

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

Wednesday, March 2, 2016

KAKAAKO BUSINESS

I. CALL TO ORDER/ROLL CALL

A general business meeting of the Kakaako Members of the Hawaii Community Development Authority (“Authority” or “HCDA”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by Chair Whalen at 11:36 AM March 2, 2016, at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813, pursuant to Article IV, Section 1 of the Authority’s Bylaws.

Members Present: Beau Bassett
William Oh
Jason Okuhama
Jade Butay (DOT)
Scott Kami (B&F)
Steven Scott
Wei Fang
John Whalen

Members Absent: George Atta (DPP)
Mary Pat Waterhouse

Others Present: Aedward Los Banos, Interim Executive Director & ASO
Deepak Neupane, Director of Planning & Development - Kakaako
Mike Wong, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General
Laura Savo, Court Reporter
Tommilyn Soares, Secretary
Lindsey Doi, Asset Manager
Shelby Hoota, Media Specialist

II. APPROVAL OF MINUTES

1. Kakaako Regular Meeting of February 3, 2016

No comments or corrections were made. Minutes were approved as presented.

III. ED REPORT

Mr. Los Banos referred to the report provided during the General meeting.

There were no questions or comments from the board members or members in the audience.

IV. KAKAAKO MATTERS*

2. Information and Discussion: Status Report from the Affordable Housing Investigative Committee.

Member William Oh and Interim Executive Director Aedward Los Banos summarized the report and highlighted the committee members which includes William Oh, Jason Okuhama and Wei Fang. The committee met with a couple stakeholders to discuss the residential nexus analysis report, potential sites for affordable housing in Kakaako and also the current workforce and reserved housing rules. To get a general range of information there are tentative meetings scheduled with affordable housing developers, agents involved with the screening and qualifying process and also owners and residents of reserved/workforce housing units. The committee will also be meeting with the City and County of Honolulu to get an update on their draft rules.

There were no further discussion by members and no public comments received.

3. Decision Making: Shall the Authority Authorize the HCDA Interim Executive Director to: (1) Enter Into a Three Year Contract With an Option to Extend for an Additional 12-Month or 24-Month Period for Air Conditioning Repair and Monthly Maintenance Services for the HCDA's Offices located at 547 Queen Street, Honolulu, Hawaii, and (2) Fund Such Contract Using Monies from the HCDA's Revolving Funds, Leasing and Management Subaccount?

Interim Executive Director Aedward Los Banos summarized the report provided in the packet.

The HCDA relocated its offices to the American Brewery Building (ABB) in March 2015 and plans to issue an Invitation for Bids for Air Conditioning and Ventilating Equipment Maintenance Services as the current system is under limited warranty, through its Contractor, Close Construction. Action item is seeking board approval to enter into a three year contract that provides for a one year contract with two, twelve month options to extend for the air conditioning repair and maintenance services for HCDA's offices. Award will be given to the lowest responsive and responsible qualified bidder.

Mr. Los Banos confirmed for board members that this approval would allow HCDA to enter into a contract with a vendor and that HCDA did receive exemption from DHRD and DAGS re: the UPW-B1 contract. Also, Mr. Los Banos confirmed

during the budget analysis, there is a significant amount of budget saving from owning the American Brewery Building vs. renting an office as HCDA previously rented the 461 Cooke Street Office.

There were no other comments or questions from the board members or the audience.

Vice Chair Scott motioned for the board to authorize the Interim Executive Director to negotiate a contract for servicing the air condition for the American Brewery Building on a one-year contract with the possibility of two additional years (total 3 years).

Member Butay seconded. Chair Whalen took a voice vote. Motion passed unanimously.

4. Information and Discussion: Bikeshare Hawaii.

Ben Trevino, President and Chief Operating Officer of Bikeshare Hawaii (non-profit) made a presentation on the bikeshare system to the board.

Bikeshare systems are described as low-cost flexible public transportation service that provides on-demand access to a network of publically rentable bicycles distributed across a service area at fixed destination-based station locations. The system is an unattended, automated docking station that has docking points for bikes and a payment kiosk that anyone may use with a credit card or pre-distributed fare media to access the network.

Community outreach began in 2013 that included over 200 stakeholders from the public and private businesses, advocacy groups, public safety and health care institutions and governing agencies. Some issues addressed included elevating quality of life in Honolulu, creating livable, clean and quiet neighborhoods, enabling residents to live healthier lives, expanding transportation options and enabling more people to use transit, integrating TheBus and future HART rail system aiding the City's goals for transit-oriented community development, etc.

