

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

Wednesday, August 3, 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 11:53 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  
Wei Fang  
Scott Kami  
Jason Okuhama  
David Rodriguez  
Mary Pat Waterhouse  
Steven Scott  
John Whalen

Members Absent: William Oh  
George Atta

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

**II. APPROVAL OF MINUTES**

1. Kakaako Regular Meeting of June 1, 2016

Member Kami noted a correction to item #4, in the second paragraph as it should state Hawaii Housing Financing Development “Corporation”, as opposed to “Committee”. Chair Whalen noted with that correction, and with no other comments, the minutes were approved.

### III. REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Aedward Los Banos deferred to the report provided during the General Meeting. Mr. Los Banos stated that HCDA received an update from Howard Hughes related to their presentation made at the July 13, 2016 special meeting. Copies of the update were handed out to board members.

There were no comments or questions from the board. Chair Whalen asked for public comment.

#### PUBLIC COMMENT

Ms. Michelle Matson, Kakaako resident, asked what the Howard Hughes updates were. Mr. Todd Apo of Howard Hughes summarized the update for Ms. Matson and stated the information includes feedback from community members who attended their community meeting held July 19, 2016.

Mr. Ron Iwami, Friends of Kewalo, asked what the update on the Kewalo Basin Park restrooms were. Chair Whalen stated that the update was provided during the General meeting held earlier, and summarized that repairs are underway.

### IV. KAKAAKO MATTERS

2. Decision Making: Shall the Authority Authorize the Interim Executive Director to Grant the Kewalo Harbor Management Company, a Subsidiary of Howard Hughes Corporation the following:
  - a. Revocable Permit to Operate and Maintain the Diamond Head Parking Lot, Adjacent Comfort Station and Park Area, Former Charter Boat Building Parking Lot, and Adjacent Charter Boat Building Comfort Station and Kewalo Basin Harbor TMK (1)-2-1-058:128 (por) for a Three (3) Year Term With Two (2) Twelve (12) Month Extension Options?
  - b. Right of Entry to Perform Supplemental Maintenance in Kewalo Basin Park TMK (1)-2-1-058:128 (por) for a Three (3) Year Term With Two (2) Twelve (12) Month Extension Options?
  - c. Right of Entry to Utilize Office and Warehouse Space to Operate and Manage the Kewalo Basin Harbor for a Three (3) Year Term With Two (2) Twelve (12) Month Extension Options?

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

Mr. Todd Apo of Howard Hughes stated it's a great partnership to have with HCDA and the longer term agreements will allow Howard Hughes to further plan out and provide better

long-term services for the community.

Member Kami asked whether the decision that the board will be making on the agenda item will be done individually or collectively, as, from the perspective from Howard Hughes all three items will be necessary. Chair Whalen stated the board can vote on all three items collectively if the board agrees.

Member Bassett asked if there were current agreements to the agenda items being brought forward for decision making. Mr. Los Banos confirmed for Member Basset that all three items for decision have an existing agreement. There will be an additional clause to note that if a development agreement for Lot 3 (NOAA) and a lease is executed, the lease will cancel the Right of Entry. Ms. Bobbie Lau, General Manager of Operations for Howard Hughes addressed some questions that were raised regarding the current revenue received from the parking fees and confirmed that Diamond Parking is now managing the lot.

Discussion with Member Waterhouse and Mr. Los Banos regarding the procurement process confirmed the parking agreement is through a right of entry.

There were no further discussion, questions or comments by the board members.

#### PUBLIC COMMENT

Mr. Jack Hamada, Kakaako resident, asked who recommended the agenda items be approved. Mr. Los Banos explained the process of how an agenda item is brought before the board for decision making. Mr. Hamada commented on the construction of the Waiea condominiums and asked whether there were any construction changes recommended due to the sewage spill at Kewalo Basin. Chair Whalen stated the board is required to discuss only those items listed on the Agenda.

Ms. Michelle Matson, Oahu Island Parks Conservancy, commented that Mr. Hamada's comment could be related to the items on the Agenda. The community is constantly looking towards the future with the accessibility of the residents in the towers to the harbor, what changes will be made and any proposals made to change the area so that it can benefit the residents.

Ms. Lea Hong, Hawaiian Islands State Director for the Trust For Public Land, commented that her organization is working with Blue Planet Foundation, HCDA, the City and County of Honolulu and the Hawaii Bicycling League on revising the vision of the lei of parks and connecting a multi-use path from Waikiki to West Oahu and stated their support for Howard Hughes.

