

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Kalaeloa Community Development District
Honolulu, Hawaii, 96813

October 4, 2017

Chairperson and Members
Hawaii Community Development Authority
State of Hawaii
Honolulu, Hawaii

HCDA Board Members:

SUBJECT: Shall the Authority Authorize the Executive Director to Execute a Three (3) Year (February 1, 2018 to January 31, 2021) Memorandum of Agreement with the Department of Hawaiian Home Lands ("DHHL") and Expend Kalaeloa Community Development Revolving Funds in a Total Amount Not to Exceed \$70,000.00 for the HCDA's Rental of Office Space for the Hawaii Community Development Authority's Kalaeloa Field Office?

SUMMARY:

Pursuant to Act 184, Session Laws of Hawaii 2002, the Hawaii State Legislature transferred redevelopment responsibility of the Kalaeloa Community Development District (Kalaeloa CDD) from the Naval Air Station Barbers Point Redevelopment Commission to the Hawaii Community Development Authority (HCDA). In 2006-2007, the HCDA established the Kalaeloa Field Office (KFO) in two studio apartments in downtown Kalaeloa that were provided by the Department of Hawaiian Home Lands (DHHL).

HCDA is seeking Authority authorization to extend the Memorandum of Agreement (MOA) with the DHHL to continue conducting Kalaeloa CDD business at its KFO in the DHHL office complex from January 31, 2018 to February 1, 2021.

AUTHORITIES:

Hawaii Revised Statutes (HRS) § 206E-194, Kalaeloa Community Development District; development guidance policies.

- (1) Development shall be in accordance with the community reuse plan, except as it conflicts with the Hawaii state constitution and the Hawaii Revised Statutes, as they relate to the department of Hawaiian home lands;
- (2) With the approval of the governor and concurrence of the Navy, and in accordance with state law governing lands owned by the department of Hawaiian home lands, the authority, upon the concurrence of a majority of its voting members, may modify and make changes to the reuse plan to respond to changing conditions; provided that prior to amending the reuse plan the authority shall conduct a public hearing to inform the public of the proposed changes and receive public input;
- (3) Development shall seek to promote economic development and employment opportunities by fostering diverse land uses and encouraging private sector investments that utilize the opportunities presented by the receipt of property from the base closure consistent with the needs of the public;
- (4) The authority may engage in planning, design, and construction activities within and outside of the district; provided that activities outside of the district shall relate to infrastructure development, area-wide drainage improvements, roadways realignments and improvements, business and industrial relocation, and other activities the authority deems necessary to carry out redevelopment of the district and implement this chapter. Studies or coordinating activities may be undertaken by the authority in conjunction with the county and appropriate state agencies and may address facility systems, industrial relocation, and other activities;
- (5) Planning, re-planning, rehabilitation, development, redevelopment, and other preparation for reuse of Barbers Point Naval Air Station under this chapter are public uses and purposes for which public money may be spent and private property acquired;
- (6) Hawaiian archaeological, historic, and cultural sites shall be preserved and protected. Endangered species of flora and fauna and significant military facilities shall be preserved to the extent feasible;
- (7) Land use and redevelopment activities within the district shall be coordinated with and to the extent possible complement existing county and state policies, plans, and programs affecting the district; and
- (8) Public facilities within the district shall be planned, located, and developed to support the redevelopment policies established by this chapter for the district, the reuse plan approved by the governor, and rules adopted pursuant to this chapter.

BACKGROUND:

- In 2005, the HCDA held a series of community meetings to develop the Kalaeloa Strategic Plan. The community identified four (4) near-term priorities for the HCDA to focus on: 1) partnerships; 2) planning; 3) advocacy; and, 4) stewardship. See Exhibit A. The advocacy section constituted that the HCDA should serve as an “ombudsman,” providing up-to-date information of the redevelopment process and responding to community questions and concerns. In response to the strategic plan, the HCDA established the KFO. In 2006 and 2007, the KFO staff established community-based advisory teams to address a myriad of concerns and issues. The four advisory teams continue to be valuable partners and include the Kalaeloa Advisory Team, Kalaeloa Archaeological and Cultural Hui, Kalaeloa Community Network and the Kalaeloa Public Safety Team.
- At its January 8, 2014 meeting, the Authority authorized the executive director to execute a one (1) year lease with the DHHL for the KFO to begin conducting HCDA district business at the new DHHL office complex, located at 91-5420 Kapolei Parkway, Kapolei Hawaii 96707. Strong community advocacy and Kalaeloa Authority testimony insisted that the KFO remain in the Kapolei region where stakeholders would continue to have access to staff and be attend stakeholder meetings.
- At its January 7, 2015 meeting the Authority authorized the executive director to execute a Memorandum of Agreement (MOA) for years February 1, 2015 through January 31, 2018 with the DHHL to allow the KFO to continue conducting business in the Kapolei region. See Exhibit B.

