STATE OF HAWAII HAWAII COMMUNITY DEVELOPMENT AUTHORITY KAKAAKO

Honolulu, Hawaii, 96813

January 9, 2019

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 Month-to-

Month Right of Entry with the State of Hawaii Department of Transportation for

the use of the "Forrest Private Driveway" in Kakaako Makai?

SUMMARY:

The Department of Transportation (DOT) would like to extend their Right of Entry (ROE) for the "Forrest Private Driveway" on a month-to-month basis until the Hawaii Community Development Authority (HCDA) develops the area. DOT requests this ROE free of charge, as the ROE would provide a mutual benefit.

AUTHORITIES:

At the November 7, 2018 Authority meeting, the Authority indicated it would be amenable to a month-to-month ROE for the "Forrest Private Driveway" if a fee was negotiated with DOT. HCDA staff agreed to negotiate terms with DOT staff and return to the board for final approval.

BACKGROUND:

On December 1, 2017, the HCDA and DOT executed a gratis one-year ROE for the HCDA property known as "Forrest Private Driveway" in Kakaako Makai. This property is circled in red in aerial photo attached hereto as Exhibit A. This ROE was extended for an additional three months and now expires on February 28, 2019.

DOT Harbors currently uses the "Forrest Private Driveway" approximately three times a week to access a sliding gate that leads to DOT's Pier One. This gate allows oversized cargo to safely enter and exit DOT Harbors property. DOT Harbors staff escorts the cargo through the "Forrest Private Driveway" and properly secures the area after each use. DOT would maintain the same use under the proposed ROE.

At the November 7, 2018 Authority meeting, board members inquired about market rent for DOT's use of "Forrest Private Driveway." The specific area DOT would like to utilize is approximately 9,300 square feet. At an appraised rate of \$0.195/ square foot per month for

vacant unimproved land, the market rent that could be charged to DOT would be \$1,813.50 per month.

Under the current ROE, DOT provides harbor police patrol and security, as well as regular sweeping, cleaning, and maintenance of the "Forrest Private Driveway." This has successfully kept the area free of trespassers and debris. DOT estimates its security and maintenance costs for the "Forrest Private Driveway" at \$1,746.76 a month.

Prior to the execution of the original ROE, DOT also installed an eight-foot chain link fence to secure the "Forrest Private Driveway." This security fence was necessary to prevent trespassers from camping in the driveway. DOT provided the labor and materials to install the fence at no cost to the HCDA, though it was valued at approximately \$4,000.

DOT also installed concrete planters and barriers to further assist HCDA in securing its adjacent properties and preventing trespassers from camping along HCDA's Lot C. DOT estimates these barriers cost about \$2,000 to install.

Prior to DOT being responsible for securing and maintaining the "Forrest Private Driveway," large encampments became entrenched on various HCDA properties in Kakaako Makai. HCDA spent tens of thousands of dollars to hire contractors to dispose of debris and store abandoned property. Each clean-up crew cost approximately \$3,500 for a four-hour shift, with entrenched campsites requiring multiple crews a full day of work. DOT crews assisted HCDA with several clean ups in the area at no cost to the HCDA.

ANALYSIS:

The "Forrest Private Driveway" is vital to DOT Harbor operations. By allowing DOT Harbors to utilize the area for its needs, the HCDA benefits by having the area secured from trespassers.

DOT already incurs over \$1,700 per month in security personnel and maintenance costs to keep the "Forrest Private Driveway" clean and secure. If these costs were passed through to the HCDA, the proposed \$1,800 monthly market rent would essentially be negated.

Without DOT's security fence and personnel protecting the "Forrest Private Driveway" under the ROE, campsites could again become entrenched in the area. This would cause the HCDA to once again procure stored property services at an estimated cost of about \$3,500 for each four-hour shift. HCDA's contracts for such services expired over a year ago and were not resolicited.

The HCDA desires to maintain a positive working relationship with its sister agency and believes a gratis ROE for the use of the "Forrest Private Driveway" would represent a mutual benefit to both agencies. The HCDA would ensure its property is kept secure from trespassers, while DOT would remain operational at Pier One to safely move oversized cargo.

Immediately executing a gratis month-to-month ROE would be prudent, as DOT Harbors requires use of the "Forrest Private Driveway" for the foreseeable future. DOT Harbors understands that the ROE would be terminated when HCDA moves forward with plans to fully develop Lot C and the "Forrest Private Driveway" area.

RECOMMENDATION

HCDA staff recommends that the Board:

Authorize the Executive Director to Execute a Gratis Month-to-Month Right of Entry with the State of Hawaii Department of Transportation for the use of the "Forrest Private Driveway" in Kakaako Makai.

Respectfully submitted,

Lindsey Doi Asset Manager

APPROVED FOR SUBMITTAL:

Aedward Los Banos, Executive Director

Hawaii Community Development Authority

Attachments

Exhibit A – Forrest Private Driveway Map

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