

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO BUSINESS MEETING

Wednesday, January 9, 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 9:55 AM, January 9, 2019 at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813.

Members Present: Phillip Hasha
Jason Okuhama
Wei Fang
Beau Bassett
William Oh
Mary Pat Waterhouse
John Whalen, Chair

Members Excused: Kathy Sokugawa (DPP non-voting)
David Rodriguez (DOT Ex-Officio)
Mark Anderson (B&F Ex-Officio)

HCDA Staff Present: Aedward Los Banos, Executive Director
Deepak Neupane, Kakaako Planning and Development Director
Garett Kamemoto, Compliance Assurance & Community Outreach Officer
Lindsey Doi, Asset Manager
Francine Murray, HCDA Program Specialist
Alison Miyasaki, Administrative Services Officer
Tommilyn Soares, HCDA Secretary to the Executive Director

Legal Counsel: Max Levins, Deputy Attorney General

II. APPROVAL OF MINUTES

Minutes of the December 5, 2018 Kakaako Authority meeting were approved as presented.

III. ACTION ITEMS

Shall the Authority Authorize the Executive Director to Execute a Month-to-Month Right of Entry with the State of Hawaii Department of Transportation (DOT) for the use of the “Forrest Private Driveway” in Kakaako Makai?

Lindsey Doi, Asset Manager presented the report provided in the board packet and noted that this action item is being brought back to the authority from its November 2018 meeting. The DOT requested to extend its right of entry (ROE) for the Forrest Private Driveway on a month-to-month basis free of charge as it would provide a mutual benefit. Board members indicated it would be amenable to a month-to-month ROE for the Forrest Private Driveway if a fee was negotiated with DOT. HCDA staff agreed to negotiate terms with DOT staff and return to the board for final approval.

The DOT is requesting to utilize approximately 9,300 square feet. At an appraised rate of \$0.195/square foot per month for vacant unimproved land, the market rent that could be charged to DOT would be \$1,813.50 per month. Ms. Doi emphasized, however, that the DOT has been an excellent partner in the past. When HCDA was having issues with trespassers and campers in the area, the DOT expended its own funds to install an eight-foot chain link fence, planter and barriers. DOT also dispatched its harbor police and maintenance crew to secure and clear the area.

Member Fang asked if this ROE includes the entire TMK.

Ms. Doi replied that it is only a portion of the TMK.

Member Basset asked if there was a future plan for this road? If it is part of Lot C will the road be accessible for DOT?

Ms. Doi and Mr. Los Banos noted the road is part of Lot C and will be subject to the Lot C Master Plan.

Member Bassett reminded everyone that the board faces the pressure of the agency’s financial crisis and looks at all of HCDA’s parcels to assist in generating income for the agency. However, currently, a month-to-month ROE for DOT’s use is okay but suggests looking more closely, internally, on the best way to utilize HCDA’s parcels to assist generating income for the agency.

There were no further comments and no public testimony.

MOTION

Member Okuhama made a motion for the authority to authorize the Executive Director to execute a month-to-month right of entry with the State of Hawaii Department of Transportation (DOT) for the use of the “Forrest Private Driveway” in Kakaako Makai?

Member Hasha seconded.

Ms. Doi conducted the roll call vote.

Motion passed with 7 yes votes and 2 excused.

Shall the Authority Authorize the Transfer of Rycroft Terrace Unit 529 to a Revocable Trust During the Regulated Term, Subject to Certain Conditions?

Ms. Doi presented the report provided in the board packet and also noted this is a carryover item from the board's December meeting. Board members deferred a decision and requested further information on how such transfers are managed. Ms. Doi addressed board members concerns noted on page two and three of the staff report.

HCDA's staff recommendation is for the board to authorize the transfer of Reserved Housing units to revocable trusts during the regulated term subject to the following conditions:

1. A new unilateral agreement is executed between HCDA and the revocable trust reinstating HCDA's reserved housing requirements, including the regulated term; and
2. The trust document shall be subject to review by the HCDA Executive Director to ensure the provision of HAR § 15-22-188 are met.

