

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

August 7, 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 expend up to \$800,000.00 from the Public Facilities Dedication Fund for major maintenance repairs in the Hawaii Community Development Authority Kakaako Parks to effectuate the transfer of the parks to the City and County of Honolulu?

SUMMARY:

Over the past 17 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 a pre-closing final inspection on July 29, 2019, the City noted a number of major maintenance items of concern that appear to have deteriorated since the initial offer was made in April of 2018. Without addressing these issues, the City would not be able to accept the park transfer without seeking additional funding for repairs from the City Council, which could delay the transfer indefinitely. The City has indicated that it would be able to accept the parks if the HCDA agreed to fund certain repairs.

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

At its, March 6, 2019 meeting the Authority authorized the Executive Director to make the necessary expenditures and execute the necessary agreements to execute the transfer of the parks and roads to the City. In approving this action, some board members expressed their reservations over the broad delegation of powers. This matter is brought before the board in spite of the March 6, 2019 action due to the significance of the update and requested action.

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.

With the initial word from the City that the transfer could be done in as quickly as three (3) months, the HCDA initiated discussions with its various park maintenance contractors. The expressed intention to terminate these contracts coupled with the uncertainty of the contract end date is not an ideal contract management situation. The park maintenance contracts are sizeable, and an uncertain termination date makes it extremely difficult for contractors to make informed decisions on staffing levels. This in turn makes both the contracts and the parks tougher for HCDA to effectively manage.

During the walk-thru with City park staff on July 29, 2019, the City expressed its concerns about the amount of deferred maintenance and deterioration over the past 12+ months. Attached as Exhibit A is a comprehensive list of necessary improvements that the City has compiled based on the walk-thru that in totality exceed well over \$1 million. The City's main reservation on proceeding with the transfer is that the City would not have adequate funding to address the necessary deferred maintenance issues before conditions worsen and repairs become more costly.

It is noted that the City had offered to take the park in an "as-is, where-is" condition in April of 2018, and, as a result, the request is not to fund the full list of projects itemized in Exhibit A. At the date of this report, the City and HCDA do not have a firm cost estimate for those projects that would require funding.

ANALYSIS:

Annually, the HCDA expends approximately \$1 million dollars to operate the parks inclusive of utilities, landscaping, trash disposal and janitorial services. In recent years, this amount has been higher as a result of increased vandalism and property damage by illegal campers in the area.

If the HCDA were to procure and contract the repair work, it would take additional time, during which the HCDA would incur costs associated with park operations. Transferring the parks to the City sooner with additional funding, would lead to a long-term cost savings for the HCDA and cap HCDA exposure relative to park operations and recurring vandalism.

Also, by working with the City, both the HCDA and the City would realize efficiencies:

1. The City has on staff expertise and ability to perform work in house limiting HCDA costs to the necessary materials – the HCDA would otherwise contract the work and potentially realize a contractor mark-up on the time and materials;

2. By using City materials, the City can utilize its inventory of replacement parts in the event of vandalism or ordinary wear and tear – if done on a replacement basis by the HCDA, the City may be required to replace whole fixtures and other components.

In authorizing and releasing the requested funding, the HCDA would review the City's list of projects and cost estimates to ensure that the maintenance projects exclude capital expenses in line with the City's expressed intent in April of 2018 to accept the park in an "as is, where is" condition.

RECOMMENDATION:

HCDA staff recommends that the Authority Authorize the Executive Director to Expend Up to \$800,000.00 from the Public Facilities Dedication Fund for Major Maintenance Repairs in the Hawaii Community Development Authority Kakaako Parks to Effectuate the Transfer of the Parks to the City and County of Honolulu.

