

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO
Honolulu, Hawaii, 96813

November 1, 2017

Chairperson and Kakaako Members
State of Hawaii
Honolulu, Hawaii

SUBJECT

Shall the Authority Authorize the Executive Director to Expend up to \$200,000 from the Hawaii Community Development Authority's Revolving Fund, Public Facility Dedication Subaccount to make all necessary health and safety repairs to Kakaako Waterfront Park?

SUMMARY

Kakaako Waterfront Park requires repairs in order to be made safe to reopen. Current contract amounts are not sufficient. Additional funding is necessary to complete all necessary repairs.

AUTHORITIES

At the August 3, 2016, General Meeting, the Board indicated it would like to review and approve all procurement requests over \$25,000. The Minutes to the August 3, 2016 meeting is attached hereto as Exhibit A.

BACKGROUND

The HCDA closed Kakaako Waterfront Park, Gateway Parks, and Kewalo Basin Park at 10:00 p.m. on October 8, 2017. See the notice that was posted on HCDA's website and sent to area lawmakers, attached as Exhibit B. Kakaako Waterfront Park was closed for public health and safety concerns, while Gateway and Kewalo Basin Parks were closed for maintenance. A full description of the closure is posted at <http://dbedt.hawaii.gov/hcda/hcda-park-management-update/>.

Repairs at Gateway Parks, Kewalo Basin Park, and Point Panic in Kakaako Waterfront Park were limited to electrical, irrigation, and maintenance repairs. Coconut trees were trimmed at all locations, and dead landscaping was removed. Four light poles at Kewalo Basin were removed due to extreme corrosion and cracks throughout the poles. Irrigation repairs were made at all locations to eliminate flooding and ponding of water. HCDA's landscapers used the balance of their contracted allowance to make all necessary repairs so that Gateway Parks, Kewalo Basin Park, and Point Panic could reopen by October 30, 2017.

Kakaako Waterfront Park sustained the heaviest damage and requires the most resources to safely reopen to the public. HCDA staff counted 36 light poles that were broken or "hotwired"

to power electronic devices. Dozens of other light and electrical fixtures were broken or inoperable due to unauthorized tampering. Irrigation lines throughout the park were also damaged, and many areas throughout the park are in need of substantial landscape repair after two fires broke out in recent weeks. Cobblestone pavers are missing along the promenade, comfort station facilities are broken and vandalized, and utility boxes throughout the park were breached.

HCDA's landscaper estimated repairing the damage to Kakaako Waterfront Park will cost approximately \$151,000. A breakdown of costs is provided in Exhibit C. We estimate that it will take one to two months to make all the public health and safety repairs.

ANALYSIS

The current park landscaping and maintenance contract provides for a \$50,000 annual allowance. Prior to park closure, the contract allowance had a balance of \$11,800. Repairs to Gateway Parks, Kewalo Basin Park, and Point Panic drained the balance of the allowance, leaving no funding for the major repairs at Kakaako Waterfront Park.

The public health and safety issues that necessitated the closure of Kakaako Waterfront Park cannot be addressed unless additional funding is authorized and approved by the Board. Kakaako Waterfront Park will remain closed to the public until all health and safety issues can be addressed.

Although the cost estimate for repairs at Waterfront Park is about \$151,000, HCDA staff recognizes actual costs may come in higher than these estimates. To avoid further delays in making necessary repairs and reopening Waterfront Park, HCDA staff requests an additional \$49,000 for a total spending ceiling of \$200,000 for repairs.

RECOMMENDATION

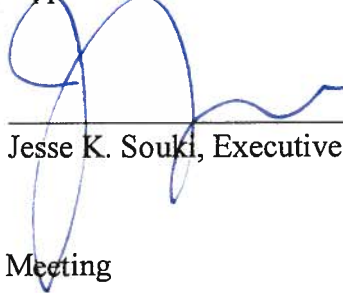
HCDA staff recommends that the Authority authorize the Executive Director to expend up to \$200,000.00 from the Hawaii Community Development Authority's Revolving Fund, Public Facility Dedication Subaccount to make all necessary health and safety repairs to Kakaako Waterfront Park.

