

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO BUSINESS MEETING

Wednesday, November 6, 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 9:00 AM, September 4, 2019 at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813.

Members Present: Kevin Sakoda
Jason Okuhama
David Rodriguez
Kathy Sokugawa (DPP non-voting)
Chason Ishii
Wei Fang
John Whalen, Chair

Members Absent: Phillip Hasha
Robert Yu

Others Present: Jobie Masagatani
Maeda Timson
Shirley Swinney
Mitchell Tynanes

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

Legal Counsel: Lori Sunakoda, Deputy Attorney General

II. APPROVAL OF MINUTES

- 1. Regular Meeting of August 7, 2019**
- 2. Regular Meeting of September 4, 2019**

The minutes for August 7, 2019 and September 4, 2019 were approved as presented.

III. INFORMATION AND DISCUSSION

- 3. Kakaako Sunset Study Permitted Interaction Group Update.**

The permitted interaction group deferred the update to the next board meeting.

V. ACTION ITEMS

- 4. Shall the Authority Authorize the Owner of Rycroft Terrace Reserved Housing Unit 426 to Rent Her Unit in Accordance with Hawaii Administrative Rules §15-218?**

Ms. Lindsey Doi, Asset Manager presented the report provided in the board packet. The owner of the Reserved Housing Unit at Rycroft Terrace is seeking permission to rent the unit due to a temporary military transfer to the mainland. The proposed monthly rent of \$2,200.00 would be in accordance with the 2018 Reserved Housing Rules.

Pursuant to Hawaii Administrative Rules, the authority may on a case-by-case basis consider requests from a reserved housing unit owner to rent the unit during the regulated term.

Member Fang asked how long this deployment is for. Ms. Doi responded, 3 years.

Member Sakoda expressed concerns with staff's current workload and asked how many requests has HCDA received thus far. He explained that due to the amount of staff assigned to the Asset Management staff, the board may not want to receive or review these types of requests and asked for the pool of requests.

Ms. Doi explained the rules for such a request is a long and rigorous process and this is HCDA's first request.

Member Sokugawa asked who would monitor the rental contract?

Ms. Doi explained that HCDA does not have a program to monitor these rental contracts, however, rules state that the owners will need to provide documents to prove the rental contract. She added that HCDA would need to create a program to monitor these rental contracts.

There was no public testimony.

MOTION:

Chair Whalen called for a motion for the Authority to Authorize the Owner of Rycroft Terrace Reserved Housing Unit 426 to Rent Her Unit in Accordance with Hawaii Administrative Rules §15-218?

Member Fang offered an amended motion:

For the Authority to Authorize the Owner of Rycroft Terrace Reserved Housing Unit to Rent the Unit for Up to 3-Years or Per the Deployment, in Accordance with Hawaii Administrative Rules.

Member Sakoda seconded the motion.

Member Sakoda stated concerns on the precedence that HCDA would be setting if this request is approved and that these requests may become a burden with the shortage of staff members if the board approves this request.

Member Rodriguez stated that he comes from a military family and stated families are aware of the reserved housing rules when these units are purchased. He asked if the board votes no will the owner be required to sell?

Ms Doi responded and said the owners would be required to remain in the unit or can choose to sell.

There were no further comments or questions.

Ms. Doi conducted the roll call vote.

Motion failed with 4 yes votes, 2 no votes and 3 excused.

Ms. Doi reminded the board that 5 votes are required for approval of a motion.

There were no further questions or comments.

5. Shall the Authority Authorize the Executive Director to Execute a Right of Entry Agreement with Sea Engineering Inc. for the Charterboat Building at Kewalo Basin Harbor for a Four Month Term?

Ms. Lindsey Doi presented the report in the board packet. Sea Engineering Inc. is the subcontractor for the Kewalo Basin Harbor Improvement project and is requesting an additional four-month Right of Entry (ROE) to continue utilizing the Charterboat Building as its on-site office space. This building is otherwise vacant due to pending redevelopment by Kewalo Harbor Development Company via a Request for Proposal awarded in December 2015.

Members discussed including an option to extend up to six-months to allow time for any unforeseen issues.

Ms. Doi explained that Sea Engineering is expected to complete its improvement work and they do not anticipate needing more time.

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

Member Okuhama offered an amended motion for the Authority to Authorize the Executive Director to Execute a Right of Entry Amendment with Sea Engineering Inc., for the Charter Boat Building at Kewalo Basin Harbor for a Four-Month Term, with an Option to Extend Up to Six-Months subject to Executive Director approval.

Member Fang seconded.

Ms. Doi conducted the roll call vote. Motion passed with 6 yes votes and 3 excused.

6. Shall the Authority Authorize the Executive Director to Expend Up To \$47,000.00 from the Hawaii Community Development Authority Operating Funds for a Temporary Secretary?

Executive Director Los Banos provided the report in the board packet and noted that two of HCDA's three secretaries will be out of the office. Secretary for HCDA's planning office is out on maternity leave and the Asset Management secretary is set to relocate to the mainland per her spouse's assignment by the US Navy.

The temporary assignment will be from November 2019 – June 2020 with an option to extend from July 2020 – November 2020. The scope of work consists of clerical, secretary and administrative support duties that will serve as the office receptionist.

Member Rodriguez asked why not hire an 89-day employee.

Mr. Los Banos explained that the use of an 89-day hire requires a vacant position which is not available. Otherwise a temporary service may have a larger pool of candidates, based on feedback from other State Agencies.

