

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

Thursday, November 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 11:11 AM November 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: Wei Fang
Scott Kami
Jason Okuhama
David Rodriguez
Mary Pat Waterhouse
John Whalen
Steven Scott

Members Absent: Art Challacombe
William Oh
Beau Bassett

Others Present: Aedward Los Banos, Interim Executive Director & ASO
Michael Wong, Deputy Attorney General
Deepak Neupane, Planning Director
Lindsey Doi Leaverton, Asset Manager
Garett Kamemoto, Communications & Community Outreach Officer
Tommilyn Soares, Secretary
Laura Savo, Court Reporter

II. APPROVAL OF MINUTES

1. Kakaako Regular Meeting of August 3, 2016

Approval of minutes were deferred to the next meeting.

2. Kakaako Regular Meeting of September 7, 2016

Approval of minutes were deferred to the next meeting.

III. REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Aedward Los Banos, provided the following highlights:

- The Kakaako District will see an increase in its residents as they start to move in and occupy their units at 801 South B and the Collection. Staff toured both sites and signed-off on the certificate of occupancy.
- The Kakaako Waterfront Park: In October 2016, the park lights were vandalized and the park was closed at 6:00 p.m. for the public's use for safety reasons. The lights have been repaired and is now open to the public and back to its normal park hours.

Member Okuhama asked who's responsible for repairing the damaged road in front of the Collection on Auahi Street. Mr. Neupane, HCDA staff, stated he believes the developer of the project dug up the road for its utilities and its typically the developer's responsibility to repair and repave the road. Mr. Neupane stated that he will follow up with the developer.

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

IV. KAKAAKO MATTERS

3. Decision Making: Shall the Authority Authorize the Interim Executive Director to Execute a Contract for Landscape Maintenance Services for Kakaako Waterfront, Gateway, and Kewalo Basin Parks and to Expend Up to \$1,166,000.00 Over a Maximum of Five (5) Years from the Hawaii Community Development Revolving Funds, Public Facilities Dedication Subaccount?

Chair Whalen asked if there were any questions to the staff report provided in the board packet.

Member Scott asked what oversight the authority has? He noted the last contractor didn't do a very good job and asked if anyone brought it to the contractor's attention. Mr. Los Banos noted the contractor is a lot more responsive now as staff has recently been exercising more oversight. Member Scott stated he's received complaints from the "Save Kewalo" group who mentioned they were having to clean up the park.

Chair Whalen asked if there were stricter provisions (in the new contract) in terms of penalties to address Member Scott's comments? Mr. Los Banos stated those provisions are now spelled out more clearly in the contract.

Member Kami asked how much of the \$50,000.00 (per year) provision for non-

routine maintenance has been spent annually? Mr. Los Banos stated staff has not utilized the entire \$50,000.00 annually but due to damages that have been made to the park, that provision is still included so that HCDA can cover costs such as the recent vandalism.

Member Scott asked how the contractor completes its work with the current homeless individuals that remain in the park? Mr. Los Banos noted that would be resolved through the park rule amendment that HCDA is looking forward to completing. The amendments would strengthen HCDA's ability to close sections of the park for maintenance. Member Scott asked when will those park rules be reviewed? Mr. Los Banos provided the status of the park rule amendments and stated staff will be holding public hearings as required and will have rules for the authority to make a decision after all requirements have been completed.

Member Rodriguez mentioned for Chair Whalen that the Department of Transportation will be submitting a bill for the 2017 legislative session regarding criminal trespassing that will strengthen the enforcement of vandalism and is hoping that HCDA will support the bill because he thinks it would also cover HCDA especially when the park is closed.

There was no further discussion and no public testimony.

MOTION

Member Scott motioned for the authority to authorize the Interim Executive Director to execute a contract for landscape maintenance services for Kakaako Waterfront, Gateway and Kewalo parks and to expend up to \$1,666,000.00 for a maximum of five years from the Hawaii Community Development Revolving Funds, Public Facilities Dedication Subaccount.

Member Waterhouse seconded the motion.

Mr. Los Banos conducted a roll call vote. Motion passed with seven votes and two excused.