Chair Whalen asked if the owner of this unit is aware of these recommendations?

Ms. Doi replied that the owner is aware the board is being presented with information and that a decision may be made. Ms. Doi also stated that staff will recommend that the board's decision be applied to all future requests.

Member Bassett stated that he is okay with making a decision on today's action item, however, expressed concerns regarding the current lineal descent rules for a reserved housing unit and asked staff to provide further information at the board's February or March meeting.

There were no further comments, questions or public testimony.

MOTION:

Member Waterhouse motioned for the authority to authorize the transfer of Rycroft Terrace Unit 529 to a revocable trust during the regulated term, subject to the conditions that a new unilateral declaration of restrictive covenants is executed, the reserved housing requirements of Hawaii administrative rules 15-22 are incorporated into the new deed and that the deed and trust documents are subject to review by the HCDA Executive Director to ensure they are sufficient.

Member Okuhama seconded.

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

Shall the Authority Authorize the Executive Director to Execute a Contract for 3-Years Plus Two 1-Year Options to Extend for Maintenance, Inspection and Repairs to Landscape, Irrigation Systems, Drainage Systems and Other Related Items at Kolowalu Park and the Queen Street Extension with Nohonani Landscape LLC and to Expend Up to \$366,960 from the Hawaii Community Development Authority Public Facilities Subaccount?

Ms. Doi presented the report provided in the board packet. HCDA solicited an Invitation for Bids for landscape maintenance at Kolowalu Park and the Queen Street Extension and HCDA received one bid from the current contractor – Nohonani Landscape LLC.

Ms. Doi noted a typo on the agenda item amount and that the amount should be \$366,960 and not \$336,960.

Member Bassett asked if there are any other parcels in the area that are not a part of this bid and suggested possible low maintenance ideas to lower maintenance costs on portions that are less utilized or unused.

Ms. Doi replied that everything in the geographical area is included in this bid and that the current landscape on the less utilized portion is already low maintenance.

There were no further comments, questions or public testimony.

MOTION:

Member Fang motioned for the authority to authorize the ED to execute a contract for 3-years plus two 1-year options to extend for maintenance, inspection and repairs to landscape, irrigation systems, drainage systems and other related items at Kolowalu Park and the Queen street extension with Nohonani Landscape LLC and to expend up to \$366,960 from the Hawaii Community Development Authority Public Facilities Subaccount.

Member Bassett seconded.

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

Shall the Authority Authorize the Executive Director to Execute a Contract for 3-Years Plus Two 1-Year Options to Extend to Furnish Building Maintenance Services for the Hawaii Community Development Authority American Brewery Building with the Lowest Responsive Bidder and Expend Funds From the Hawaii Community Development Authority Revolving Funds, Leasing and Management Subaccount?

Ms. Doi provided the report and noted an Invitation for Bids closed with one bid at 70% higher than the current contract amount and recommends resoliciting the bid in hopes of attracting more than one bid at more attractable rates.

Mr. Los Banos noted that this is not an urgent request and there is time for resolicitation.

Member Bassett asked if the board defers the item until the board is able to consider additional responses to a new bid?

Ms. Doi replied that yes, the board could defer.

There were no further comments, questions or public testimony.

MOTION:

Member Bassett motioned for the authority to defer the action item.

Member Hasha seconded.

Chair Whalen conducted a voice vote. All members unanimously approved.

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. Los Banos referred to the report provided in the board packet and highlighted updates regarding the Kauhale Kakaako Parking Garage RFP, the latest update on the transfer of Kakaako Lands to the City and County of Honolulu as well as an update on the private roads issue as it pertains to Act 009 regarding the Notice of Violation and Notice of Order.

There were no questions and no public testimony.

V. ADJOURNMENT

Chair Whalen adjourned the regular meeting at 10:57 am.

Approved and Submitted by,



John Whalen, Chairperson

FEB 06 2019

Date Approved by HCDA Board