Attachments – Exhibit A

Respectfully submitted,



Lindsey Doi
Asset Manager

APPROVED FOR SUBMITTAL:



Edward Los Banos, Executive Director

Kakaako Parks Maintenance Issues

(Based on site visit on July 29, 2019)

Kakaako Waterfront Park

1. Electrical.

- No review of the electrical system occurred as there was no electricity in the park. Because of the lack of power, the Department of Parks and Recreation (DPR) was unable to check the lighting system or irrigation system.
- Reconstruction of the lighting system for the entire walkway area will probably be needed. There were broken light poles lying on the ground. The integrity of all the light poles needs to be checked.
- Security lighting at comfort stations and pergolas are needed. There were broken light fixtures.
- HCDA informed the City that power to various areas of the park had been disconnected. The City requested a listing of those areas.

2. Irrigation.

- DPR was unable to test the irrigation system because of the lack of power.
- No one from HCDA seems to know where the irrigation controllers are located. Although DPR has requested numerous times to inspect the irrigation controllers, HCDA has not provided access.
- Numerous section valves and gate valves are either broken, have leaking water lines or both. DPR noticed these conditions on prior walk-throughs and informed HCDA. It appears that nothing has been done to correct the many irrigation flaws.
- The irrigation system should be extensively rebuilt starting with the irrigation controller, booster pumps, and electrical wiring to power the automated irrigation system.
- The condition of the lawn reflects issues with the irrigation system.

3. Landscaping.

- City Department of Urban Forestry (DUF) noted the following:
 - Coconut trees need to be inspected, remove hanging fronds and inflorescence.
 - 26 coconut trees have not been trimmed, 1 headless, 2 recommend removal
 - 15 coconut trees with hanging fronds

- 3 coconut trees with lots of baby coconuts by Point Panic. Clarification needed on whether these are OHA trees or HCDA trees
- cracked hanging banyan branch on the Diamond Head side of the Ewa comfort station
- overgrown hau arbor (need to raise and contain branches back to the arbor)
- One dead autograph tree that needs removal
- Naupaka and bougainvillea are overgrown throughout the park. Extensive trimming is required.
- Condition of landscaping reflects issues with irrigation system.
- Fertilization and aeration is needed.
- NPDES violation - Leaves, branches and the dumpster by the ditch (near the drainage canal) need to be removed.

4. Comfort Stations and Showers.

- There is structural damage of the comfort stations and a total renovation is needed.
- There are missing light fixtures, broken outlets and exposed wiring, loose pipes on the sinks and holes in the walls surrounding the toilets. All fixtures, such as the sinks, toilets, urinals, faucets, angle valves, drain pipes for fixtures, floor drains and covers, are beyond salvageable and must be replaced.
- Water was leaking from sinks and toilets.
- The comfort stations are filthy and need to be power washed. There is extensive pigeon droppings throughout the comfort station.
- Screening must be installed to keep birds and pigeons out of the comfort station.
- Mold and moss removal is needed at the comfort stations and outdoor showers.
- Grates for all showers must be replaced, and several are broken.
- The shower at the Ewa end of the park was inoperable.

5. Storage Closets in Comfort Stations.

- One storage closet in the comfort station is unsanitary, spattered with bird waste and maybe cat waste (very putrid smell).
- Another storage closet has a separate section with a wall/locked door installed and a handwritten cardboard sign that reads "Danger High Voltage". In that same storage closet there is a large bird nest piled in the corner. According to HCDA, this locked door area houses UH's SOEST equipment relating to the antennae installed at each pergola. HCDA did not have the key to this locked room. The ROE or other agreement relating to this arrangement was not included in the list of ROEs/leases being transferred to the City despite the fact that it appeared the agreement was continuing. HCDA stated that the ROE was to expire on July 31, 2019.

- Screening must be installed to keep the birds/cats out of the storage closet area.

6. Walkways/Pergolas.

- Asphalt and concrete walkways need to be re-paved. Many pavers broken, missing, uplifted by roots, and present a safety hazard. HCDA mentioned the pavers were not replaced because HCDA did not have replacement pavers. No effort was made to fill the gaps caused by the missing pavers.
- All of the pergolas need to be rebuilt. Extensive termite damage, including load bearing posts, are evident. Heavy untrimmed vegetation growing on top has broken portions of the pergolas.
- All of the concrete benches and walls, including the decorative seating area, have broken, cracked, disintegrated areas, exposing sharp edges and in certain cases, exposed rebar.
- The sea wall facing the paved pathway has cracked and disintegrated areas with exposed rebar.]
- Antennas located on the top of the pergolas which apparently relate to a UH SOEST ROE. City requested information on this as the ROE was not included on the list of ROEs/Leases to be transferred.
- A memorial plaque had been affixed to the revetment wall and needs to be removed.
- HCDA could not provide information on the property boundary between OHA and HCDA property. HCDA apparently maintains the promenade on OHA property without any agreement in place.