4. Decision Making: Shall the Authority Authorize the Interim Executive Director to Execute the Declaration of Land Use and Restrictive Covenant Required by the Hawaii Housing Finance and Development Corporation over Land Owned by the Hawaii Community Development Authority, Identified as Parcel 40 TMK No. (1) 2-3-003:040 for Development of an 84-Unit Affordable Rental Project ("Ola Ka Ilima Artspace Lofts")?

Mr. Los Banos stated that staff recently received notification from the Hawaii Housing Finance and Development Corporation (HHFDC) that its Deputy Attorney General has not reviewed the proposed Declaration of Land Use and Restrictive Covenant and has not guaranteed there will be no significant changes made upon her review. HCDA staff is recommending that the action item be amended to add

language to caveat that, if there are any substantive changes to the document after the AG's review, it come back to the board for further board action.

Member Kami asked how long the restrictive-use covenant is for and if we have the City and County restriction for perpetuity. Mr. Deepak Neupane stated it's for 65 years and that HCDA has received the restriction for perpetuity from the City.

There was no further discussion or public testimony.

MOTION

Member Fang motioned for the authority to authorize the Interim Executive Director to execute the Declaration of Land Use and Restrictive Covenant required by the Hawaii Housing Finance and Development Corporation of the land owned by the Hawaii Community Development Authority identified as parcel 40, tax map key 2-3-03, for the development of an 84-unit affordable rental project known as Ola Ka Ilima or Artspace Lofts, subject to there being no substantive changes to that document after the deputy attorney general's review.

Member Scott seconded the motion.

Mr. Los Banos conducted a roll call vote. Motion passed with seven votes and two excused.

5. Decision Making: Shall the Authority Authorize the Interim Executive Director to Enter into a Development Agreement with Kewalo Harbor Development Company, LLC for the Development of a Mixed-Use Commercial Space on the Fast Lands Surrounding Kewalo Basin Harbor on a Portion of Tax Map Key 2-1-058:131, Development Parcel #2 and #3 in the Kakaako Community Development District Makai, Oahu, Hawaii as Proposed in the Response to the Request for Proposal Selected by the Authority on December 2, 2015?

Mr. Los Banos provided a brief summary of the staff report provided in the board packet and noted it includes a summary chronology of the events. The development agreement formalizes commitments made by Kewalo Harbor Development, LLC consistent with the proposal they submitted. The development agreement states that HCDA retains ownership of the land but provides the venue to allow pre-construction work to get to a final development plan and go through the development permit process. Mr. Los Banos further highlighted a timeline that is included in the development agreement.

Chair Whalen noted there may be some questions from board members and because it is a real estate agreement, the board may need to discuss it in executive session.

Member Scott asked if there are any changes in what they proposed when it was originally approved to Lots 2 and 3? Mr. Neupane and Mr. Los Banos stated there were no changes.

Mr. Neupane stated that Mr. Race Randle of Howard Hughes was present to answer any questions that board members may have.

Chair Whalen asked the board if they had any questions before convening in executive session.

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

Member Okuhama motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes Section 92-5 (a) (4).

Member Waterhouse 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 11:42 a.m.

Chair Whalen reconvened the meeting at 11:56 a.m.

MOTION

Member Kami motioned for the authority to authorize the interim executive director to enter into a development agreement with Kewalo Harbor Development Company, LLC, for the development of a mixed-use commercial space on the fast lands surrounding Kewalo Basin Harbor on a portion of a tax map key 2-1-58, 131, development parcels 2 and 3, in the Kakaako Development District Makai, Oahu, as proposed in the response to the request for proposals selected by the Authority on December 2, 2015 and as represented in Exhibit B to the development agreement, provided that the deputy attorney general shall review the document for form and legality, and if there are no substantive changes, no further board decision is needed and subject to the proposal being attached as Exhibit B and incorporated into the development agreement.

Member Scott seconded the motion.

Mr. Los Banos conducted a roll call vote. Motion passed with six votes, one vote against the motion and two excused.

V. ADJOURNMENT

Chair Whalen adjourned the meeting at 11:59 a.m.