


Reviewed and Approved by Executive Director:  _____

April 7, 2021

FOR ACTION

I. REQUEST

Authorize the Executive Director to Execute a Development Agreement, Substantially in the Form Attached, with the State of Hawaii Department of Transportation, Victoria Ward Limited, and the Ward Village Owners Association to Implement a U.S. Department of Transportation BUILD Grant for the Ala Moana Boulevard Elevated Pedestrian Walkway Bridge Project Located Near 1025 Ala Moana Boulevard, Honolulu, Hawaii, Tax Map Key Nos. (1) 2-1-058: 132 (portion) and (1) 2-1-058: 133 (portion), and undertake all tasks necessary to effectuate the purpose(s) of the Development Agreement.

II. BACKGROUND

In November 2019, the State of Hawaii Department of Transportation Highways Division (HDOT), with the assistance of Victoria Ward Limited (VWL), secured a \$20 million “Better Utilizing Investments to Leverage Development” (BUILD) grant from the U.S. Department of Transportation to construct an elevated pedestrian walkway over Ala Moana Boulevard in Kakaako Makai (the Project).

The Project would provide a critical mauka-makai connection over a major six-lane boulevard, connecting a potential rail station to the waterfront promenade, including Kewalo Basin Park and Ala Moana Beach Park. As an elevated walkway, the Project would also ensure a safe pedestrian experience.

The Project would bridge the planned/permitted Victoria Ward Park on the mauka side of Ala Moana Boulevard (the Mauka Landing Site) to the landscaped berm on the Kewalo Basin Harbor side of Ala Moana Boulevard, just ewa of the Charter Boat building (the Makai Landing Site). VWL and the Ward Village Owners Association (WVOA) currently control the Mauka Landing Site, while the Makai Landing Site is owned by the Hawaii Community Development Authority (HCDA) and leased to VWL as part of the Kewalo Basin Harbor Lease.

In February 2020, the HCDA Kakaako Board authorized the negotiation and execution of a Memorandum of Agreement (MOA) to implement the BUILD Grant for the Project. In September 2020, HDOT, HCDA, VWL, and WVOA executed the MOA and began securing the necessary permits and approvals to encumber the funds.

The BUILD grant funds must be encumbered (i.e., under contract) by June 2021 and expended by September 30, 2026. As part of this process, HDOT, VWL, WVOA, and the HCDA must enter into a Development Agreement to clarify each party’s role and responsibilities in developing the Project.

III. DISCUSSION

A draft of the proposed Development Agreement is attached hereto as Exhibit A. The Development Agreement details the following:

Project funding: Funding shall be provided through the federal BUILD Grant (\$20 million), HDOT (\$4 million), and VWL (\$5 million). HDOT will administer the financial accounting for the construction of the Project, including the payment of construction costs and the processing of Federal reimbursement requests.

Project design: VWL shall provide all design and post-design services, entitlement, completion of environmental documentation and approvals, permitting, and public involvement. VWL and its consultants shall provide HDOT with the Plans, Specifications, and Estimate (PS&E) for the Project.

Project construction and management: Upon HDOT's approval of the PS&E from VWL, HDOT will bid out the Project and enter into a construction contract with the winning contractor. HDOT will become the owner of the completed Project.

Project maintenance: HDOT shall provide structural maintenance and repair of the Project and pay for all utilities associated with the Project. WVOA shall provide non-structural maintenance and repair for the walkways associated with the Project, including landscape maintenance, janitorial services, and security services.

The HCDA's participation in the Project is limited to its capacity as the landowner of the Makai Landing Site. As approved at the February 5, 2020 Kakaako Meeting, the HCDA's general responsibilities are as follows:

1. Participate in project planning, design, and implementation;
2. Provide a Right of Entry (site access) for pre-construction and construction activities; and
3. Grant an easement in favor of the DOT for continued maintenance of the Project on HCDA property.

The Development Agreement specifically details the HCDA's obligations on page six as follows:

e. HCDA shall:

- i. Authorize the closure of the Kewalo Basin Harbor parking exit and reduce parking spaces as reasonably necessary for the planning and construction of the Project;
- ii. Grant WVOA or its designee a right of way in Kewalo Basin Harbor to provide access for WVOA to perform surface landscaping, non-structural

- maintenance, or repairs of the Bridge Walkway and Makai Walkway, at WVOA's expense; and
- iii. Upon execution of this Development Agreement, the Executive Director of HCDA shall diligently seek HCDA board approval to waive any prohibition against additional improvements as contained in paragraph 4.9 or any other provision of the General Lease No. 14-1 by and between the State of Hawaii - Hawaii Community Development Authority and Kewalo Harbor, LLC, dated August 1, 2014, as amended ("**General Lease**"). Such approval shall be acquired before the project is Obligated as defined in Recital C.

The Project does not pose a financial burden to the HCDA, as the HCDA is not contributing funding to the Project. Further, HDOT, VWL, and WVOA are absorbing the management and continued maintenance costs.

IV. RECOMMENDATION

Authorize the Executive Director to Execute a Development Agreement, Substantially in the Form Attached, with the State of Hawaii Department of Transportation, Victoria Ward Limited, and the Ward Village Owners Association to Implement a U.S. Department of Transportation BUILD Grant for the Ala Moana Boulevard Elevated Pedestrian Walkway Bridge Project Located Near 1025 Ala Moana Boulevard, Honolulu, Hawaii, Tax Map Key Nos. (1) 2-1-058: 132 (portion) and (1) 2-1-058: 133 (portion), and undertake all tasks necessary to effectuate the purpose(s) of the Development Agreement.

Attachments:

Exhibit A – Draft Development Agreement Dated March 15, 2021

Prepared By: Lindsey Doi, Asset Manager  _____

Reviewed By: Deepak Neupane, P.E., AIA, Executive Director  _____