Respectfully Submitted,



Lindsey Doi, Asset Manager

Approved for Submittal:



Jesse K. Souki, Executive Director

Exhibit A - Minutes of the August 3, 2016, General Meeting

Exhibit B – Park Closure Letter

Exhibit C – Breakdown of Park Repairs

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

Wednesday, August 3, 2016

GENERAL BUSINESS

I. CALL TO ORDER/ROLL CALL

A general business meeting of the 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 10:00 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
Donna Camvel
Wei Fang
Michael Golojuch, Sr.
Scott Kami
Jason Okuhama
David Rodriguez
Shirley Swinney
Mary Pat Waterhouse
Steven Scott
John Whalen

Members Absent: George Atta
William Oh
Amy Luersen
Kalani Capelouto
Derek Kimura

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

II. APPROVAL OF MINUTES

General Regular Meeting of June 1, 2016.

No comments or corrections were made. Minutes were approved as presented.

1. General Regular Meeting of July 6, 2016.

No comments or corrections were made. Minutes were approved as presented.

REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Aedward Los Banos highlighted the following items:

The Kewalo Basin Harbor sewer repair is being worked on. The contractor identified the issue and will start on a permanent repair. The restrooms have reopened and the contractor will work to minimize any closures while the repair is in progress.

The 440 Keawe Street affordable rental project by Kamehameha Schools will possibly be occupied by the end of August.

Tenant improvements to the South Shore Market (section below TJ Maxx on Ward) will begin.

KALAELOA UPDATE

The Kalaeloa Legacy Foundation held its annual fundraiser.

Kiran Polk of Hunt Development continues to indicate its commitment to address and remove the stockpiles on the site. They are working with another construction company to haul the equipment and complete the removal of the stockpile.

A Micro-grid Project is being prospected in a joint project with the State Energy Office for the Kalaeloa Development District receiving federal support through the Federal Energy Office. Funds will be used to coordinate a workshop with stakeholders to develop parameters for a microgrid. There will be an informational presentation for the Kalaeloa members regarding the microgrid workshop from the State Energy Office at the next meeting in September.

A meeting with BRAC, HCDA and DHHL confirmed that BRAC would like the City to commit to accepting land parcels by the end of the 2016 calendar year. If the City does not agree to accept the parcels HCDA or DHHL may have the opportunity to acquire the Kalaeloa property.

Mr. Los Banos confirmed for Member Swinney that the micro grid workshop will be federally funded and Ms. Tesha Malama stated the logistics for the micro grid workshop are being coordinated and it may coincide simultaneous with the Kalaeloa Landowners Summit

in October.

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

III. BUSINESS MATTERS

2. Decision Making: Election of Officers Fiscal Year 2016 - 2017

Chair Whalen noted due to the lack of quorum at the board's July meeting, the Election of Officers, as required according to the bylaws were deferred to today's meeting.

There were no comments or questions from the board members or the public.

Chair Whalen opened the nominations for the respective officers of Chairperson, Vice Chairperson and Secretary.

Vice Chair Scott nominated John Whalen to continue as Chairperson. Member Golojuch seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

Member Kami nominated Steven Scott as Vice Chair. Member Okuhama seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

Member Golojuch nominated Shirley Swinney as Secretary. Member Steven Scott seconded. Chair Whalen conducted a voice vote. All members approved with no abstentions.

There were no comments or questions from the board members or the public.

3. Information and Discussion: Settlement Offer and Update Relating to Close Construction, Inc. vs. Hawaii Community Development Authority et al., vs. Mitsunaga & Associates, Inc. vs. DTRIC Insurance Company, Ltd.; Civil No. 14-1-0599-03.

Chair Whalen noted for the board that the Attorney General's office requested the information and discussion item be moved up, from # 7 as originally filed on the Agenda, and adjust the remaining order accordingly.

Due to the litigation, Member Swinney motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes, Section 92-5 (a)(4). Member Bassett 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 10:25 a.m.

Chair Whalen reconvened the meeting at 10:54 a.m.

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

4. Information and Discussion: Executive Director Search Committee Update

Chair Whalen provided the update. He stated a few changes made to the position description included the addition of the He'eia Community Development District and also skill sets to work in developing the Kaka'ako Community. A revised final position description was disseminated to board members, and the contractor, Bishop and Company opened the application period for 60 days. The committee hopes to recruit and hire the Executive Director by November 2016.

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

5. Information and Discussion: 2017 HCDA Draft Legislative Package

Mr. Los Banos presented the report provided in the board packet. DBEDT is seeking preliminary budget requests from its divisions and agencies in preparation for the 2017 legislative session. HCDA's summary of budget item requests include:

- The Kalaeloa Enterprise Energy Corridor
- Lot C project parking structure
- American Brewery Building remaining repairs
- Kewalo Basin Fisherman's Wharf bulkhead repair
- HCDA staff salaries
- Kakaako conveyance of roads and other remnant parcels

Chair Whalen noted as the agenda item is just preliminary information for DBEDT's budget request, the board will have an opportunity for a discussion at a later date once DBEDT's budget request is submitted to the legislature.

