

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

Wednesday, August 3, 2016

GENERAL BUSINESS

I. CALL TO ORDER/ROLL CALL

A general business meeting of the Members of the Hawaii Community Development Authority (“Authority” or “HCDA”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by Chair Whalen at 10:00 AM August 3, 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
Donna Camvel
Wei Fang
Michael Golojuch, Sr.
Scott Kami
Jason Okuhama
David Rodriguez
Shirley Swinney
Mary Pat Waterhouse
Steven Scott
John Whalen

Members Absent: George Atta
William Oh
Amy Luersen
Kalani Capelouto
Derek Kimura

Others Present: Aedward Los Banos, Interim Executive Director & ASO
Mike Wong, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General
Diane Taira, Deputy Attorney General
Deepak Neupane, Planning Director
Lindsey Doi, Asset Manager
Laura Savo, Court Reporter
Shelby Hoota, Media Specialist

II. APPROVAL OF MINUTES

General Regular Meeting of June 1, 2016.

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

1. General Regular Meeting of July 6, 2016.

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

REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Aedward Los Banos highlighted the following items:

The Kewalo Basin Harbor sewer repair is being worked on. The contractor identified the issue and will start on a permanent repair. The restrooms have reopened and the contractor will work to minimize any closures while the repair is in progress.

The 440 Keawe Street affordable rental project by Kamehameha Schools will possibly be occupied by the end of August.

Tenant improvements to the South Shore Market (section below TJ Maxx on Ward) will begin.

KALAELOA UPDATE

The Kalaeloa Legacy Foundation held its annual fundraiser.

Kiran Polk of Hunt Development continues to indicate its commitment to address and remove the stockpiles on the site. They are working with another construction company to haul the equipment and complete the removal of the stockpile.

A Micro-grid Project is being prospected in a joint project with the State Energy Office for the Kalaeloa Development District receiving federal support through the Federal Energy Office. Funds will be used to coordinate a workshop with stakeholders to develop parameters for a microgrid. There will be an informational presentation for the Kalaeloa members regarding the microgrid workshop from the State Energy Office at the next meeting in September.

A meeting with BRAC, HCDA and DHHL confirmed that BRAC would like the City to commit to accepting land parcels by the end of the 2016 calendar year. If the City does not agree to accept the parcels HCDA or DHHL may have the opportunity to acquire the Kalaeloa property.

Mr. Los Banos confirmed for Member Swinney that the micro grid workshop will be federally funded and Ms. Tesha Malama stated the logistics for the micro grid workshop are being coordinated and it may coincide simultaneous with the Kalaeloa Landowners Summit

in October.

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

III. BUSINESS MATTERS

2. Decision Making: Election of Officers Fiscal Year 2016 - 2017

Chair Whalen noted due to the lack of quorum at the board's July meeting, the Election of Officers, as required according to the bylaws were deferred to today's meeting.

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

Chair Whalen opened the nominations for the respective officers of Chairperson, Vice Chairperson and Secretary.

Vice Chair Scott nominated John Whalen to continue as Chairperson. Member Golojuch seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

Member Kami nominated Steven Scott as Vice Chair. Member Okuhama seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

Member Golojuch nominated Shirley Swinney as Secretary. Member Steven Scott seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

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

3. Information and Discussion: Settlement Offer and Update Relating to Close Construction, Inc. vs. Hawaii Community Development Authority et al., vs. Mitsunaga & Associates, Inc. vs. DTRIC Insurance Company, Ltd.; Civil No. 14-1-0599-03.

Chair Whalen noted for the board that the Attorney General's office requested the information and discussion item be moved up, from # 7 as originally filed on the Agenda, and adjust the remaining order accordingly.

Due to the litigation, Member Swinney motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes, Section 92-5 (a)(4). Member Bassett seconded the motion. 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 10:25 a.m.

Chair Whalen reconvened the meeting at 10:54 a.m.

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

4. Information and Discussion: Executive Director Search Committee Update

Chair Whalen provided the update. He stated a few changes made to the position description included the addition of the He'eia Community Development District and also skill sets to work in developing the Kaka'ako Community. A revised final position description was disseminated to board members, and the contractor, Bishop and Company opened the application period for 60 days. The committee hopes to recruit and hire the Executive Director by November 2016.

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

5. Information and Discussion: 2017 HCDA Draft Legislative Package

Mr. Los Banos presented the report provided in the board packet. DBEDT is seeking preliminary budget requests from its divisions and agencies in preparation for the 2017 legislative session. HCDA's summary of budget item requests include:

- The Kalaeloa Enterprise Energy Corridor
- Lot C project parking structure
- American Brewery Building remaining repairs
- Kewalo Basin Fisherman's Wharf bulkhead repair
- HCDA staff salaries
- Kakaako conveyance of roads and other remnant parcels

Chair Whalen noted as the agenda item is just preliminary information for DBEDT's budget request, the board will have an opportunity for a discussion at a later date once DBEDT's budget request is submitted to the legislature.

Mr. Los Banos and Mr. Neupane clarified for board members that the HCDA will not be requesting the legislature to fund an EIS for He'eia this year as the Office of Planning is conducting a NEPA and feels a EIS is not necessary at this time.

PUBLIC TESTIMONY

Ms. Michelle Matson, President of the Oahu Island Parks Conservancy, asked where the planned location for the Lot C parking garage will be. Mr. Los Banos and Mr. Neupane stated the parking structure per the current master plan will be located along Forest Avenue and designed to be between 45 to a maximum of 65 feet high.

Ms. Matson suggested that HCDA look into adopting rules so that the 1st floor

community room in the American Brewery Building can be utilized by the public for community meetings.

Member Rodriguez asked if the revisions to the reserved housing rules require legislative approval or if the revisions can be completed internally. Chair Whalen confirmed the board has authority to make the revisions and the draft of the reserved housing rules and workforce housing rules will be presented at the HCDA Authority meeting in September.

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

6. **Information and Discussion: Proposed Delegation of Authority to HCDA Executive Director Involving Certain Procurement Matters.**

AND

7. **Information and Discussion: Proposed Delegation of Authority to HCDA Executive Director Involving Reserved Housing Matters.**

Mr. Los Banos gave a general overview of the report provided in the board packet and stated, agenda items 7 & 8 are generally decisions that historically have been decided by the board and in an effort to streamline the administrative process both reports are to delegate those decisions to the executive director. Any decisions made by the executive director regarding these matters will be reported in the Executive Director's report to the Authority at the next regularly scheduled board meeting. The following are recommendation decisions currently retained by the Board to be delegated to the Executive Director:

Administrative/Procurement Matters:

- Expenditure of non-discretionary costs renewal and execution of existing contracts for goods and services required to operate and maintain HCDA's park properties, offices and other assets.
- Emergency procurement of goods and services and
- Expenditure of HCDA Capital Improvement Projects earmarked funds appropriated by the Hawaii State Legislature pursuant to the Authority's request.

Reserved Housing Matters:

- Sale or Transfer After the Regulated Term
- Sale or Transfer During the Regulated Term
- Owner's Refinancing Request and Subordination of Shared Equity Interest

Member Scott stated, to keep the board informed, he'd like any requests over \$25K for procurement matters to be presented to the board for approval.

Mr. Los Banos confirmed for Member Waterhouse, if there are inadequate funds in the reserved housing subaccount and other funds available from another account, the item would be brought before the board for approval.

There was no further discussion from the board members or public comment.

IV. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 11:52 a.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.