

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KALAELOA BUSINESS MEETING

Wednesday, November 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 10:40 am, November 6, 2019 at the Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813.

Members Present: Mitchell Tynanes
Maeda Timson
Shirley Swinney
David Rodriguez, DOT
Chason Ishii
Wei Fang, Secretary
Jobi Masagatani, DHHL
John Whalen, Chair

Members Excused: Robert Yu, B&F
Kathy Sokugawa, DPP

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

Legal Counsel: Lori Sunakoda, Deputy Attorney General

II. APPROVAL OF MINUTES

The Kalaeloa Authority meeting minutes of August 7, 2019 and October 2, 2019 were approved as presented.

III. ACTION ITEMS

Shall the Authority Approve the Kalaeloa Community Development District (KCDD) Operating Budget for Fiscal Year 2019 – 2020 in the Amount not to Exceed \$653,376.00 and Authorize the Issuance of Land User Assessments, in the Amount not to Exceed \$300,000.00, Pursuant to Hawaii Revised Statutes § 206E-196?

The HCDA established a Memorandum of Understanding with the non-federal land users in the district with an annual operating budget of \$200,000.00 that was passed through to land users excluding cost for staff. According to feedback from the Authority at its June 1, 2016 meeting the Authority requested that staff consider increasing the assessment to \$300,000.00 that was implemented last year to begin to cover the deficit created by staffing costs as provided for in the statute. The operating budget is a subset of the overall projected budget for the KCDD that also includes budgeted project expenditures for the year. The overall budget is listed in the staff report as Exhibit A that details operating and project expenditures by funding source and also what costs are expected to be covered by the annual assessment.

Executive Director Los Banos provided board members a confidential handout to help address board questions from its October 2, 2019 meeting regarding salary budget allocations for Kalaeloa.

Member Swinney stated that according to Exhibit A, there are 5.6 positions assigned to work on Kalaeloa matters. She expressed her concerns with delayed (or lack of) responses by HCDA regarding permit applications submitted by the Community and would like HCDA staff to, at a minimum, acknowledge applications.

Executive Director Los Banos acknowledged Member Swinney's concerns and stated that staff will be more responsive to applications as they are received by HCDA.

Member Masagatani, asked about the sources of funding to fund the operating, general and revolving funds and what the allocation of fringe to HCDA is?

Mr. Los Banos responded that according to Budget and Finance, HCDA's portion for fringe benefits are 60%. He also explained how the legislature, in its last session, appropriated funds for HCDA's staff salaries.

Member Timson asked staff to confirm there are 4 vacant positions, how long those position have been vacant, and when did HCDA last fill a position? Member Swinney asked how the Attorney General's salaries are allocated?

Mr. Los Banos confirmed there are four vacant positions, and recently hired an asset management specialist in the last month. He added there are difficulties filling the planner positions due to the current salary range and the expectations. The Attorney General's salaries are shared by .36 and used

historically as a shared administrative cost that cover salaries and fringe benefits.

Member Timson asked what is HCDA's base for charging the landowner assessments?

Mr. Los Banos responded that based on board direction to close the operating cost gap, and the board's approval the land user assessments are charged accordingly and does not exceed \$300,000.00.

Member Masagatani suggests that for future reference, HCDA staff create a spreadsheet to track budget allocations in detail. She further suggests that HCDA verify that its allowed to submit its budget as explained by Executive Director Los Banos. She also suggested having an accounting for staff assigned to Kalaeloa assignments for future reference.

There was no public testimony and no further questions and comments.

MOTION:

Member Swinney motioned for the authority to approve the Kalaeloa Community Development Operating Budget for Fiscal Year 2019 – 2020 in the Amount not to Exceed \$653,376.00 and authorize the issuance of land user assessments, in the amount not to exceed \$300,000.00, pursuant to Hawaii Revised Statutes 206E-196.

Member Fang seconded.

Motion passed with 6 yes votes, 1 no vote, and 1 excused.

