

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

Wednesday, December 6, 2017

KAKAAKO BUSINESS

I. CALL TO ORDER/ROLL CALL

A regular 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 9:04 AM, December 6, 2017 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. Wei Fang
2. Mary Pat Waterhouse
3. William Oh
4. Jason Okuhama
5. Phillip Hasha
6. John Whalen

Members Absent: Kathy Sokugawa (City DPP non-voting)
Laurel Johnston (B&F Ex-officio)
David Rodriguez (DOT Ex-officio)
Beau Bassett

Others Present: Garrett Kamemoto, Interim Executive Director
Deepak Neupane, Kakaako Planning Director
Lindsey Doi, Asset Manager
Francine Murray, HCDA Program Specialist
Tommilyn Soares, Secretary
Lori Sunakoda, Deputy Attorney General

II. APPROVAL OF MINUTES

The meeting minutes for November 1, 2017 was deferred.

III. ACTION ITEMS

Shall the Authority Authorize the Transfer of up to \$450,000.00 from the Hawaii Community Development Revolving Fund's Leasing and Management Subaccount to the Kalaeloa Community Development Revolving Fund, to Retain a Consultant to Prepare Technical and Financial Studies and a Request for Proposal for the Kalaeloa Safe and Reliable Energy Infrastructure Project in the Kalaeloa Community Development District?

Mr. Garrett Kamemoto stated the action item will allow HCDA to begin development and work toward fulfilling its mission in the Kalaeloa Community Development District.

Mr. Deepak Neupane presented the staff report provided in the board packet and added to Mr. Kamemoto's statement noting that the purpose of this project is to create the energy infrastructure in Kalaeloa that is required pursuant to HCDA's statutes. HCDA staff does not have the expertise to provide power generation and distribution; therefore, a recommendation to retain consultants to conduct studies on providing energy to the Kalaeloa Community Development District are being recommended.

Member Waterhouse joined the meeting at 9:15 a.m.

Chair Whalen explained that the action item is included on the Kakaako agenda because the funds are available in the Kakaako Leasing and Management subaccount and the board will need to approve the transfer to the Kalaeloa Community Development Revolving Fund.

Member Fang expressed her concern on the amount being requested because the Leasing and Management subaccount is not generating a lot of revenue to cover expenses and asked what the vision and timeline of the consultant would be to justify the amount being requested.

Mr. Neupane explained that the estimate is based on discussions with a National Architectural Engineering consultant that is on HCDA's professional services list who has expertise on power infrastructure and has also worked with military power installations. The consultant indicated the level of time and effort the Kalaeloa Energy project would require. Mr. Neupane also noted that the amount could be reimbursed from the Kalaeloa Landowner Assessments.

Chair Whalen stated his concerns about the request due to the decrease of funds in the Leasing and Management subaccount.

Member Swinney asked due to the funding concerns, is there a reason this request is being made now.

Ms. Malama provided a summary on the planning and infrastructure efforts that have transpired over the last 12 months and stated that because of those efforts the approval is necessary for the next steps of this project to continue.

Member Waterhouse stated that with other financial requests being brought forward to the board for approval she is concerned with the financial state of HCDA and hoped that there was a strategic plan outlined for the board members to review before today's request. She referred to the 2006 strategic plan that was completed; however, suggests it should be updated and asked why funds are not being requested from the Legislature.

Ms. Malama stated that there is a \$500,000.00 CIP request to the 2018 Legislature and that money will be used to update the Community Development Plan. A Kalaeloa Projection Financial Plan was proposed to the previous Executive Director with the goal of having the Kalaeloa Community Development District be self-sustaining in generating revenue to fund staff positions.

Mr. Aedward Los Banos explained that the timing of this request is a result of meetings that were held with the previous Executive Director Jesse Souki, U.S. Senator Brian Schatz, US. Senator Mazie Hirono's staff who have agreed to securing a special legislation in 2019 to help move this project forward. Also, the timing is appropriate as the Admiral for the Pacific Command is interested in moving the grid from the Navy to the State. Mr. Los Banos stated if the board agrees to the current request for funds, HCDA will have sufficient funds until Fiscal Year 2021. He also stated that provided opportunities to generate revenue from the Aloha Solar Lease, a reimbursement is possible if the board makes a contingency to reimburse the leasing and management subaccount.

Chair Whalen asked what the possible appropriation from legislature would be.

Mr. Los Banos stated that the draft budget bill is being reviewed by the Governor's office.

Mr. Luis Salaveria, DBEDT Director confirmed that he would include a budget request to the Legislature for the Kalaeloa Energy Project.

Ms. Malama explained that the request is required for a consultant to begin this project, she also explained that there is a \$200,000 request on the Kalaeloa agenda for a consult to conduct documentation for metes and bounds that will help to establish the infrastructure and that both requests are necessary to move forward with Energy for the Kalaeloa Community Development District.

Member Okuhama noted that the revenue in Kakaako have slowed down; however, there is a potential for the Kalaeloa Community Development District to generate income and suggests moving forward on this project.

Member Fang noted she is okay to approve the action item contingent on reimbursement and to phase the project pursuant to available funds.

Member Fang motioned for the authority to authorize the transfer of up to \$450,000.00 from the Hawaii Community Development Revolving Fund's Leasing and Management Subaccount to the Kalaeloa Community Development Revolving Fund, to retain a consultant to prepare technical and financial studies and a request for proposal for the Kalaeloa Safe and Reliable Energy Infrastructure Project in the Kalaeloa Community Development District subject to periodic reports from staff to the board and reimbursement of the amount spent to the HCDA leasing and management subaccount.

Member Okuhama seconded.

Mr. Neupane conducted the roll call vote. Motion passed with six ayes and three excused.

Shall the Authority Authorize the Interim Executive Director to Issue a Grant of Easement to the Hawaiian Electric Company at the Ala Moana Pump Station Site?

Ms. Doi presented the report provided in the board packet. The Ala Moana Pump Station site requires electricity to the site and HECO is requesting an easement to allow work to the site.

There was no further comments or questions by the board.

There was no public testimony.

Member Okuhama motioned for the board to authorize the Interim Executive Director to issue a grant of easement to the Hawaii Electric Company at the Ala Moana Pump Station site.

Member Hasha seconded.

Ms. Doi conducted the roll call vote. Motion passed with three ayes and three excused.

IV. EXECUTIVE DIRECTOR REPORT

Monthly and Status report on the following:

- a. Approved permit applications that did not require HRS§ 206E-5.6 public hearings.
- b. HCDA Park Update.

Member Fang asked what the status was on the Kakaako Park repairs and if there have been any other issues that may have come up.

Mr. Kamemoto explained what repairs have been made to the parks that have been made.

Ms. Doi provided an update on the pending electrical repairs and anticipates that be completed in two weeks and hopes to reopen the parks at the end of month. Member Hasha asked about the security contract.

Ms. Doi explained the new security contractor started work on Friday, December 1, 2017 and is hopeful for positive change.

There was no further discussion, comments or public testimony.

V. ADJOURNMENT

Chairperson Whalen adjourned the regular meeting at 10:38 a.m.

Approved and Submitted by,



John P. Whalen, Chairperson

FEB 07 2018

Date Approved by HCDA Board