

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

Wednesday, December 7, 2016

KALAELOA BUSINESS

I. CALL TO ORDER/ROLL CALL

A regular meeting of the Kalaeloa Members of the Hawaii Community Development Authority (Authority), a body corporate and a public instrumentality of the State of Hawaii, was called to order by Chair Whalen at 10:03 a.m. December 7, 2016 at the Authority's principal offices at 547 Queen Street in Honolulu, Hawaii, pursuant to Article IV, Section 1 of the Authority's Bylaws.

Members Present: Shirley Swinney
Beau Bassett
Michael Golojuch
Scott Kami
Jade Butay
Wei Fang
John Whalen

Members Absent: Art Challacombe (DPP)
D. Kalani Capelouto
Mary Pat Waterhouse
Derek Kimura

Others Present: Jesse Souki, Executive Director
Tesha Malama, Kalaeloa Planning & Development Director
Deepak Neupane, Kakaako Planning & Development Director
Aedward Los Banos, Administrative Services Officer
Michael Wong, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General
Garrett Kamemoto, Communications Officer
Tommilyn Soares, Secretary
Laura Savo, Court Reporter

II. REPORT OF THE EXECUTIVE DIRECTOR

Hawaii Community Development Authority (HCDA) Project Updates and Activities that relate to:

- A. Monthly report and update from Kalaeloa Planning and Development
 - a. Kalaeloa Community Network update
 - b. Kalaeloa Public Safety Group update

B. Report on the 6th Kalaeloa Landowners Summit

Ms. Tesha Malama, Kalaeloa Planning and Development Director presented the report provided in the board packet. She noted that at the November meeting of the Kalaeloa Community Network, the FBI mentioned a concern regarding traffic accidents at the four-way stop near Fort Barrette. Senator Gabbard's office was in the audience and confirmed that establishing a traffic light there would coincide with the widening of Fort Barrette road. Ms. Malama stated she would continue to work with the Department of Transportation on the timing of establishing some type of safety measure there.

Member Bassett asked what HCDA's responsibility with situations like the traffic accident is. Ms. Malama stated that as the landowner, the HCDA Kalaeloa Office is responsible to follow up and ensure the developer complies with all requirements stated to develop the property when they come to HCDA for development permits. Developing the traffic light and widening the road was a requirement that the Department of Transportation included for the developer.

Member Swinney stated there will be an increase in traffic when the Coral Crater project starts to begin, and asked whose jurisdiction the project is on? Ms. Malama stated that because the property still has Navy ownership, the developer for the Coral Crater project went through Navy jurisdiction to request approval for the project. Ms. Malama noted that there was a letter sent to the Navy requesting information on how the Navy will ensure that the developer would comply with State and City building codes and requirements. Ms. Malama noted she has not yet received a response from the Navy.

ED Souki noted he understands that the developer can do a project under the Navy's auspices then purchase the land from the Navy which HCDA will then have a nonconforming project in its jurisdiction. Mr. Souki also stated there is some room for discussion with the Navy regarding process.

Ms. Swinney noted her concern with the liability to HCDA because of the increased traffic and potential traffic accidents that may start to happen when the Coral Crater project starts to begin construction and operation. ED Souki noted that with HCDA's planning for the area he hopes to avoid these types of problems through design, but ultimately the liability for standards rests with either the State Department of Transportation or the City Department of Planning and Permitting.

Member Bassett asked if the adventure park is the first development that raised the issue of the developer needing to come to HCDA for a permit? Ms. Malama noted that Hunt Companies (developer for the Coral Crater project) in 2013 went through HCDA for its Wakea Gardens 100-unit rental project.

Member Kami asked what the request or question is regarding Hangar 111 reported in the Executive Director's report. Ms. Malama stated the current status with Hangar 111 is that the Base Realignment and Closure (BRAC) team conveyed the Hangar to the Honolulu Community College who put almost \$4 million in upgrades for a pilot school but they are unable to use it for what they were conveyed for and they are now looking to enter into an

agreement to convey it to the Department of Transportation for the cost of the upgrades they put in, pending BRAC's approval. If the Department of Transportation denies the conveyance, any rejected conveyances can then be offered to HCDA or the Department of Hawaiian Home Lands via the 2009 special legislation.

Ms. Malama briefed board members on the Landowners Summit that was held in October and noted the summit focused on providing stable power to the Kalaeloa District. Sandia Laboratories conducted the discussions, some of the landowners made presentations, and the summit also included breakout sessions. Ms. Malama expects Sandia Laboratories to submit a final report by the end of December 2016.

Ms. Malama stated that during the summit discussion there was recommendation a capital improvement project request be made to the 2017 Legislature for design work of a micro grid. Ms. Malama stated in addition to the \$3 million request to the 2017 Legislature for the Kalaeloa Energy Corridor, there will be an additional request to establish a pilot project and design of a micro grid for the Kalaeloa District.

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

III. KALAELOA BUSINESS

1. Decision Making: Shall the Authority Authorize the Executive Director to Expend General Obligation Funds (B-16.409-B and B-16.410-B) Not to Exceed \$3 Million to Procure Services for the Design and Construction of the Kalaeloa Energy Corridor – Enterprise Avenue, Phase 2, in the Kalaeloa Community Development District?

Ms. Malama presented the report provided in the board packet.

Chair Whalen asked how the action item relates to the micro grid. Ms. Malama explained the 2010 infrastructure master plan update lays out the corridors that need reliable energy and this is the first corridor that is being pursued. Chair Whalen asked whether the microgrid could satisfy redundancy requirements for Hawaiian Electric and also stated a concern of the legislature being continually asked for funding these types of projects and having no real results yet. Ms. Malama stated the summit discussions helped to focus and explore ways to get firm power in the district. Chair Whalen recommended the messaging to the legislature should include a concise description on how everything fits together.

ED Souki asked Ms. Malama if the report Sandia is expected to submit will address Chair Whalen's questions. Ms. Malama stated yes it would.

Member Kami made a motion for the board to approve the action item but would like to delete the funding code listed in the parenthesis because those numbers may change.

There were no further discussion or questions from board members of the public.

Member Butay seconded the motion. Ms. Malama conducted the roll call vote. Motion passed with seven votes and two excused.

V. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 10:51 AM.

Respectfully submitted,

John Whalen
Chair

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

DRAFT