ANALYSIS:

The following considerations demonstrate the need for the continuation of the KFO at its current location and HCDA’s commitment to fostering further development of the community plan for the district:

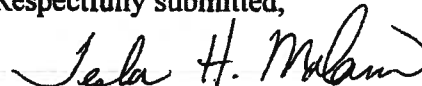
- In 2006, the HCDA was charged for the KFO’s proportionate share of utilities charged to the DHHL. The KFO average monthly costs to HCDA did not exceed \$300.00.
- In 2008, the ED relocated the KFO to a 1,312 square foot (sf) field office that was located in the James Campbell Square, 1001 Kamokila Boulevard, Suite 167, in downtown Kapolei which accommodated for adequate infrastructure and American with Disability Access (ADA) requirements. The approximate cost of the KFO was \$5,400.00 per month.

- Due to budget concerns, in February 2014, the KFO moved to its current location at the DHHL office complex in Kapolei. The 370-square foot (sf) office accommodates the two (2) Kalaeloa CDD staff and access to the Hale Pono conference room to hold stakeholder meetings. The HCDA currently pays \$3.60 per sf per month or \$1,333.73 per month. Maintenance and utilities all included. The current charge for the Hale Pono conference room is \$50 per meeting. The relocation of the KFO to the DHHL Headquarters resulted in an average monthly savings of \$4,066.27.
- The KFO staff continues to look for opportunities within the Kalaeloa district, but it is difficult to locate small office rentals. At the present time, the Hunt Companies' Kalaeloa Professional Center is averaging lease rents of \$1.95 to \$2.15 per sf, not including common area maintenance, electrical and janitorial costs, and with a minimum 1,000 sf lease space.

RECOMMENDATION:

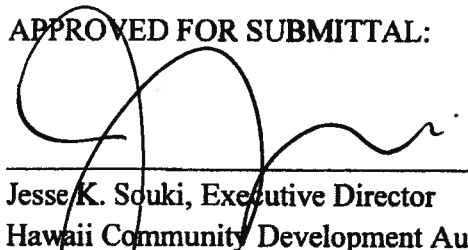
Staff recommends the Authority Authorize the Executive Director to Execute a Three (3) Year (February 1, 2018 to January 31, 2021) Memorandum of Agreement with the Department of Hawaiian Home Lands and Expend Kalaeloa Community Development Revolving Funds in a Total Amount Not to Exceed \$70,000.00 for the Hawaii Community Development Authority Kalaeloa Field Office.

Respectfully submitted,



Tesha H. Malama,
Kalaeloa Director of Planning and Development

APPROVED FOR SUBMITTAL:



Jesse K. Souki, Executive Director
Hawaii Community Development Authority

Attachment:

Exhibit A: Kalaeloa Strategic Plan Timeline Extension
Exhibit B: HCDA and DHHL Memorandum of Agreement

Exhibit A

KALAELOA STRATEGIC PLAN TIMELINE EXTENSION TO YEAR 2020

OUR COMMUNITY'S VISION: Kalaeloa is a "Wahi Ho'okela," a center of excellence within the 'Ewa District.

GOAL: To update and extend the Kalaeloa Strategic Plan timeline to year 2020 by engaging the Kalaeloa advisory teams to review, comment and provide a recommendation on the timeline extension.

Background:

The Kalaeloa Community Development District (Kalaeloa) was conceived with the announced closure of the Barbers Point Naval Air Station in 1993. In 1999, the air station closed and in 2002, the Hawaii State Legislature transferred redevelopment responsibilities to the Hawaii'i Community Development Authority (HCDA). In 2005, the HCDA drafted the Kalaeloa Strategic Plan which included the vision, mission, core values, guiding principles, challenges and opportunities and a timeline of near-term priority actions. After a series of stakeholder and community meetings, the draft plan was finalized and adopted in May 2005. In 2009, the original timeline was updated, which made it effective from year 2010 through 2015. Now that 10 years have passed since the original timeline was adopted, the HCDA felt it was important to actively engage the Kalaeloa advisory members in a process to review, update and possibly extend the timeline to year 2020.

Community:

HCDA garnered input from the four Kalaeloa advisory teams: the Kalaeloa Advisory Team, the Kalaeloa Community Network, the Kalaeloa Heritage and Legacy Foundation and the Kalaeloa Public Safety. In addition to accepting input via email, phone or mail, the HCDA held the 2015 Kalaeloa Strategic Plan Workshop on September 17, 2015. The workshop's breakout sessions were facilitated by a member of the Kalaeloa Community Network and a member of the Kalaeloa Advisory Team.

