

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KALAELOA BUSINESS MEETING

Wednesday, March 6, 2019

MINUTES

I. CALL TO ORDER/ROLL CALL

A regular business meeting of the Kalaeloa Members, Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by, John Whalen Chair of the Authority at 12:01 pm, March 6, 2019 at the Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813.

Members Present: Michael Golojuch, Sr.
Wei Fang
Beau Bassett
Mary Pat Waterhouse
Maeda Timson
David Rodriguez (DOT Ex-Officio)
Kathy Sokugawa (DPP non-voting)
John Whalen, Chair

Members Excused: Mark Anderson (B&F Ex-Officio)
Jobie Masagatani (DHHL non-voting)
Shirley Swinney

HCDA Staff Present: Aedward Los Banos, Executive Director
Garett Kamemoto, Interim Kakaako Planning and Development Director
Francine Murray, Interim Compliance Assurance & Community Outreach Officer
Lindsey Doi, Asset Manager
Tommilyn Soares, HCDA Secretary to the Executive Director

Legal Counsel: Lori Sunakoda, Deputy Attorney General

II. APPROVAL OF MINUTES

Minutes of the February 6, 2019 Kalaeloa Authority meeting were deferred to the next board meeting.

III. ACTION ITEMS

Shall the Authority Appoint a Taskforce Pursuant to Hawaii Revised Statutes § 92-2.5 Permitted Interactions of Members to work with Staff and Stakeholders to Update the Kalaeloa Community Development District Plan and Rules?

Mr. Los Banos presented the report provided in the board packet and explained that staff would like to proceed with updating the Kalaeloa Community Development District Plan and Rules and that the taskforce would allow members, developers, landowners and community stakeholders to participate and engage in discussions to assist in proceeding with updating those plan and rules.

HCDA staff recommends the following taskforce scope:

- Identifying objectives to be addressed thru the amendment process;
- Work to refine objectives to the plan and rule amendments; and
- Review the draft amendments to the Kalaeloa community development plan and rules.

Member Timson commented and agreed with staff on proceeding with the updates to the Kalaeloa plan and rules and added that the development segment is concerning for the community given the recent activities by Hunt Companies Hawaii (Hunt). Member Timson further commented that she understands Hunt is also looking forward to HCDA's updates on the plan and rules for Kalaeloa.

Mr. Los Banos added that Hunt is interested in seeing an infrastructure plan adopted in Kalaeloa, as they have been the first developer to move into the district and start work; Hunt has taken on the costs of some of those updates/upgrades and would like to see how that cost can be shared.

Member Timson added that she is interested in participating in this permitted interaction group and expressed the importance that other members named to this group make a commitment to participate in all meetings that would be held in Kalaeloa because it is very important to the Kalaeloa community to see these updates completed.

Chair Whalen noted that the permitted interaction group can have up to four board members and anticipates the three community board members may want to participate.

Member Timson noted two of the three community board member's terms are up for renewal or nomination and asked if staff would follow up and confirm the status of those Kalaeloa board members' seats.

Chair Whalen noted that those two seats are for Members Shirley Swinney and Michael Golojuch, Sr. and also asked about Member Derek Kimura's replacement, representative for Jobie Masagatani of the Department of Hawaiian Homelands (DHHL)?

Mr. Los Banos responded and stated that he would follow up with Chair Masagatani of DHHL, and further added that if there are new members named for Members Swinney and Golojuch's seats; those names will not be confirmed until May or June.

Member Timson suggested the board proceed with naming members to this permitted interaction group today and if necessary other members may be added at another time.

Chair Whalen acknowledged Member Timson's suggestion.

Discussion with board members and Deputy Attorney General Lori Sunakoda confirmed that board members may establish; name members; and identify the scope for the permitted interaction group today and can modify or add members at another meeting. Modifications to the permitted interaction group will need to be added as an action item to the agenda.

Member Sokugawa explained that a representative from the City may be a good resource person, but to meet Member Timson's request on making a commitment to attend all meetings held in Kalaeloa will make it difficult for Member Sokugawa to commit and asked if a representative from DPP or another appropriate City department who is not on the HCDA board can attend these meetings?