A study completed by the City and County of Honolulu in June 2014 provided recommendations for organizational structure, service area, initial phase start-up and operations. Following the recommendations made in the study, Bikeshare Hawaii is proposing to launch an initial phase of 2,000 bikes and 200 kiosk docking stations from Diamond Head to Chinatown including Makiki, Manoa and all of the Kakaako Community Development District with stations located 800 feet apart. Bikeshare anticipates it will submit a request to HCDA for a condition use permit to sufficiently permit the proposed off-street locations within the Kakaako Community Development District.

Chair Whalen asked if park rules would need to be amended. Mr. Los Banos stated

bikes are generally not allowed in the park, although bikes can be walked through the park to the current bike stands. Member Oh asked if the business model comes from the riders. Mr. Trevino confirmed it does come from the riders and is considered a “fare box”, which is revenue derived from the use of the system through fees or members. Bikeshare anticipates 80% of its revenue would be through the fare box and 20% would be through grants or sponsorship.

Chair Whalen stated concerns of security as there are homeless activity in the parks. Member Bassett commented that he liked the idea of the system as a way of activating park space and stated it may be an appropriate time to revise the parks rules to allow bike use. Mr. Trevino stated for Member Bassett, there is a balance when considering a parcel for the docking stations. The primary consideration is a destination or a source called a trip generator, i.e. a residential or high-density work area where individuals would start their trip, the second consideration would be adequate space to accommodate a station that includes access for a wheelchair and other pedestrian access and third would be if was close to a bicycling facility and whether there is enough connectivity with the rest of the network.

Member Wei Fang asked what Bikeshare anticipates in the next few months from the HCDA board. Mr. Trevino confirmed that the program would finalize the identified sites for the docking stations and any feedback from the board would be incorporated into the comments to help submit a set of site proposals. Project would be launched in the summer of 2016 contingent on funding, and currently looking for project financing to make its initial capital purchase for equipment. Member Fang asked whether there would be enough time for HCDA to amend its rules to include bike use in the parks. Mr. Los Banos stated, it may be sometime before park rules can be amended and finalized as there is a process for revision of administrative rules. Vice Chair Scott stated the docking station most utilized would be those closest to their residence or wherever the individuals would be traveling to. Vice Chair Scott asked whether the current Environmental Impact Statement would need to be revised to accommodate the Bikeshare system. Mr. Neupane stated, if there is a HRS Chapter 343 requirement, the City and County of Honolulu would make the decision on preparing an EIS for this project as it is not included in the HCDA park master plan. He also stated for Chair Whalen that ultimately the board approves the master plan and could accommodate the Bikeshare system through amending the park rules to allow bike riding in the park.

There were no other questions or comments from the Members of the board or the Public.

5. Decision Making: Shall the Authority Authorize the Interim Executive Director to Expend an Amount Not to Exceed \$25,000 from the Hawaii Community Development Revolving Fund, Leasing and Management Subaccount, for an Archaeological Monitoring Plan and Report as Required by the State Historic Preservation Division for the Historic Ala Moana Pump Station Renovation?

Mr. Los Banos stated for the board, it deferred its decision at its February 3, 2016

meeting. The State Historic Preservation Division has required an archaeological monitoring plan and report be completed to make a determination that no archaeological subsurface historic properties will be adversely impacted by the design and construction of a community resource center at the Historic Ala Moana Pump Station.

Member Bassett stated the decision was deferred because there was a concern about what account the cost of the report could be funded through and asked if a different source could be utilized, as the Leasing and Management Fund has been pulled from a lot and not being replenished.

Member Scott Kami stated he recalled from the February meeting that the board questioned whether the developers were capable of funding the cost of the report as they received a million-dollar grant from the state and theoretically as they are receiving \$1M from the state they are requesting an additional \$25,000.00. Dr. Tin Myaing Thein of the Pacific Gateway Center addressed the board and stated according to the Contractors budget assessment the \$1M is not sufficient as it is a historic building and they are now tasked with looking for outside funds to complete the building renovations.

With discussion among board members and staff, Vice Chair Scott offered a motion for the authority to authorize the Interim Executive Director to expend an amount not to exceed \$25,000.00 preferably from the Public Facilities Fund (pending confirmation from the Attorney General on the utilization of the account) or temporarily if not permanently from the Leasing and Management Subaccount.

Member Bassett seconded. Interim Executive Director Aedward Los Banos conducted the roll call vote. All members unanimously approved with eight votes and one excused.

6. Decision Making: Shall the Authority Approve the Amendment to the Request for Proposal for 690 Pohukaina Street as a DeMinimus or Change/Cancel the Request for Proposal for 690 Pohukaina Street Due to a Change in Circumstances?