Shall the Authority Authorize the Executive Director to Expend Up To \$1,000,000.00 from the HCDA Revolving Fund, Improvement District Subaccount for the Removal of the Stockpile Material at the Kalaeloa Heritage Park?

Member Masagatani asked that as there are some authority members who overlap between the Kakaako and Kalaeloa Board, perhaps scheduling the Kalaeloa agenda (for matters that effect the Kakaako Board) prior to the Kakaako agenda could be considered? She added that it would provide the Kalaeloa members an opportunity to discuss the matter and express issues and concerns prior to the Kakaako board rendering a decision.

Executive Director Los Banos acknowledged the suggestion and added that the decision is more of a logistical matter but did acknowledge Member Masagatani's comment and will consider that for future discussions.

Member Rodriguez added that the Kakaako members were well informed to make a decision on the action item regardless of the scheduling of agendas.

Member Timson stated her concerns to spend \$1,000,000.00 of public funds to remove the stockpile and that there are no consequences to the Kalaeloa Heritage Legacy Foundation. She added that she is concerned moving forward and would like staff to commit to providing a directive on how the Kalaeloa Heritage Park will be monitored and maintained to ensure this issue does not happen again.

Member Masagatani asked for background information.

Member Fang provided background information and Mr. Kamemoto provided a copy of the stockpile timeline.

Mr. Los Banos explained the cost estimates that were provided by Henry's Equipment Rental and Sales, who provided the lowest responsible bid. The bid includes loading, hauling, tipping fees and grassing over the area where the stockpile sits. He added the bid also includes a small amount of funds for any unforeseen issues.

Member Timson reiterated her concerns with moving forward and requests staff to commit to providing a directive on how KHLF and the Park will be monitored to ensure this issue does not happen again.

Member Fang commented that during the Kakaako meeting, it was clarified that the contractor will be able to complete the hauling within 30 days after the Notice to Proceed is given to the contractor. To bring closure to this issue, moving forward does staff anticipate any other issues that the board will need to discuss or make decisions on?

Chair Whalen reminded the board of the pending fine that the Department of Planning and Permitting has issued on the stockpile pending a resolution.

Member Masagatani asked if there are plans to secure the property so it is not identified as a dump site.

Mr. Los Banos explained there is board action to retain the Kalaeloa Heritage and Legacy Foundation to steward the site. The KHLF has a gate that secures the area.

Member Swinney asked if there have been any steps taken to monitor the site? Have there been any site visits by staff?

Ms. Malama explained it is highly unlikely there will be access to that site as it is currently under lock and key and KHLF does not have access to the stockpile site.

Mr. Los Banos added there have been several site visits by staff and its contractor to assess the site. HCDA's Asset Management staff is preparing for a site visit to KHP and to meet with KLHF to conduct a physical inspection and inventory.

Chair Whalen called for a motion.

Member Timson expressed her concerns on expending \$1,000,000.00 and stated that she cannot support the decision without an assurance on how the board and staff will move forward to monitor the site to ensure this issue does not happen again.

Member Tynanes asked Ms. Malama to provide her thoughts on the decision item.

Ms. Malama stated that she understands Member Timson's concerns and staff will need to work on a monitoring plan for the Kalaeloa Heritage and Legacy Foundation for the Park, however, the stockpile remains on site and the fees will increase as the board delays its decision.

Member Swinney asked if a decision can be made after the presentation of the Executive Director's report as Asset Management has an update on the Kalaeloa Heritage Park in the report?

There were no public testimony and no further questions.

MOTION: (taken after the ED Report)

Member Tynanes motioned for the authority to authorize the Executive Director to expend up to \$1,000,000.00 from the HCDA Revolving Fund, Improvement District Subaccount for the removal of the stockpile material at the Kalaeloa Heritage Park.

Member Swinney seconded the motion.

Ms. Malama conducted the roll call vote. Motion passed with 7 yes votes and 1 excused.

