)

14 CHAIR WHALEN: Any opposed? Motion
15 passes unanimously.

16 I request that we are joined in our
17 executive session by Deputy Attorney General Diane
18 Taira.

19 (Whereupon, the board met in Executive
20 Session from 11:09 a.m. until 1:09 p.m.)

21 CHAIR WHALEN: The regular meeting is
22 now back in session. The time is 1:09. That concludes
23 our business for today. The meeting is adjourned at
24 1:09.

25 (The meeting adjourned at 1:09 p.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

I, JENNIFER DUY, a Certified Shorthand Reporter in and for the State of Hawaii, do hereby certify:

That the foregoing proceedings were taken down by me in machine shorthand at the time and place herein stated, and was thereafter reduced to typewriting under my supervision;

That the foregoing is a full, true and correct transcript of said proceedings;

I further certify that I am not of counsel or attorney for any of the parties to this case, nor in any way interested in the outcome hereof, and that I am not related to any of the parties hereto.

Dated this 19th day of November, 2015, in Honolulu, Hawaii.

JENNIFER DUY, RPR, CSR NO. 507