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

Member Okuhama motioned for the Authority to Authorize the Executive Director to Expend Up to \$47,000.00 from the Hawaii community Development Authority Operating Funds for a Temporary Secretary?

Member Sakoda seconded.

Executive Director Los Banos conducted the roll call vote. Motion passed with 6 yes votes and 3 excused.

7. Shall the Authorize Approve a Limited Meeting for a Site Visit and Inspection of Kewalo Basin Harbor Improvements by Water, Pursuant to Hawaii Revised Statutes §92-3.1?

Executive Director Los Banos presented the report provided in the board packet. The Kewalo Harbor, LLC has extended HCDA board members a tour and inspection of its recent \$23 million improvements made to Kewalo Basin Harbor. Due to the nature of the improvements a tour by boat would be the best way to inspect and experience the functionality of the improvements. A tour by boat would also make public attendance impracticable and a limited meeting would be necessary.

HCDA staff contacted the Office of Information Practices which provided additional guidance regarding the conduct of a limited meeting as follows:

The board must deliberate on the need for the limited meeting at a prior open meeting of the board, and two-thirds of all members to which the board is entitled must agree that it is necessary to hold the limited meeting at the specified location.

Public notice of a limited meeting must still be provided, and a videotape of the meeting must be made available at the next regular board meeting, unless the OIP Director waives the videotape requirement. No decision-making can occur during the limited meeting.

HCDA will then submit a request form to OIP to get concurrence for a limited meeting.

Victoria Ward Limited has acknowledged its willingness to charter a suitable boat for the purposes of this tour. Alternatively, staff will also reach out to the City and County of Honolulu Ocean Safety to utilize the boat HCDA acquired and currently leases to them.

The administrator of Kewalo Basin Harbor noted a tour and inspection of the harbor improvements would provide a valuable opportunity to gain further perspective of the harbor asset and harbor operations.

Staff also notes that it currently has outstanding two development agreements with Kewalo Harbor, LLC, for the redevelopment of fast lands surrounding the harbor. The tour would also provide some prospective on the integration of these sites relative to the anticipated future decisions of the board relative to environmental assessment and development lease.

Member Fang asked to clarify the purpose of this site visit and who would be paying for this tour. She expressed concerns with who expenses are being paid by and made it clear that she does not want this tour paid by Howard Hughes/Kewalo Basin Harbor.

Mr. Los Banos noted that staff will check on the Lifeguard boat, otherwise Howard Hughes/Kewalo Basin would provide the boat for the tour inspection.

Member Sakoda stated he prefers to see a presentation on the financials that could include updates on the improvements.

Member Fang expressed that she would like to better understand the request and asked if it is necessary to conduct a tour inspection by boat.

Chair Whalen and Member Okuhama acknowledged interest in the inspection tour.

Member Fang expressed she is uncomfortable with the request and could use an education presentation on the Harbor operations. She agrees with Member Sakoda regarding a financial update and does not feel a boat tour is necessary.

Members decided a boat tour was not necessary and deferred the vote on the motion.

8. Shall the Authority Authorize a Transfer of UP to \$1,000,000.00 from the HCDA Revolving Fund, Improvement District Subaccount to the Kalaeloa Community Development Revolving Fund, for the Removal of Materials Stockpiled at the Kalaeloa Heritage Park?

Mr. Kamemoto presented the report provided in the board packet.

HCDA currently retains a stockpiling permit for material at the Kalaeloa Heritage Park that will expire in April 2020. To close the stockpiling permit, the material must either be utilized on site, removed or a combination of both. Once the stockpiles are removed the area must be grassed over. After pursuing options, it was determined that the only option would be to dispose of all material at the PVT Land Company LTD in Nanakuli. Bids were solicited and the lowest responsible bidder was Henry's Equipment Rental & Sales, Inc. with a bid of \$875,076.00.

There are no current funds for this work in the Kalaeloa Community Development District Revolving Fund, therefore, this transfer would allow this work to proceed.

Member Sakoda and Ishii asked for background information.

Mr. Kamemoto handed out a timeline of events from the discovery of the stockpile to its current action item on the agenda.

Member Fang provided a short overview of the stockpile issue for HCDA's newest board members.

Discussion with board members confirmed that HCDA is ultimately responsible for the property as landowners.

Kalaeloa Board Members Timson and Masagatani asked the Kakaako members to defer its decision until the Kalaeloa Members have a chance to discuss the issue in its board meeting.

After board member discussion w/HCDA staff. Kakaako Board members agreed to vote on the action item.

Member Ishii motioned for the Authority to authorize a transfer of up to \$1,000,000.00 from the HCDA Revolving Fund, Improvement District Subaccount to the Kalaeloa Community Development Revolving Fund, for the removal of materials stockpiled at the Kaleeloa Heritage Park.

Member Okuhama seconded.

Mr. Kamemoto conducted the roll call vote. Motion passed with 6 yes votes and 3 excused.

There was not further questions or concerns from board members and not public tesitmonny.

V. REPORT OF THE EXECUTIVE DIRECTOR

9. Monthly Reports and Other Status Report

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

Mr. Los Banos referred to the report provided in the board packet and highlighted the park transfer. The HCDA and the City and County of Honolulu signed documents to effectuate the Kakaako Makai Parks transfer on October 29, 2019. Effective November 1, 2019, the subject lands are now under City ownership.

ADJOURNMENT

Chair Whalen adjourned the regular meeting at 10:37 am.

Approved and Submitted by,

John Whalen, Chairperson

Date Approved by HCDA Board