Mr. Los Banos and Mr. Neupane clarified for board members that the HCDA will not be requesting the legislature to fund an EIS for He'eia this year as the Office of Planning is conducting a NEPA and feels a EIS is not necessary at this time.

PUBLIC TESTIMONY

Ms. Michelle Matson, President of the Oahu Island Parks Conservancy, asked where the planned location for the Lot C parking garage will be. Mr. Los Banos and Mr. Neupane stated the parking structure per the current master plan will be located along Forest Avenue and designed to be between 45 to a maximum of 65 feet high.

Ms. Matson suggested that HCDA look into adopting rules so that the 1st floor

community room in the American Brewery Building can be utilized by the public for community meetings.

Member Rodriguez asked if the revisions to the reserved housing rules require legislative approval or if the revisions can be completed internally. Chair Whalen confirmed the board has authority to make the revisions and the draft of the reserved housing rules and workforce housing rules will be presented at the HCDA Authority meeting in September.

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

6. **Information and Discussion: Proposed Delegation of Authority to HCDA Executive Director Involving Certain Procurement Matters.**

AND

7. **Information and Discussion: Proposed Delegation of Authority to HCDA Executive Director Involving Reserved Housing Matters.**

Mr. Los Banos gave a general overview of the report provided in the board packet and stated, agenda items 7 & 8 are generally decisions that historically have been decided by the board and in an effort to streamline the administrative process both reports are to delegate those decisions to the executive director. Any decisions made by the executive director regarding these matters will be reported in the Executive Director's report to the Authority at the next regularly scheduled board meeting. The following are recommendation decisions currently retained by the Board to be delegated to the Executive Director:

Administrative/Procurement Matters:

- Expenditure of non-discretionary costs renewal and execution of existing contracts for goods and services required to operate and maintain HCDA's park properties, offices and other assets.
- Emergency procurement of goods and services and
- Expenditure of HCDA Capital Improvement Projects earmarked funds appropriated by the Hawaii State Legislature pursuant to the Authority's request.

Reserved Housing Matters:

- Sale or Transfer After the Regulated Term
- Sale or Transfer During the Regulated Term
- Owner's Refinancing Request and Subordination of Shared Equity Interest

Member Scott stated, to keep the board informed, he'd like any requests over \$25K for procurement matters to be presented to the board for approval.

Mr. Los Banos confirmed for Member Waterhouse, if there are inadequate funds in the reserved housing subaccount and other funds available from another account, the item would be brought before the board for approval.

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

IV. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 11:52 a.m.

Respectfully submitted,

/s/

John Whalen,
Chair

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

Exhibit B

Posted at <http://dbedt.hawaii.gov/hcda/hcda-park-management-update/>

October 3, 2018

Aloha Park Users,

The Hawaii Community Development Authority (HCDA) will be temporarily closing the Waterfront, Gateway, and the Kewalo Basin Parks to all users starting at 10 p.m. on October 8.

Unfortunately, several parks that are assets of the Hawaii Community Development Authority (HCDA) have suffered significant and substantial damage from the recent inundation of illegal campers from other parts of the island and the lack of criminal trespass enforcement during park closure hours.

The purpose of HCDA Park Rules, under HAR § 15-210-1, “. . . is to govern the use and protection of all parks under the jurisdiction, management, and operation of the Hawaii community development authority, providing passive and active, cultural, educational and commercial activities for the well-being of all who visit the area including permitted park uses.”

HCDA has authority under HAR § 15-210-15(b), to “. . . close or restrict the public use of all or any portions thereof, ***when necessary for the maintenance or protection of the area or the safety and welfare of persons or property.***” Emphasis added.

The purpose of the park closure is for the maintenance and protection of the area and the safety and welfare of persons using the park. In particular,

- **Waterfront Park** is being closed due to the increased number of exposed live voltage wires on at least 30 light poles, the increased number of loose dogs and related dog attacks of park users, the increased number of vandalized and broken fixtures such as bathroom sinks/toilets, and the amount of trash and human waste, etc. HCDA is unable to manage the park under these conditions without closing it first.
- **Gateway and Kewalo Basin Parks** are being closed for maintenance given recent large events and future planned events. HCDA is coordinating its efforts across all parks to efficiently deploy public resources.

