

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO BUSINESS MEETING

Wednesday, June 5, 2019

MINUTES

I. CALL TO ORDER/ROLL CALL

A regular business meeting of the Kakaako 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 9:04 AM, June 5, 2019 at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813.

Members Present: Beau Bassett
David Rodriguez (DOT Ex-Officio)
Phillip Hasha
Jason Okuhama
Wei Fang
Kathy Sokugawa (DPP)
Mary Pat Waterhouse
John Whalen, Chair

Members Excused: William Oh
Mark Anderson (B&F Ex-Officio)

HCDA Staff Present: Garrett Kamemoto, Interim Executive Director and Interim Kakaako Planning and Development Director
Lindsey Doi, Asset Manager
Francine Murray, HCDA Program Specialist
Tommilyn Soares, HCDA Secretary to the Executive Director

Legal Counsel: Max Levins, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General

II. APPROVAL OF MINUTES

Regular Meeting Minutes of April 3, 2019

Meeting minutes were approved as presented.

Regular Meeting Minutes of May 1, 2019

Meeting minutes were approved as presented.

III. ACTION ITEMS

Shall the Authority Authorize the Executive Director to Execute a Contract for Three Years Plus Two One-Year Options to Furnish Building Maintenance Services for the Hawaii Community Development Authority (HCDA) American Brewery Building with Pacific Construction Builders, Inc. and Expend Up to \$400,200.00 from the HCDA Revolving Fund, Leasing and Management Subaccount?

The HCDA resolicited the invitation for bids for building maintenance services for the American Brewery Building in hopes of attracting more than one bidder. Bids closed on May 17, 2019 with the same sole bidder (from the December 2018 solicitation), Pacific Construction Builders, Inc.

Staff recommends the HCDA board authorize the HCDA Executive Director to execute a contract with Pacific Construction Builders, Inc.

Ms. Lindsey Doi, Asset Manager, explained the breakdown in costs for board members and the process HCDA would take for any potential repairs.

There was no questions or comments from board members and no public testimony.

Member Fang made a motion for the board to authorize the Executive Director to Execute a Contract for Three Years Plus Two One-Year Options to Furnish Building Maintenance Services for the Hawaii Community Development Authority (HCDA) American Brewery Building with Pacific Construction Builders, Inc. and Expend Up to \$400,200.00 from the HCDA Revolving Fund, Leasing and Management Subaccount?

Member Okuhama seconded.

Lindsey Doi, HCDA Asset Manager conducted the roll call vote.

Motion passed with 7 yes votes and 2 excused.

Shall the Authority Authorize the Executive Director to Execute a One Year Right of Entry Agreement with Royal Contracting Co. Ltd., for the Use of a Portion of Halekauwila and Queen Streets in Kakaako Mauka?

Mr. Garrett Kamemoto, Interim Executive Director explained these remnant roads are expected to be transferred to the City and County of Honolulu.

There were no comments or questions from board members and no public testimony.

Member Bassett motioned for the authority to authorize the Executive Director to execute a one-year right of entry agreement with Royal Contracting Co. Ltd., for the Use of a Portion of Halekauwila and Queen Streets in Kakaako Mauka?

Member Hasha seconded.

Ms. Doi conducted the roll call vote. Motion passed with 7 yes votes and 2 excused.

Chair Whalen recessed the meeting at 9:17 AM

Chair Whalen reconvened the meeting 9:25 AM

Shall the Authority Assign Kakaako Land Company LLC's Petition for a Contested Case Hearing re the Notice of Order Dated April 18, 2019 (Violation Number NOO 01-2019) for Further Proceedings Before the Authority or a Hearings Officer?

Mr. Kamemoto, Interim Executive Director referred to the report included in the board packet and explained the options available is whether the board itself would like to conduct the proceedings for the Kakaako Land Company LLC's petition for a contested case hearing or if a hearings officer is preferred.

Deputy Attorney General Sunakoda explained if the board selects a hearings officer, that hearings officer would function in the same role as the Board Chair and Board members.

There were no questions from board members.

PUBLIC TESTIMONY

Mr. Bob Emami, Kakaako community resident and business owner stated that the Kakaako Land Company is bullying customers and businesses with towing cars on Kakaako streets claimed to be owned by the Kakaako Land Company. He urged HCDA hold Kakaako Land Company to its obligation under ACT 009. Mr. Emami believes that HCDA helped to contribute to this problem by issuing a 2010 Right of Entry that states Kakaako Land Company owns these roads and strongly urged HCDA to fix this problem.