Participants:

Barbers Point Bowling Center/Subway, Cetra Group for Hunt Companies, Inc., City and County of Honolulu Department of Parks and Recreation, Congressman Mark Takai's office, Department of Hawaiian Home Lands, D.R. Horton, Federal Bureau of Investigation, Gentry Homes, Ltd., Hawaii Army National Guard, Hawaii Community Development Authority, Honolulu Community College, Hunt Companies, Kalaeloa Airport, Kalaeloa Crash Fire Rescue Station, Kalaeloa Heritage and Legacy Foundation, Naval Air Museum Barbers Point, Navy Facilities Hawaii, R.M. Towill Corp., Representative Sharon Har's staff, Senator Mike Gabbard's staff, Steadfast at Hale Ulu Pono Transitional Shelter, Youth Challenge Academy and the United States Coast Guard Air Station Barbers Point.

CONCLUSION:

The community's feedback unanimously supported the extension of the timeline to year 2020. These findings were presented to the HCDA Authority at its November 10, 2015 meeting and the HCDA Kalaeloa staff actively strives to incorporate the timeline's priorities into its daily and ongoing redevelopment projects and products.



KALAELOA STRATEGIC PLAN TIMELINE EXTENSION TO YEAR 2020																	
NEAR-TERM PRIORITY ACTIONS AND TIMELINE		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PARTNERSHIPS																	
1.	Partner with Kalaheo land owners and the community in a manner consistent with the core values and vision for Kalaheo.	→										→	→	→	→	→	→
2.	Enter into cooperative use agreements with community groups, area schools and non-profits in support of common area maintenance, cultural resource preservation & ecological restoration programs, and educational research projects.	→										→	→	→	→	→	→
PLANNING																	
1.	Review, update and amend the 2001 Kalaheo Community Redevelopment Plan to reflect the current conditions, core values and vision for Kalaheo.	→															
2.	Coordinate all planning efforts with existing Federal, State and City land use plans, adjacent private land development projects and the values, needs and ideas of the community.	→										→	→	→	→	→	→
3.	Advance the means for development by promulgating administrative rules pursuant to HRS 206E that are coordinated with Federal, State and County plans, policies and guidelines.	→										→	→	→	→	→	→
4.	Update and amend existing infrastructure plans to reflect current conditions in Kalaheo and the infrastructure plans for the Leeward Oahu region and begin design on the first phase of improvements.	→										→	→	→	→	→	→
ADVOCACY																	
1.	Resolve roadway and utilities issues by coordinating with appropriate government agencies and utility service providers.	→										→	→	→	→	→	→
2.	Actively encourage the U.S. Navy to review and coordinate their future land use plans and federal conveyance processes in a manner consistent with the vision for Kalaheo and that maximizes the benefit to the community and the Navy.	→										→	→	→	→	→	→
3.	Serve as the Kalaheo "ombudsman" to provide up-to-date information about the redevelopment process and to respond to community questions and concerns.	→										→	→	→	→	→	→
STEWARDSHIP																	
1.	Develop rules and regulations that address the need for all land owners to use best management practices for the care of the land and water resources at Kalaheo.	→										→	→	→	→	→	→
2.	Secure adequate financial resources to meet capital improvement and operational needs in Kalaheo.	→										→	→	→	→	→	→

NEAR-TERM PRIORITY ACTIONS AND TIMELINE		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PARTNERSHIPS																	
1.	Partner with Kalaheo land owners and the community in a manner consistent with the core values and vision for Kalaheo.	→									→	→	→	→	→	→	→
2.	Enter into cooperative use agreements with community groups, area schools and non-profits in support of common area maintenance, cultural resource preservation & ecological restoration programs, and educational research projects.	→									→	→	→	→	→	→	→
PLANNING																	
1.	Review, update and amend the 2001 Kalaheo Community Redevelopment Plan to reflect the current conditions, core values and vision for Kalaheo.	↑															
2.	Coordinate all planning efforts with existing Federal, State and City land use plans, adjacent private land development projects and the values, needs and ideas of the community.	→									→	→	→	→	→	→	→
3.	Advance the means for development by promulgating administrative rules pursuant to HRS 208E that are coordinated with Federal, State and County plans, policies and guidelines.	→									→	→	→	→	→	→	→
4.	Update and amend existing infrastructure plans to reflect current conditions in Kalaheo and the infrastructure plans for the Leeward Oahu region and begin design on the first phase of improvements.	→									→	→	→	→	→	→	→
ADVOCACY																	
1.	Resolve roadway and utilities issues by coordinating with appropriate government agencies and utility service providers.	→									→	→	→	→	→	→	→
2.	Actively encourage the U.S. Navy to review and coordinate their future land use plans and federal conveyance processes in a manner consistent with the vision for Kalaheo and that maximizes the benefit to the community and the Navy.	→									→	→	→	→	→	→	→
3.	Serve as the Kalaheo "ombudsman" to provide up-to-date information about the redevelopment process and to respond to community questions and concerns.	→									→	→	→	→	→	→	→
STEWARDSHIP																	
1.	Develop rules and regulations that address the need for all land owners to use best management practices for the care of the land and water resources at Kalaheo.	→									→	→	→	→	→	→	→
2.	Secure adequate financial resources to meet capital improvement and operational needs in Kalaheo.	→									→	→	→	→	→	→	→