Here is a link to recent images of the parks and the issues discussed above, <https://dbedt.hawaii.gov/hcda/files/2017/10/Waterfront-Park-10.04.2017-1.pdf>.

While the park is closed, the Sheriff may choose to enforce HRS § 708-814.5, criminal trespass onto public parks and recreational grounds. HCDA understands that the Sheriff will be enforcing the criminal trespass law during our park closure for maintenance and public health and safety. This is good timing, since the Sheriff's enforcement of the law helps HCDA more efficiently manage the parks for the public's use and enjoyment. The State Homeless Coordinator will be conducting outreach to illegal campers who may be homeless, over 120 tents and 180 individual campers at last count. We are grateful for their assistance.

HCDA will not know the extent of the damage to park facilities or how much we need to repair until the illegal campers leave the parks. At that time, we will be in a better position to evaluate the damage,

plan remedial action to ensure the parks are safe, and then reopen the park. Some areas of the park require less attention. We will reopen those areas in a phased approach as soon as possible. We anticipate that the Waterfront Park will remain closed the longest, since it has sustained the most damage.

Thank you for your support as we address this important public health and safety matter. You can direct any public inquiries about the park closures to HCDA at (808) 594-0300, dbedt.hcda.contact@hawaii.gov, or our website at <http://dbedt.hawaii.gov/HCDA>.

Mahalo,
Jesse K. Souki
Executive Director/CEO
Hawaii Community Development Authority

Exhibit C

<u>KWP Maintenance and Repairs Schedule</u>	<u>Start Date</u>	<u>Exp. Completion Date</u>	<u>Unit Price</u>	<u># Units</u>	<u>Cost Estimate</u>	<u>Responsible Party</u>
Damage Assessment	11-Oct	16-Oct				
Repair all irrigation			\$770	26	\$20,020	Hawaii National Landscape
Fix KWP lightpoles to make them work (move wires further up into pole)			\$2,000	36	\$72,000	Hawaii National Landscape
Rewire and repair junction boxes			\$500	5	\$2,500	Hawaii National Landscape
Secure all green electrical boxes with new locks/bars			\$500	4	\$2,000	Hawaii National Landscape
Replace electrical junction box covers with metal covers			\$700	10	\$7,000	Hawaii National Landscape
Replace water valve at Ehime memorial			\$500	1	\$500	Hawaii National Landscape
Cap and seal all Ehime ground light fixtures (do not restore power)			\$300	20	\$6,000	Hawaii National Landscape
Cap and seal trellis ceiling lights (do not restore power)			\$250	20	\$5,000	Hawaii National Landscape
Coconut tree trimming (part of contract price)		27-Oct	n/a	n/a		Hawaii National Landscape
Promenade missing cobblestones replacement					\$20,000	Hawaii National Landscape
OTHER VENDOR WORK						
Inject KWP lightpoles with concrete at base				36	\$6,000	Waikiki Health
Fill hole by Wastewater Lot fenceline with dirt and gravel, reseed				1	\$10,000	Waikiki Health

TOTAL: \$151,020

Gateway Parks Maintenance Schedule

All Repairs Must be Complete by Oct. 29

- Coconut tree trimming
- Irrigation line repairs
- Fix wires for 2 lightpoles in KWP parking lot

Cost Estimate

- n/a
- \$1,000
- \$4,000

Responsible Party

- Hawaii National Landscape
- Hawaii National Landscape
- Hawaii National Landscape

TOTAL: \$5,000

Kewalo Basin Park Maintenance Schedule

All Repairs Must be Complete by Oct. 29

Remove 2 cracking light poles and fill hole with cement

Pole 1: Near end of promenade by statue

Pole 2: Near Diamond Head Makai corner of Kupu parking lot

Pole 3: First pole by Dolphin Lab near Ala Moana

Pole 4: Neark parking lot (will mark with caution tape)

Hala tree removal

Irrigation repairs

Electrical repairs

Cost Estimate

Responsible Party

	Hawaii National Landscape
\$500	Hawaii National Landscape
\$500	Hawaii National Landscape
\$500	Hawaii National Landscape
\$500	Hawaii National Landscape
\$900	Hawaii National Landscape
\$3,000	Hawaii National Landscape
\$20,000	Hawaii National Landscape

TOTAL: \$25,900