Mr. Los Banos explained that his vision for this taskforce is that its members engage and participate in each step of this process through to the final rule amendment process and noted that separate discussions with appropriate state or city entities as Member Sokugawa suggested as well as members of the community, stakeholders and landowners will be made to assist in this process.

Chair Whalen called for a motion for the authority to appoint a taskforce pursuant to Hawaii Revised Statutes § 92-2.5 Permitted Interactions of Members to work with staff and stakeholders to update the Kalaeloa Community Development District Plan and Rules

Member Timson motioned. Member Golojuch seconded.

Chair Whalen conducted a voice vote. All members unanimously approved.

Chair Whalen named Members Timson and Golojuch to the taskforce.

Member Timson stated that Member Swinney (excused for today's meeting) did acknowledge her interest in being included in this permitted interaction group and asked Chair Whalen to add Member Swinney to the taskforce.

Chair Whalen noted Ms. Timson's statement and added Member Swinney to the taskforce.

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

IV. INFORMATION AND DISCUSSION

Update Regarding the Issue Involving Stockpiled Material in the Kalaeloa Heritage Park

The Authority anticipates convening an executive meeting pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities for the subject agenda item.

Mr. Los Banos explained that the Consultant indicated its report regarding the testing and recommendations of the stockpile is forthcoming and expects to submit it by Friday, March 8, 2019. Mr. Garrett Kamemoto added that the consultant is finalizing its quotes on the cost estimate. They have indicated the contaminates are not more than initially reported; therefore, does not require further Department of Health requirements or protocols, however, the Consultant will continue to work with the proper state and city agencies to proceed in removing the stockpile accordingly.

Chair Whalen noted that the deadline on the current stockpile will expire soon and asked about extending that stockpile permit with the City's Department of Planning and Permitting.

Member Timson confirmed that the stockpile permit expires on April 23, 2019.

Mr. Kamemoto responded that the Consultant will be researching and working to acquire all permits necessary to proceed with the remediation.

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

Proposed Stewardship Agreement for the Kalaeloa Heritage Park Tax Map Keys Nos. (1) 9-1-013:067 and 069.

Per HCDA's board policy approved in April 2018, Mr. Los Banos explained that the board indicated its desire to provide feedback on any proposed long-term leases for lands owned by HCDA. While details are being worked on for the long-term lease, staff will be offering the Kalaeloa Heritage and Legacy Foundation a 6-month right of entry to help continue its mission to preserve and protect the cultural, historical and archaeology landscape of the Kalaeloa Heritage Park and asked if there were any comments, recommendations or suggestions.

Member Timson asked if staff believes 6-months is sufficient to provide a final draft of the long-term lease?

Mr. Los Banos responded that staff's recommended objective is to work toward finalizing the long-term lease and can extend the 6-month right of entry if necessary. The purpose of today's discussion is to gather information from board members as well as the public to work toward finalizing a long-term lease.

Public Testimony

Mr. Dwight Victor, President of the Kalaeloa Heritage and Legacy Foundation and Mr. Allen Murakami from the Native Hawaiian Legal Corporation provided support in moving forward with a

long-term stewardship agreement.

Mr. Murakami stated his desire to move forward on common ground for the cultural preservation of the Kalaeloa Heritage Park and welcomes the proactive step that HCDA is providing KHLF and the public.

Member Bassett thanked Mr. Murakami and NHLC for attending and his support and asked what KHLF and Mr. Murakami anticipates as its next steps during the 6-month interim while the long-term lease is negotiated and any terms they may want to suggest or recommend.

Mr. Victor expressed that KHLF prefers a longer-term ROE (possibly 1 year) as HCDA has provided in the past.

Mr. Los Banos explained that the 6-month term demonstrates HCDA's commitment to finalize a long-term document.

Member Timson explained there were comments made where community members were afraid that the cultural preservation element would be lost to that piece of land and Member Timson clarified and stressed (for members of the community and the public) that was never the intention or ever will be of the HCDA board members and that the community board members are very proud of that land and will ensure the cultural preservation be kept for that area.