7. Drinking Fountains, Charcoal Bins, Barbecue Pits, Park Benches and Tables

- HCDA removed all drinking fountains in the park rather than repairing or replacing them. New fountains will need to be installed.
- Charcoal bins need to be sanitized and possible replaced. Based on the condition and smell, they are not being used by the public but are being used as cat litter boxes.
- Barbecue pits by Point Panic may need to be removed or cleaned, sanitized and replaced with new grills.
- Cement picnic tables and chairs need to be replaced.
- By Point Panic, a concrete bench had been relocated onto the rock revetment wall. Rather than relocating the bench to its proper place, HCDA lifted the concrete seat portion of the bench and dropped it on the rock revetment and left the broken pieces on the wall. HCDA said it "would remove it later".

8. Parking lot and Fencing.

- The main parking lot needs repaving and restriping. Other areas need replacement bollards.
- The chain link fencing on the east side of the park (Point Panic) has to be replaced. Underbrush from the adjoining property has not been maintained and this has compromised the integrity of the fence line.
- Behind the naupaka, barbed wire separates the UH Marine Center and Kakaako near Point Panic.
- Beach Boys in the Point Panic area have personal items (table, chairs, cones, horse shoe game, etc.) stored. DPR has previously requested HCDA have these items removed.
- Fencing on the Ewa portion of the park near the drainage cancel is rusting and several holes along the fencing were observed. A homeless encampment is present.

9. Graffiti.

- Graffiti on trash bins, comfort station signs, park signs, etc.

Kewalo Basin Park

1. Electrical.

- We need information on how to locate the breakers as well as the status of the lights and lamp posts.

2. Irrigation.

- An irrigation inspection still needs to take place. The city has not yet received information on the location of and how to gain access to the existing timers. There appears to be only one shut off valve for all water.

3. Landscaping

- DUF noted:
 - Coconut trees need to be inspected, remove hanging fronds and inflorescence.
 - 13 coconut trees have not been trimmed, 1 headless, 3 recommend removal
 - 5 coconut trees with hanging fronds
 - Clarification needed on trees near KUPU. 7 newly planted milo and 3 large milo, 14 coconuts on water side and all have large fruit hanging.

4. Comfort stations and Showers.

- The comfort station entrance/exits do not appear to be ADA compliant. Four total entrances need to be fixed, fixtures at the comfort stations need replacement, locks on entrances and storage areas need replacement. Men's restroom needs significant renovation.
- Shower pads are a slip hazard, need cleaning and possible pad resurfacing. Pipes need to be inspected due to recent July 4th damages.
- Shower needs to be stabilized (missing a bolt).
- Shower area needs to be power-washed and sanitized to remove the algae and mold.

5. Storage Closet in Comfort Station.

- Closet was not inspected as HCDA did not have the key.

6. Walkways and Pergola.

- Four trees are causing uprooting of pavers and concrete. Possible removal needed. Pavers in the pavilion need replacing.

7. Other items.

- Cattle gates (2) need to be installed at the entrance of the parking lot.
- Trash bins need replacement.
- Charcoal bins need to be installed and new signs are needed for the two picnic areas.
- Private bulletin board for "Friends of Kewalo" need to be removed.
- There are several vehicles in the parking lot which appear to have individuals living in the vehicles with their personal belongings in the park.

Gateway Parks

1. Irrigation.

- Both Mauka and Makai Gateway parks need irrigation repairs to the main water supply lines and section valves. These two parcels are at 50% working order, with 50% needing renovation. The irrigation lines, Back Flow preventer, and sprinkler heads need replacing.