REPORT OF THE EXECUTIVE DIRECTOR
Monthly Activities Update of the Kalaeloa Office

Ms. Malama deferred to the written report.

Mr. Los Banos highlighted the Enterprise and Franklin Delano Roosevelt Avenue Intersection Improvement Project that is underway.

Member Timson requested that volunteer staff George Atta join the Kalaeloa Plan and Rules Permitted Interaction Group as a member.

Deputy Attorney General Sunakoda advised the board that to add a member to the Permitted Interaction Group it would need to be added as an agenda item at another board meeting.

Mr. Los Banos added that Mr. Atta is a volunteer staff and usually staff members are not a member of a Permitted Interaction Group to a board. He suggested Mr. Atta be a participant.

Member Timson stated they would like Mr. Atta as a member.

Ms. Sunakoda explained that the board would need to be clear as to what Mr. Atta's participation to the P.I.G. would be. If he becomes a member that would need to be clear and included on an agenda at a board meeting.

Ms. Malama asked Mr. Atta if he would like to participate as a member of the P.I.G. or guest.

Mr. Atta stated that he is willing to participate and provide information as a guest.

There were no further questions or comments.

Member Timson mentioned the water issue in Kalaeloa and asked Hunt to provide an update and explain the steps they are taking so that this issue does not happen again.

Chair Whalen stated that there will be a portion for public comment and suggests representatives from Hunt address the board during the public comment session.

Member Swinney asked about Mr. Los Banos' attendance at the BRAC conference.

Mr. Los Banos provided an update to the board on his attendance at the BRAC conference and discussed the information he received on the transition process from Military ownership.

Member Timson asked about the proposed homeless facility that the Lieutenant Governor announced.

Mr. Los Banos explained that the Hawaii Public Housing Authority (HPHA) and the Governor's homeless coordinator was not aware of the Lieutenant Governor's proposal. The Project is unfunded and not aware of any permits that have been issued for the project. If the Governor proceeds through 206E, permits will not be required.

Member Tynanes stated that Ms. Nani Medeiros of HomeAid Hawaii is in the audience.

Ms. Medeiros provided information on HomeAid Hawaii and the presentation made to HPHA was an informational one, they will be working with the Governor and necessary agencies to acquire the proper permits as required.

Asset Management - KHLF

Ms. Doi, Asset manager explained the HCDA and KHLF exercised the six-month extension option for the Right of Entry Agreement that would otherwise expire on November 17, 2019. With the extension the Right of Entry, it will now expire in May 2020. KHLF and HCDA continue to negotiate a longer-term stewardship agreement for the parcel. KHLF's envisioned scope of work was provided in the October ED Report. HCDA staff notes that the proposed scope of work is broader than the existing ROE and further discussions are necessary for a proper agreement and to ensure feasibility.

Member Fang asked if there were any other possible entities to steward the site?

Mr. Los Banos, explained that the University of Hawaii West Oahu is a possible entity however, there are more discussion that need to take place.

Member Swinney asked if staff has verified the inventory submitted by KHLF?

Board Members expressed concerns with the animals, chickens and peacocks that have turned up on the site and that could possibly turn into another issue like the stockpile the board is currently faced with.

Members Timson and Swinney asked how Asset Management will be managing the property.

Ms. Doi explained that she currently has one staff member assigned to monitor the property. There are site visits scheduled and staff will be conducting an inventory to verify what KHLF has submitted. She also acknowledged member Timson's concerns and will work with KHLF, to monitor and manage the site.

PUBLIC TESTIMONY

Paul Kay, VP Hunt companies explained that the Kalealoha Water Company experienced an emergency over the weekend and issued a notice. He outlined Hunts protocols in regard to emergency issues. He assured the Kalaeloa members that Hunt will add the Kalaeloa members to their emergency notification lists so they are immediately informed.

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

VI. ADJOURNMENT

Chair Whalen adjourned the regular meeting at 1:19 pm.

Approved and Submitted by,

John Whalen, Chairperson

Date Approved by HCDA Board