Mr. Los Banos summarized the reported located in the packet and stated at its February 2016 meeting the Department of Education presented its proposal for an elementary school at the Project location.

The scope of the Project in the RFP did not anticipate an elementary school as part of the Project. Addition of an elementary school to the scope of the Project would require amending the RFP. Alternatively, the Authority could consider cancelling the current RFP and issuing a new RFP to include an elementary school.

Mr. Kenneth Masden of the Department of Education (DOE) stated for Member Scott that the DOE is fully committed to the proposed elementary school but that it's partially funded and have received commitment from the legislature for the balance of the funds.

Also, the school would be built four stories tall as there was about 90,000 square feet set aside and DOE is willing to make adjustment and work within the square footage necessary.

Member Kami asked as there are several parts to the project, if the authority decides to incorporate a school facility in the project and the funding for the school isn't funded how would that affect the project and is that something the authority would need to address. Mr. Masden stated his office manages the funds that come to the DOE annually and stated they prioritize funds received by the legislature annually and it would be DOE's discretion to fund the project as monies are received. Vice Chair Scott also asked what DLNR's position is on the project as 690 Pohukaina is DLNR's parcel? Mr. Uchida of the DOE stated they have had some discussion with DLNR and they recognize the need for the school.

PUBLIC TESTIMONY

Evan Anderson, Arts Integration Specialist and Music Teacher at Voyager Public Charter School stated support for the proposed DOE school.

Member Bassett motioned the board convene in executive session pursuant to Hawaii Revised Statutes, Section 92-5 (a)(4). Member Kami seconded. All members unanimously approved entering into executive session.

Pursuant to Section 92-5 (a)(4), Hawaii Revised Statutes, the Authorized convened in Executive Session at 1:19 pm

Chair Whalen reconvened the meeting at 2:25 pm

Chair Whalen called for a motion, shall the authority approve the amendment to the request for proposal to 690 Pohukaina Street as a de minimus or change/cancel the request for proposal for 690 Pohukaina Street due to a change in circumstances.

Vice Chair Scott made a motion that the board has found the changes for 690 Pohukaina are not a de minimus change, as such, the board would refer this back to staff to negotiate with the parties concerned.

Member Bassett seconded. Mr. Los Banos conducted the roll call vote with eight votes for the motion and one excused.

7. Information and Discussion: Amendment of Certain Terms and Conditions of General Lease No. 14-1 between the Hawaii Community Development Authority and the Kewalo Harbor LLC to Allow the Lessee the Option to Make the Necessary Improvements to the Fisherman's Wharf Loading Dock.

Kewalo Harbor LLC will be making improvements to the Fisherman's Wharf Loading Dock. In connection with the Kewalo Harbor Improvements, and to minimize the disruption to the harbor, Kewalo Harbor LLC is looking to relocate boats as they repair

a slip therefore its critical for their staging and phasing of the renovation project. There will be an action item forthcoming for board approval to amend the General Lease No. 14-1 to allow for the necessary improvements.

Discussion with board members confirmed the need for the improvements and the lease amendment.

PUBLIC TESTIMONY

Jack Hamada, asked several questions regarding the repairs to the Harbor that Mr. Los Banos answered.

There were no other comments or questions from board members or the public.

8. Information and Discussion: Status of Efforts to Address Homelessness in the Kakaako Area.

Mr. Los Banos provided an update for the board on the homeless enforcements. After the initial enforcements through the park, the population decreased to 20 – 30 individuals and have since continued to rise. HCDA is continuing to work in conjunction with the City, the Attorney General’s Office and the Governor’s coordinator on homeless.

Vice Chair Scott suggested requiring individuals to have a permit to put up a tent in the park during the day. Mr. Los Banos stated he would include Vice Chair Scott’s suggestion in discussion with the Governor’s homeless coordinator. Vice Chair Scott stated concerns on being faced with the homeless issue being uncontrollable and mentioned the Discovery Center is still being harassed and that there are campfires in front of the Center at night and concerned with health and safety issues there.

Chair Whalen recessed the meeting (to convene a scheduled contested case hearing) at 2:50 pm to 5:23 pm.

Chair Whalen reconvened the meeting at 5:23 pm.

Vice Chair Scott motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes, Section 92-5 (a)(4). All members unanimously approved entering into executive session.

Pursuant to Section 92-5 (a)(4), Hawaii Revised Statutes, the Authority convened in Executive Session at 5:23 pm

Chair Whalen reconvened the meeting at 5:26 pm

V. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 5:26 p.m.

Respectfully submitted,

/s/

John Whalen,
Chair

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