Exhibit B

MEMORANDUM OF AGREEMENT
BETWEEN THE DEPARTMENT OF HAWAIIAN HOME LANDS (DHHL)
AND THE
HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

RELATING TO THE RENTAL OF OFFICE SPACE BY THE DHHL TO THE HCDA

THIS MEMORANDUM OF AGREEMENT FOR THE RENTAL OF OFFICE SPACE AT HALE KALANIANA'OLE BUILDING, made this 1st day of February, 2017 ("Agreement") by and between DEPARTMENT OF HAWAIIAN HOME LANDS, a public body and a body corporate and politic of the State of Hawaii, whose principal place of business is 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707 ("DHHL"), HAWAII COMMUNITY DEVELOPMENT AUTHORITY, is a body corporate and a public instrumentality of the State of Hawaii, whose principal place of business and mailing address is 547 Queen Street, Honolulu, Hawaii 96813 ("HCDA") (collectively, the "Parties").

WHEREAS, the HCDA desires to rent approximately 370 square feet for the Kalaeloa Field Office from the DHHL at its Hale Kalaniana'ole building located 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707;

WHEREAS, the DHHL is authorized to sublease its Hale Kalaniana'ole building pursuant to Article XII, Section 12.01 of its Facility Lease Agreement;

WHEREAS, DHHL has office space of approximately 370.48 square available for rent in room 134 of its Hale Kalaniana'ole building;

NOW, THEREFORE, DHHL and HCDA enter into this Memorandum of Agreement (MOA) and hereto agree to the following:

- A. HCDA agrees to rent room 134, approximately 370.48 square feet, of the DHHL Hale Kalaniana'ole building. Rental period shall commence on February 1, 2017 and end on January 31, 2018;
- B. HCDA agrees to a monthly rent in the amount of ONE THOUSAND THREE HUNDRED THIRTY THREE DOLLARS AND SEVENTY-TWO CENTS (\$1,333.72). Payments shall be made by HCDA in advance on a quarterly basis (\$4,001.16 per quarter) by journal voucher. DHHL shall send to HCDA a quarterly billing for rent with payment instructions;
- C. HCDA agrees DHHL reserves the right to reasonably increase the amount of the rent to meet future budgetary requirements. DHHL shall send, mail, email, or fax to HCDA a written notice of the rent increase thirty (30) days prior to the increase commencement date;
- D. HCDA agrees to observe and comply with reasonable rules and regulations of the premises;
- E. The terms and conditions of this MOA shall be effective from February 1, 2017, to January 31, 2018.
- F. Approval. This Agreement shall not be binding upon the Parties unless and until this Agreement has been approved by the Authority of the HCDA.
- G. Termination. Parties may terminate this MOA at any time with at least thirty (30) days by advance written notice in accordance with Paragraph H below.

- H. Notices. All communications hereunder will be in writing and shall be deemed duly communicated when delivered in person, sent by facsimile or electronic transmission or four (4) days after being sent by certified or registered mail, postage prepaid, addressed to the addresses listed below or, in each case, to such address as may hereafter have been designated most recently.


If to DHHL:	Department of Hawaiian Home Lands 91-5420 Kapolei Parkway Kapolei, Hawaii 96707 Attention: Rodney Lau Email: rodney.k.lau@hawaii.gov
If to HCDA:	Hawaii Community Development Authority 547 Queen Street Honolulu, Hawaii 96813 Attention: Lindsey Doi, Asset Management Manager Email: lindsey.doi@hcdaweb.org

- I. No Assignment or Subletting. This Agreement or any rights hereunder shall not be sold, assigned, conveyed, leased, mortgaged, or otherwise transferred or disposed of, nor shall HCDA sublet any portion of the Premises, without the prior written consent of DHHL in its sole discretion.

Both parties hereby agree to all the terms and conditions described above and execute this MOA by the affixing of their signatures on the dates below:

Department of Hawaiian
Home Lands

Hawaii Community Development Authority



Chairman, Hawaiian Homes
Commission



Executive Director, HCDA

Date

Date

Approved as to Form:


Deputy Attorney General


Deputy Attorney General