

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

Wednesday, December 6, 2017

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 11:31 a.m. December 6, 2017 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:

1. Shirley Swinney
2. David Rodriguez
3. Maeda Timson
4. Wei Fang
5. Mary Pat Waterhouse
6. John Whalen
7. Derek Kimura (non-voting)

Members Absent:

Mike Golojuch, Sr.
Laurel Johnston
Kathy Sokugawa

Others Present:

Garett Kamemoto, Interim Executive Director
Tessa Malama, Kalaeloa Planning Director
Deepak Neupane, Kakaako Planning Director
Lindsey Doi, Asset Manager
Francine Murray, HCDA Program Specialist
Lori Sunakoda, Deputy Attorney General
Tommilyn Soares, Secretary

II. APPROVAL OF MINUTES

Meeting minutes for the October 4, 2017 Kalaeloa meeting were approved as presented.

III. ACTION ITEMS

Shall the Authority Accept the Findings and Recommendations of the Kalaeloa Heritage Park Stockpile Task Force, presented to the Board on September 6, 2017

Member Swinney noted that Mike Golojuch Chair of the task force is absent and asked Member Swinney to provide the report. Member Swinney thanked staff for assisting with the stock pile and also reminded members that the task force presented its findings and recommendations at the September 6, 2017 meeting.

Member Swinney noted that it is important to resolve and recognize the partnership with KHLF and HCDA. The KHLF has considerable goodwill within the community and commercial entities in the community that helped enable the task force to be able to have discussions with commercial and community groups to help resolve stockpile issue.

The Authority has approved expending up to \$200,000.00 for the removal of the stockpile and the task force and staff worked to help find the best cost remediation. The site the stock pile will be moved to is approximately five miles from KHLF and the cost is at \$1200.00 per load with an approximate 100 – 150 loads. If the board considers hiring a consultant to monitor the hauling and removal of the stockpile that total cost is estimated at \$160,000.00 – \$180,000.00. Member Swinney noted that KHLF agreed to repay all fines. The City's Department of Planning and Permitting issued the violation to the landowner; therefore, the task force does not have a final cost because staff will need to revisit the total fine with DPP. The task force recommends that the board memorialize KHLF's agreement to repay HCDA for these fines through a separate agreement.

Member Timson noted that the KHLF is a great steward for the land; however, has concerns regarding the management of what they have been doing. Member Timson requested the members of the KHLF to come forward for questions.

Ms. Malama explained (before KHLF addresses Member Timsons questions) that the KHLF was able to procure a community planning and engineering contract to develop property map that was necessary.

Member Swinney stated that as KHLF did some preliminary work noted by Ms. Malama the stockpile is ready to be moved.

There was no further questions or discussion by board members.

Ms. Valerie Kane and Mr. Kawika Shook board members from KHLF came forward to answer any questions for the board members. Ms. Kane stated that it has always been KHLF's commitment to resolve the stockpile issue and move forward.

Member Timson asked if the KHLF has placed any safeguards to avoid future violations.

Mr. Shook believes KHLF should work more closely with HCDA regarding subleasing and partnering with other stakeholders in the community.

Member Timson asked KHLF what the status is with its strategic plan, specifically with its fundraising plans especially with the stockpile remediation fess and asked how does KHLF plan to pay those costs back?

Mr. Shook reminded the board that the KHLF board members are volunteers that have no paid staff members. He stated that he is the grant writer for the KHLF and have strategic planning sessions scheduled in 2018 to discuss grant funding and fundraising for the organization. KHLF holds annual fundraisers and will also be working on a fundraising campaign for 2018. KHLF is also working with a potential sublease contract with Dream House Charter Schools of Ewa that may provide the financial needs in addressing the stockpile fine as well as the conceptualization of the Park.

Member Swinney asked Mr. Shook of KHLF's strategic plan is based on the sublease to the Ewa Charter school. Member Swinney also asked what KHLF's strategic goals are?

Mr. Shook responded that the sublease is one part and that the strategic plan includes the conceptualization of the resource center of the park. He also stated that the KHLF board will be discussing its goals at the strategic planning sessions that will occur in 2018.

Member Timson asked Mr. Shook and Ms. Kane if the KHLF has the authority to sublease.

Ms. Kane stated that the proposal from the Ewa Charter School is something new that came up and is in preliminary stages for the KHLF board discuss. Ms. Kane also noted that she believes KHLF does have the authority to sublease.

Ms. Malama responded that the current lease allows the KHLF to sublease subject to HCDA's approval; therefore, a proposal was received from KHLF for Ewa Charter School.

Ms. Timson asked how quickly can KHLF become current on fundraising? And does KHLF have a timeline on fundraising?

Mr. Shook responded that the discussions regarding KHLF's fundraising are ongoing.

Ms. Timson stated that per the task force recommendations she suggests that the authority request conditions be met with a timeline for KHLF and stated that as stewards of the land, it is imperative for KHLF to improve its management of the land and suggested enhanced reporting, updating its business plan and a timeline.

Member Swinney noted that as part of an agreement the board may include an addendum to the lease to include repayment and its conditions. Member Swinney suggested the amended language be incorporated to the lease.

Public Testimony

Alex Teece, founder of DreamHouse Ewa Charter School stated the school will be serving the Campbell/Kapolei district and mentioned in its preliminary stages the Charter School has entered into discussion with KHLF for a possible sublease.

Member Timson asked what the timeline on the charter school is.

Mr. Teece stated that the school has been approved to open in August 2018.

Dr. Verlieann Molina stated her support for Charter Schools.

There was no other public testimony.

