

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

March 6, 2019

Chairperson and Members  
Hawaii Community Development Authority  
State of Hawaii  
Honolulu, Hawaii

HCDA Authority Members:

**SUBJECT:** Shall the Authority Authorize the Executive Director to Execute All Necessary Documents to Complete the Transfer of the Kakaako Makai Properties and Remnant Roadways to the City and County of Honolulu?

**SUMMARY:**

Over the past 10 months, the Hawaii Community Development Authority (HCDA) has been working with the City and County of Honolulu (City) to transfer certain park properties located in Kakaako Makai along with various road remnants. During the process, the City has requested certain documents be executed to clear issues identified on HCDA title reports and to formalize access easements as well as other administrative matters. To efficiently realize the transfer, staff requests delegation of authority to execute the necessary documents. A summary of executed documents will be provided retroactively in the monthly report of the Executive Director.

**AUTHORITY:**

Hawaii Revised Statutes (HRS) § 206E-4 broadly establishes the Authority's powers regarding real property, granting the HCDA the ability to acquire, sell, convey, and assign any interest held.

HRS § 206E-31.5 further allows the authority to sell or assign the fee simple interest in any of its lands in the Kakaako Community Development District for the following purposes:

- (A) Utility easements;
- (B) Remnants as defined in section 171-52;
- (C) Grants to any state or county department or agency

The Authority must approve all Right of Entry (ROE) requests covering over a year in duration.

On December 5, 2018, the Authority authorized the Executive Director to grant easements to facilitate utilities and other services for HCDA projects previously approved by the Authority. However, this authorization did not include the granting of access easements.

## **BACKGROUND:**

At its April 4, 2018, meeting, the Authority authorized the Executive Director to pursue the conveyance of its fee interest of certain properties located makai of Ala Moana Boulevard in addition to various roadways and remnants in the Kakaako Community Development District. Conveyance of these properties is consistent with the Community Development Plan for Kakaako and would relieve significant financial burdens and liabilities associated with ownership of these assets.

For example, the HCDA currently spends approximately \$1 million annually to maintain and operate its Kakaako makai parks. The HCDA is also required to expend over \$100,000 annually to administer a stormwater management program associated with storm drains owned in the district as a result of roadway extensions and widening, often without having control of water flow upstream, or even from the center of the roadway.

Examples of documents that require execution that would otherwise require Authority approval include:

1. Extension of the ROE to authorize City to enforce its park rules beyond the 12-month authorization delegated to the Executive Director. Currently, the HCDA and City have mutually agreed upon an extension until May 31, 2019, at which point the City is expected to take the title to the parks.
2. An access easement over the HCDA's Kewalo Basin property for public and City access of the Kewalo Basin Park and Net Shed.
3. Withdrawal of a lease hold interest for two parcels near Waterfront Park that has been abandoned, however remains on title in favor of the University of Hawaii.
4. Supplemental resources in excess of the \$25,000 limit delegated to the HCDA for survey and title services to resolve discrepancies between public records and HCDA records. To date, the HCDA has already spent approximately \$14,300 on survey services and \$6,200 to prepare title reports for the properties to be transferred.

Other unforeseen issues may arise as the HCDA and City work to complete the transfer. An example that could require such action includes the consolidation of HCDA's interest with respect to Waterfront Park. This parcel includes the abandoned Koula Street remnant located between the HCDA's Wastewater Lot and Look Lab parcels that was conveyed to the State of Hawaii.

The HCDA desires to first convey the makai parks and roads to the City, then work toward conveying its interest in the mauka road remnants of Kakaako.

## **ANALYSIS:**

The subject request is consistent with the Authority's decision on April 4, 2018, to convey the makai parks and remnant roads to the City, which was later expanded on May 2, 2018, to include the parcel underlying the Children's Discovery Center. To assure a seamless conveyance, the Authority has committed to continue funding park maintenance and operations through

June 30, 2019 However, it would be in the Authority's interest to complete the conveyance on or before this date.

The decision to timely complete the conveyance should also consider the liabilities relative to HCDA continuing to carry these assets.

The conveyance of these assets is otherwise consistent with the Authority's implementation of its community development plan to provide for the reallocation of Authority resources towards other elements of the plan.

Accountability of authority delegated under this action would be established retrospectively. All agreements entered into or executed by the Executive Director would be reported to the Authority in the monthly report of the Executive Director under the heading of City Transfer, or similarly titled heading.

**RECOMMENDATION:**

HCDA staff recommends that the Authority Authorize the Executive Director to Execute All Necessary Documents to Complete the Transfer of the Kakaako Makai Properties and Remnant Roadways to the City and County of Honolulu.

Respectfully submitted,



Lindsey Doi  
Asset Manager

APPROVED FOR SUBMITTAL:



Aedward Los Banos, Executive Director