

Informational: Staff Report

January 4, 2017

Status on the U.S. Navy (Navy) Jurisdiction and Hunt Companies (Hunt) Real Estate Ground Lease No. N62742-08-RP-00057, Section 13.1 “Compliance with Applicable Laws” in the Kalaeloa Community Development District.

Goal:

To respond to the Authority’s request to seek clarification from the Navy regarding its process to ensure, Hunt Companies, the lessee complies with all applicable laws.

Background:

At its February 3, 2016 meeting, the Authority inquired about the January 12, 2016 meeting staff held with representatives from Hunt Companies (Hunt) to discuss the Coral Crater Adventure Park. The Authority requested staff to clarify the applicability of Hawaii Administrative Rules, Title 15, Chapter 215, for the outdoor recreation facility in the approximately 40-acre parcel that is located at the District’s main entrance at the intersection of Roosevelt and Enterprise Avenues to Hunt. At this meeting Hunt explained the project was pending Navy approval.

On February 5, 2016, once again staff held a conference call with Hunt representatives about the applicability of Hawaii Administrative Rules, Title 15, Chapter 215, for the Coral Crater Adventure Park project.

At its July 6, 2016 Authority meeting, staff reported receiving an email from Hunt on June 22, 2016 of the Navy’s letter approving the Coral Crater Adventure Park project. The Authority requested staff send a letter to the Navy clarifying jurisdiction (Exhibit A). To date we have not received any official response from the Navy.

Discussion:

In 2003, under the Ford Island Master Development Agreement (MDA), the Navy exchanged 1,600 acres on five parcels of land throughout O’ahu (including 1,988 family housing units) for significant infrastructure and other improvements on Ford Island. This unique project has resulted in a better quality of life for Navy personnel and substantial improvements to formerly underutilized land throughout the community.

MDA Summary:

- 335 acres, \$84 million of infrastructure and construct 231 units. Navy ownership.
- Iroquois Pt./Waterfront at Pu’uloa: 367 acres, 1461 rental units. Navy ownership.
- Waikale: 515 acres, 131 rental units and 128 bunkers rental. Fee simple.
- Kalaeloa: 548.5 acres, 19 parcels:
- 495 acres on 40 year lease beginning in 2009 with the ability to take the fee at any time.
- 54 acres fee simple aka. On-Station Housing

- The On-Station Housing 54 acre fee simple parcels are subject to Hawaii Administrative Rules (HAR) 15-215, Kalaeloa Community Development District Rules. Federal supremacy would apply to the 495 acres owned by Navy ownership, therefore HAR 15-215 would not apply.