Member Swinney noted that the report she provided were the findings and recommendations of the task force, for the board to consider.

Member Waterhouse mentioned that Member Timson requested possibly amending the motion to include conditions be met by KHLF.

Member Timson suggests amending the motion to include the following conditions for the KHLF:

1. enhanced reporting,
2. updated business plan,
3. formulate a strategic plan of capital campaign

Member Fang asked if these amendments are part of the stockpile recommendations.

Member Timson stated that its part of the stockpile as KHLF will need to pay HCDA back for it fees.

Deputy Attorney General Lori Sunakoda explained that the statutes of a Permitted Interaction Group limit the ability for the board to accept, approve or reject, recommendations by the task force and believes that Member Timsons recommendations are substantive changes that require additional notice for the public that require another meeting.

Deputy Attorney General Sunakoda also confirmed that the task force recommendations would stand as presented by Member Swinney and that any changes as recommended by Member Timson could be incorporated into the lease agreement.

Chair Whalen asked if there were any other questions or discussion by the board members.

There was no comments or questions by board members and no public testimony

Member Fang made a motion for the board to adopt the findings and recommendations of

the Kalaeloa Heritage Park Stockpile Task Force, presented to the Board on September 6, 2017

Member Waterhouse seconded.

Chair Whalen asked if there was any discussion on the motion.

There were no other comments.

Ms. Tesha Malama conducted the roll call vote. Motion passed with six votes and three excused.

Member Swinney asked now that the Board has adopted the recommendations of the task force, does that dissolve the task force?

Chair Whalen responded yes.

Shall the Authority Authorize the Interim Executive Director to Execute a Lease Agreement with Aloha Solar Energy Fund II, ECC Energy Solutions, LLC, to Develop a 5 Megawatt Photovoltaic Solar Farm on Parcel 13073-E, Tax Map Key (1) 9-1-013:070 at Kalaeloa, Oahu, Hawaii?

Ms. Malama presented the report included in the board packet and summarized the analysis on page two of the staff report.

Member Waterhouse asked how much has been spent on this project thus far?

Ms. Malama responded \$13,000.00, for the appraisal.

Member Waterhouse asked if staff anticipates spending any additional funds on project?

Ms. Malama responded staff does not anticipate additional costs.

Member Swinney stated that the appraisal report supplemented the Colliers report that was completed for the financial position task force. She also noted that this project began in 2012 and has progressed to meet all milestones and conditions as required by SHPD.

Ms. Timson confirmed of the forty-four acres, 22 will be utilized for the project and the remaining parcels will be used as preservation.

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

Member Swinney motioned for the board to authorize the Interim Executive Director to execute a lease agreement with Aloha Solar Energy Fund II, ECC Energy Solutions, LLC, to develop a 5-megawatt photovoltaic solar farm on parcel 13073-E, TMK (1) 9-1-013:070 at Kalaeloa, Oahu, Hawaii.

Member Timson seconded.

Ms. Malama conducted the roll call vote. Motion passed with six votes and three excused.

Shall the Authority Authorize the Interim Executive Director to Expend Up to \$200,000.00 from the Kalaeloa Community Development District Revolving Fund to Retain a Consultant to Assist the Hawaii Community Development Authority with the Documentation of Metes and Bounds and Rights of Way in the Kalaeloa Community Development District?

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

Member Waterhouse asked if it was possible to charge the project to help pay for these costs?

Mr. Neupane stated there is a possibility to include part of these costs through the landowner assessments.

Ms. Malama noted that the board usually has a discussion regarding the landowner assessment costs during March and April, so that discussion will be forthcoming in 2018.

There were no further questions by board members and no public testimony.

Member Swinney made a motion for the board to authorize the Interim Executive Director to expend up to \$200,000.00 from the Kalaeloa Community Development District revolving fund to retain a consultant to assist the Hawaii Community Development Authority with the Documentation of Metes and Bounds and Rights of Way in the Kalaeloa Community Development District.

Member Timson seconded.

Ms. Malama conducted the roll call vote. Motion passed with six votes and three excused.

Shall the Authority Authorize the Interim Executive Director to Expend up to \$450,000.00 from the Kalaeloa Community Development Revolving Funds, Leasing and Management Subaccount, to Retain a Consultant to Assist the Hawaii Community Development Authority 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?

Ms. Malama and Mr. Neupane presented information provided in the board packet.

Per the board discussion on the Kakaako meeting, there was no further comments or questions on the item.

There was no public testimony.

Member Swinney made a motion for the board to authorize the Interim Executive Director to

expend up to \$450,000.00 from the Kalaeloa Community Development revolving funds, leasing and management subaccount, to retain a consultant to assist the Hawaii Community Development Authority 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.

Member Timson seconded.

Ms. Malama conducted the roll call vote. Motion passed with six votes and three excused.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Information: Kalaeloa Monthly Activities Update

- a. Kalaeloa Stakeholder's Meeting
- b. Kalaeloa Landowner Assessments

Ms. Malama referred to the report provided in the board packet and highlighted the announcement made by the Navy stating that the water and wastewater have been transferred to the Kalaeloa Water Company.

Ms. Malama stated for the board that at the next meeting the Kalaeloa Heritage Legacy Foundation will provide its annual report and board members will have an opportunity to further discuss their current lease at that time.

There was no further questions or discussion from board members

There was no public testimony.

V. ADJOURNMENT

Chair Whalen adjourned the meeting at 12:47 PM.

Approved and Submitted by,



John P. Whalen, Chairperson

JAN 03 2018

Date Approved by the HCDA Board