Chair Whalen acknowledged written testimonies received by Michael McDonald, Judith Emami, Speaker Scott Saiki, Senator Moriwaki, Council Members Fukunaga and Kobayashi that advocate for the enforcement of Act 009.

Senator Moriwaki stated that the law passed allows for enforcement to companies claiming to own private roads in Kakaako if roads are not repaired or fixed, who charge for parking. Senator Moriwaki urged that HCDA process this contested case hearing expeditiously.

Speaker Saiki requested the contested case hearing process be expedited. As stated, Kakaako Land Company is attempting to establish title over a portion of Waimanu street as well as Clayton street and urged an expeditious process to this contested case hearing.

Chair Whalen asked Speaker Saiki and Senator Moriwaki if they would recommend a hearings officer to conduct these proceedings.

Speaker and Senator Moriwaki both recommended a hearings officer to assist in expediting this proceeding.

Member Basset asked if the board votes for a hearings officer how long does staff anticipate securing a hearings officer?

Mr. Kamemoto responded that would need to be discussed with the Attorney General.

Speaker Saiki recommended HCDA utilize the Department of Commerce and Consumer Affairs, Office of Administrative Hearings, Hearings Officer.

Member Sokugawa asked what the rules are regarding these contested case hearings?

Mr. Kamemoto explained that the first step to conducting proceedings for a contested case hearing is for the board to provide direction on retaining a hearings officer to conduct the hearing/proceedings or whether the board would conduct the proceedings themselves.

Deputy Attorney General Max Levins added that per the rules, HCDA is required to publish in a state-wide newspaper at least 30 days-notice of a scheduled hearing.

Mr. John Kobelanski, resident of Kakaako noted the conditions of the Kakaako streets make it very difficult for the pedestrians as well as the handi-capable pedestrians to walk in. He also stated that the residents and businesses in Kakaako should not have to deal with the “sharks” in the community.

Mr. Chuck Garner, Kakaako business owner explained that parking is premium in Kakaako. The towing companies working with Kakaako Land Company are being paid cash and noted that as a businessman, the Kakaako Land Company is not being assessed for property tax nor General Excise Tax and asked how that is possible if they are claiming to own some of the streets in Kakaako and believes there is ground for open investigations.

Ms. Mai Frascharelli of the Kakaako Shell Gas station on the corner of Queen street and Ward street, explained that she also has the same issues as the previous testimonies that were provided with regard to the towing in Kakaako that is being conducted by the Kakaako Land Company.

She noted that it makes it very difficult to conduct business in Kakaako and urged the HCDA to please help the area businesses by enforcing Act 009.

Member Hasha motioned for the board to enter executive session. Member Rodriguez seconded.

All members unanimously approved entering into executive session at 10:15 am.

Pursuant to Section 92-5 (a)(2), Hawaii Revised Statutes, the Authority convened in Executive Session at 10:15 am

Board Members met in an executive meeting from 10:15 am until 10:46 am.

Chair Whalen reconvened the board meeting at 10:46 AM.

Member Sokugawa exited the meeting.

Member Rodriguez motioned for the board to assign the Kakaako Land Company LLC’s petition for a contested case hearing re the notice of order dated April 18, 2019 (violation number NOO 01-2019) for further proceedings before a hearings officer.

Member Waterhouse seconded.

Mr. Kamemoto conducted the roll call vote. Motion passed with 6 ayes, 1 abstention and 1 excused.

IV. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Reports and Other Status Reports

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

Mr. Kamemoto explained that the Right of Entry for the Kakaako Parks to the City and County of Honolulu has been extended and also the final date of the land transfer. There are a few issues that are pending completion and the HCDA staff expects the transfer will be completed by the end of the fiscal year.

Member Waterhouse noted the attachment letter to the report sent in by the Department of Public Safety’s request to extend it’s lease for the Keawe Street building and reminded staff and the board of the Collier’s report which recommends HCDA explore its options to increase the lease rent for that premium property in Kakaako.

Mr. Kamemoto acknowledged Member Waterhouse’s comments and noted that staff does understand the board’s financial task force recommendations and reminded the board that any leases for this property will come before the board for its approval. Mr. Kamemoto also noted that the lease expires May 31, 2020; therefore, the lease has one more year but staff did want to

bring the request to the board for its attention and information at this time.

There was no public testimony and no comments or questions from board members.

V. ADJOURNMENT

Chair Whalen adjourned the regular meeting at 10:51 AM.

Approved and Submitted by,

John Whalen, Chairperson

Date Approved by HCDA Board