

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

Wednesday, January 3, 2018

KALAELOA BUSINESS

I. CALL TO ORDER/ROLL CALL

A regular business meeting of the Kalaeloa 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 10:26 AM, June 6, 2018 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: 1. Mark Anderson (B&F Ex-officio)
2. Mike Golojuch
3. Beau Bassett
4. David Rodriguez (DOT Ex-officio)
5. John Whalen

Members Absent Derek Kimura (DHHL non-voting)
Mary Pat Waterhouse
Shirley Swinney
Maeda Timson
Wei Fang
Kathy Sokugawa (DPP non-voting)

Others Present: Garrett Kamemoto, Interim Executive Director
Deepak Neupane, Kakaako Planning and Development Director
Tessa Malama, Kalaeloa Planning and Development Director
Lindsey Doi, Asset Manager
Francine Murray, HCDA Program Specialist
Kuulei Moses, Secretary
Lori Sunakoda, Deputy Attorney General

II. APPROVAL OF MINUTES
Kalaeloa Regular Meeting of December 6, 2017

Minutes for the December 6, 2017 Kalaeloa meeting were approved as presented.

III. INFORMATION AND DISCUSSION
Kalaeloa Heritage Park Annual Report

Tesha Malama noted that the Annual Report would usually be presented on the December Agenda, however due to the number of items that were scheduled last month the Annual Report will be presented today. Ms. Malama welcomed the Kalaeloa Heritage and Legacy Foundation (KHLF); the President and Vice President would be making the presentation.

Dwight Victor, President of KHLF and Wendy Nihoa, Vice President introduced themselves pointed out the KHLF board members that were in the audience. Mr. Victor provided background information on KHLF and noted that the KHLF board includes nine members. Mr. Victor then presented the 2017 Annual Report and mentioned at the end of 2017, KHLF started working with DREAM House a Charter School in Ewa Beach who is looking for a place to build its school. Mr. Victor noted that there is community interest for the charter school and stated that KHLF feels the school could help fulfill the educational component included in the Conceptual Plan for the park.

Mr. Victor noted that KHLF's 2017 revenues were from donations and sales. The KHLF implemented a fee entry to the Park, \$5.00 for adults and \$1.00 for students as well as Kiawe Wood sales. He also stated that the expenses for KHLF included closing out the Hawaii Community Foundation Grant to KHLF, Park Operations, Administration and Supplies and Equipment for maintenance of the Park. For 2018 KHLF anticipates fundraising events and partnerships with area schools that will contribute to KHLF's income and that would also help to remediate the stockpile.

Mr. Victor noted the biggest challenge is 2017 for KHLF was the Notice of Violation and Notice of Order for the stockpile that happened in 2012/2013. The KHLF board spent the build of 2017 attempting to address the issue and met with various partners in the area to help transport and remove the materials, also tried working with the Department of Health to see if the materials could be used on site as part of the building plan; however the DOH has a slow turnaround time and required everything in writing. DOH's most recent response was that if KHLF wanted to deviate from an original environmental review that was already done by KHLF's partner, KHLF would be required to redo the review and resubmit its new plan to DOH. KHLF felt that did not make any sense as the original review conducted in 2015 - 2016 showed none of the stockpiles exceeded the levels that were set by DOT and KHLF felt that another review that would cost \$10,000.00 – \$15,000.00 did not make any sense. At that same time, HCDA was also working in parallel on the issue and notified KHLF that HCDA would be taking the lead in addressing the stockpile, therefore KHLF took a lesser role and gave the lead to HCDA. Late 2017, there was a notice sent to KHLF of a default of the

lease as KHLF did not resolve the stockpile issue within one year of the HCDA assigning the lease to KHLF; therefore at its December 2017 board meeting the HCDA approved an addendum to the lease that would require KHLF to pay for 50% of the cost and 100% of the fine. KHLF is in agreement of that addendum and understand that there is no final amount of that fine at the moment, however the City's Department of Planning and Permitting will be calculate what that total is and will be forthcoming.

KHLF is working on updating its strategic plan and scheduled a planning meeting that will include discussions on remediation efforts of the stockpile, a fundraising campaign that will include pursuing other grants as well as KHLF subleases that KHLF is allowed to do with the review and approval of the HCDA board. KHLF is one of the few lessee's that have started working on subleasing therefore KHLF would like to follow up on HCDA's unsolicited proposals policy as that will help KHLF move forward on subleasing that will help stabilize funds to help with remediation of the stockpile.

Ms. Malama brought up the two major questions that the Kalaeloa Board raised at the last meeting. 1) How would the Notice of Violation (NOV) and fines be addressed and what type of strategic steps would be made to ensure that a payment plan would be intact 2) what was going to be done as far as Administration, how would they be able to manage if KHLF would enter into a sublease.

Mr. Victor explained that they were adding in 4 new standing committees; finance, partnership, park maintenance and marketing. These committees would help KHLF focus on those areas. He hopes that the marketing committee would help with visitor accounts as they had zero growth in terms of visitors between 2016-2017.

Mr. Victor noted that KHLF updated their Strategic Plan that was created in 2014, which was around the time of the original conception plan. One thing they added was a higher priority for addressing the NOV. KHLF also has some outstanding liabilities owed to some board members who are fully committed to this project. Other objectives for the strategic plan were to create funding sources such as increasing visiting fees, subleases and other fundraising.

Gary Omori and Shad Kane testified in support of the efforts of this organization.

IV. REPORT OF THE INTERIM EXECUTIVE DIRECTOR Monthly Activities Update of the Kalaeloa Office

Ms. Malama noted that Hunt is currently paid in full in regard to the Kalaeloa assessments (page 2). Regarding Homeless programs, accounting sent out a reminder (page 3). Ms. Malama also highlighted the construction that began in the Energy Corridor.

Alex Teece President of Dream House Ewa Beach highlighted that they have raised over 200K in the last 5 months as a nonprofit and the governor just put in 750K earmark for his budget request from Dream House.

There were no further comments or questions and no public testimony.

V. ADJOURNMENT

Chairperson Whalen adjourned the Kalaeloa meeting at 11:27 AM

Approved and Submitted by,

John P. Whalen, Chairperson

Date Approved by HCDA Board