Mr. Victor noted that the community's concern is that there needs to be a continuous effort to what KHLF has done as the land can quickly revert back to bush and weeds. Mr. Victor noted that KHLF has drafted a letter of intent for HCDA to agree and sign to bind KHLF and HCDA to the cultural preservation of the land.

Chair Whalen explained that HCDA's six-month right of entry will take effect immediately and that further decision on KHLF's letter of intent is not necessary at this time.

Member Bassett asked if Mr. Murakami and Mr. Victor had some suggestions on terms that the HCDA staff and board may agree on.

Mr. Victor explained that KHLF has some logistical concerns with regard to the details of the long-term lease agreement.

Member Timson stated she anticipates that there will be a lot that will be covered in the long-term lease and that board members have confidence in HCDA's Executive Director and has mandated staff with what the board desires to see in the long-term lease agreement and, at this point, would like to provide staff some time to work out of the details.

Mr. Murakami suggests both parties (HCDA and KHLF) make its vision and expectations of each other very clear.

Member Timson added that HCDA has landowner liabilities and responsibilities and as board members, they would like to ensure a proper business plan is submitted that KHLF can utilize and

comply with. Member Timson also stated there are other owners in Kalaeloa and she does not want HCDA to set a precedence that may negatively impact HCDA or KHLF. There are discussions that need to be made to move forward and would like KHLF to be aware that as a landowner, discussions may get tougher because of HCDA's liabilities.

Mr. Victor acknowledged Member Timson's comment and stated that KHLF submitted a revised business plan that includes suggestions of a stewardship agreement.

Member Bassett agrees with Mr. Murakami's thought process and stated he feels there has been a lot of miscommunication in the past and would like to see foundational elements mapped out so that all parties reference the same documents which will help with the expectation's aspect. Member Bassett asked Mr. Los Banos to explain some of the foundational documents that HCDA will reference as its starting point to draft these types of long-term leases.

Mr. Los Banos explained that HCDA's plan and rules, conceptual master plan, and environmental assessment are the foundational documents that the board would be referencing, however HCDA will need to identify and understand KHLF's capacity and what they are willing to do to ensure the development of the stewardship agreement is right sized for KHLF. Mr. Los Banos noted some objectives staff identified that the board and KHLF may want to discuss that include the following:

- Identify KHLF's capacity and whether HCDA will look toward working with other parties to achieve its plan and vision;
- With its initial stewardship portion that KHLF cleared and maintains, does KHLF want to grow its capacity toward stewarding more of the cultural assets; or
- Does KHLF have the capacity and desire to develop the park into the conceptual master plan (visitor center)

Mr. Victor noted Mr. Los Banos' comments and stated that the conceptual master plan does not show a complete restoration of the entire site and noted the conceptual plan does not define what HCDA's desire is for the remainder of the property and per Mr. Los Banos' comments HCDA will need to determine whether more of the current area can be cleared out and stewarded. Mr. Victor stated that the ROE will need to specify those types of desires, expectations and agreements.

Mr. Los Banos added that the HCDA would need to identify its interest, goal and mission with regard to the stewardship vs. lease of the area.

Mr. Murakami reiterated his concerns on both parties' expectations as there seems to be some unclarity of the expectations and visions on both sides. He asked:

1. Have other partners/parties been identified that may accomplish the larger vision under the conceptual plan to restore all sites? and;
2. Has the board considered, as the landowner, providing funds to make the larger vision realistic?

KHLF has an inherent limitation in regards to its volunteer efforts and to be practical about the stewardship agreement, these are the concerns that he has for KHLF, as KHLF cannot accept all responsibilities for all cultural restoration, preservation and identification.

Member Bassett agrees with Mr. Murakami's concerns and questions.

Mr. Murakami, KHLF, HCDA staff and board members discussed clarifying the vision of the Kalaeloa Heritage Park parcel and how to move forward in stewarding the land.

Member Bassett asked what the next steps are in moving forward.

Mr. Los Banos reiterated that today's discussion is to get feedback from the board and what objectives it would like to achieve so that a discussion can be made with KHLF to draft a lease that can be managed by KHLF.