There were no other public comments.

Member Waterhouse motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes Section 92-5 (a) (4). Member Scott seconded the motion. Chair Whalen conducted a voice vote. All members unanimously approved entering into executive session.

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Pursuant to Section 92-5 (a) (4), Hawaii Revised Statutes, the Authority convened in  
Executive Session at 12:46 p.m.  
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Chair Whalen reconvened the meeting at 1:29 p.m.

Chair Whalen noted, the board met in executive session to discuss procurement issues and to confirm procurement requirements are being followed properly.

Member Scott made a motion to approve agenda items 2b and 2c, the right of entry to perform supplemental maintenance in Kewalo Basin Park at 2-1-058, portion of 128 for three years with two 12-month extensions, and also the right of entry to utilize office and warehouse space to operate and manage the Kewalo Harbor for a three-year term with two 12-month extension options.

Member Kami seconded the motion. Member Kami stated that the board will not take action on agenda item 2a upon the advice of counsel and that there are some procurement requirements that need to be addressed for that action to proceed. The board has advised staff to follow up before the board can take action. Chair Whalen stated that Howard Hughes was selected for a development agreement on Lots 2 and 3 at Kewalo Basin and that will be a longer term arrangement and the two right of entries that the board is taking action on are essentially for an interim period to continue the maintenance and operation of those two areas until the development agreement is executed.

Mr. Los Banos took the roll call vote and the motion passed with eight votes with one excused.

Chair Whalen stated the motion for Agenda item 2 (a), revocable permit to operate and maintain the Diamond Head parking lot, the adjacent comfort station and park area, the former charter boat building parking lot, the adjacent charter boat building comfort station and Kewalo Basin Harbor TMK (1)-2-1-058:128 (por) for a three year term with two twelve month extension options, is deferred.

3. Information and Discussion: Progress Report from Kupu Regarding the “Kupu Green Job Training Center” Previously Approved by the Authority to be Located at the Net Shed (Tax Map Keys: 2-1-58: 127 and 131) at the October 7, 2015 Meeting.

Chair Whalen stated for the record that the Kakaako Authority at its October 7, 2015 meeting authorized the acceptance of KUPU’s final environmental assessment and not approve a development permit or a long-term lease for the use of the Net Shed.

Mr. Los Banos stated for the board that the agenda item is included at KUPU’s request to allow them to present an update on their plans for the Net Shed as well as provide more information on the green jobs/skills training program and that there was no information provided in the board packet. Mr. Los Banos introduced Mr. John Leong of KUPU who

made a presentation to the board and provided information on the organization, their history at Kewalo Basin and the project.

Chair Whalen thanked Mr. Leong and Kupu for its presentation update and stated that the board was looking towards the completion of the master plan for the parks which the board has not yet adopted. He also commented that some of the images showed in the presentation made by KUPU included the current master plan for the park prepared by the same consultant that assisted KUPU and further restated for the record that the board has not approved that master plan yet.

Mr. Leong stated that KUPU is currently on a month to month lease at the Net Shed and indicated there was a letter of intent approved by the previous HCDA board for a 35 year lease of the Net Shed to KUPU which has allowed KUPU to raise capital for its project.

#### **PUBLIC COMMENT**

Michelle Matson, Oahu Island Parks Conservancy, stated she found KUPU's presentation to be interesting and rewarding which brought up a question about the 2012 letter of intent by HCDA's previous board for a 35-year lease of the Net Shed to KUPU. She stated while she understood the FONSI was approved, she wasn't aware of anything else being approved. Ms. Matson also echoed Chair Whalen's comment on the agenda language and recommended a review the agenda language before finalizing the agenda to avoid any misrepresentation of the actual agenda item. She also stated her support of KUPU and Howard Hughes.

Mr. Leong stated that he wanted to clarify his statements made earlier and that the square footage of the buildings footprint has not changed in any renovations and that they are renovating the interior of the building not the exterior.

Discussion with Member Bassett and Attorney General Lori Sunakoda confirmed that Ms. Sunakoda came on board with HCDA in December 2015 and is unaware of the previous decisions regarding the Net Shed and KUPU. She will research and report back on what transpired in regards to the Letter of intent or support for a 35 year lease with KUPU.

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

#### **V. ADJOURNMENT**

Chair Whalen adjourned the meeting at 2:33 P.M.