Member Fang suggested that HCDA's key objectives should be a stewardship of the area that has already been cleared (and to maintain its current or improved state); any increased areas of stewardship should be done in phases through a three-year stewardship agreement with specific objectives and a caveat that the board (for example in 2.5 years) meet and set an agreement for the next three years that can include a status check on the organization and how it's doing; whether it's the right amount of responsibility; is the organization ready to expand and grow; and is the community ready to support the organization at a greater level, etc.

Mr. Murakami asked, if HCDA identifies phases in expanding the stewardship area, is the board open in engaging a partnership with KHLF so that they can accomplish the expanded area with enhanced resources or identified partners that can work mutually; as resources will become an issue?

Member Fang explained that HCDA also has resource issues and is open to engaging partnership with community groups or stakeholders.

Mr. Murakami stated there may be a need for certain enhancements, because as the state accepted this land there are obligations that will need to be addressed.

Member Timson stated that there will need to be more discussions, however, KHLF did indicate they would apply for grants and pursue fundraisers but feels that at this point it is too early for the board to commit to anything and that the board is not closed to any discussion.

Mr. Murakami noted Member Timson's comment and stated he is not looking for a commitment right now but that he would like some recognition on whether the board is prepared for other plans if the grants that KHLF pursues falls short of what the boards expectations.

Mr. Los Banos reiterated that is the reason the HCDA would like to ensure and discuss that the stewardship agreement drafted will be right-sized to KHLF's capacity and noted Member Fang's phased suggestions.

Mr. Murakami noted that the discussion today flows back into his initial comment on what the HCDA's board foresees as the ultimate vision and hopes that the resource limitations does not limit the vision but that the vision will drive the resources that it will attract.

Member Bassett stated that given the history of KHLF and HCDA's miscommunication he asked how does HCDA achieve its clear vision objectives?

Mr. Los Banos and Member Fang explained that today's discussion provides two separate tracks to help HCDA achieve its long-term goals. Member Fang stated that she is willing to approve shorter term agreements where agreements will be brought back to the board for review and approval and should include status checks on the organization. The long-term goals to achieve HCDA's vision will require ongoing discussions with community groups, stakeholders as well as the legislature that discuss funding.

Member Fang asked how can the board help in moving this forward and when will this item be forthcoming for board action?

Member Timson suggested time be given to staff to meet and discuss the agreement with KHLF and during this time given, she invited and encouraged everyone to come out and see the Kalaeloa area.

Member Bassett recommends staff organize materials and present them to the board in a timely manner, as KHLF has submitted its business plan Member Bassett feels HCDA does not have the proper framework to review it and stated he feels these materials should be presented in a way where the board can understand why materials are being presented at the time it is being presented.

Mr. Los Banos explained that staff is proceeding and will continue to proceed with this process per the board's approved leasing policy.

Chair Whalen clarified that the board is moving forward with the Right of Entry and within 6 months staff will attempt to have a draft stewardship agreement and that if updates are necessary it would be done through staff reports.

Member Fang asked that a status report of this stewardship agreement be placed on the June 2019 agenda for board members.

Mr. Los Banos noted Member Fang's request.

Public Testimony

Ms. Rona of International Archaeological Research Center stated her support for the cultural stewardship and the cultural center as an educational opportunity of the Kalaeloa Heritage Park.

Ms. Valerie Kane of the Kalaeloa Heritage and Legacy Foundation encouraged board members to visit Kalaeloa, specifically the Heritage Park to get an idea of what is out in the park. She also mentioned the stockpile permit will expire in April and urged HCDA to complete the extension. Ms. Kane noted that as Ms. Fang mentioned promises were made to HCDA that were not fulfilled, she wanted to stress that promises were made to KHLF as well that were not fulfilled.

Member Bassett thanked Ms. Kane for sharing the information and as the current board was assembled in 2015 most board members are unaware of what was discussed and agreed to and the only way to help both parties is through communication.

There were no further comments or questions.

V. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Activities Update of the Kalaeloa Office

Mr. Los Banos deferred to the report provided in board packet.

VI. ADJOURNMENT

Chair Whalen adjourned the regular meeting at 1:50 pm.

Approved and Submitted by,

John Whalen, Chairperson

Date Approved by HCDA Board