

**STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO MEETING**

Wednesday, May 4, 2022

MINUTES

I. CALL TO ORDER/ROLL CALL

The Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii met virtually (utilizing the state-supported Zoom Meeting platform) for a Regular meeting on May 4, 2022.

Chairperson Susan Todani called the April 6, 2022, HCDA Kakaako Authority Regular meeting to order at 10:01 a.m. Chair Todani noted that HCDA Interim Executive Director, Mr. Craig Nakamoto, was fulfilling his civic duty by serving on a jury, and that HCDA Administrative Services Officer, Mr. Garet Sasaki, would go over the meeting protocols.

Acknowledgement that the Meeting is Being Convened Virtually

Mr. Sasaki reiterated the wording contained in the Meeting Agenda regarding the guidelines and directives provided by Section 92-3.7, Hawaii Revised Statutes to enable public boards and commission to conduct business virtually with meeting site open to the public.

With regard to the foregoing, Mr. Sasaki reiterated wording contained in the Meeting Agenda noting that HCDA welcomes public attendance via the Zoom link provided and also at the meeting site, located at The American Brewery Building, 547 Queen Street, 2nd Floor Board room, Honolulu, Hawaii 96813. He noted that the meeting would be live streamed on HCDA’s YouTube Channel contained in the Meeting Agenda and that HCDA also welcomes public comment and public participation via submission of written and or verbal testimony. Mr. Sasaki stated that individuals, if any, from the public who have requested to provide testimony are on standby and will be permitted to speak during the public testimony session of the specific agenda item.

Chair Todani conducted the roll call. Those present were as follows:

Members Present:

Wei Fang
Chason Ishii
Peter Apo
David Rodriguez, DOT (Ex Officio)
Craig Hirai, B&F (Ex Officio)
Kevin Sakoda
Phillip Hasha
Susan Todani, Chairperson

Members Excused:

Dean Uchida, DPP (non-voting)
Vernon Inoshita

Legal Counsel: Lori Sunakoda, Deputy Attorney General

Staff Present: Garet Sasaki, HCDA Administrative Services Officer
Lindsey Doi, HCDA Asset Manager
Francine Murray, HCDA Program Specialist
Tommilyn Soares, HCDA Executive Secretary

A quorum was present.

II. APPROVAL OF MINUTES

Regular Meeting Minutes of April 6, 2022

Chair Todani asked for comments or corrections. There were none. The meeting minutes were approved as presented.

*At this time, Chair Todani stated she would be taking agenda items out of order to concentrate on the priority decision making items. The new order would be as follows:

- **Decision Making:** Consider Authorizing the Interim Executive Director to Amend the Non-Exclusive Temporary Revocable License No. 21-01 with Kewalo Makai LLC, dated June 22, 2021, for the Use of the Kewalo Charter Building and NOAA Lot for Commercial Retail and Office Purposes, to Clarify the Premises and Extend the Term by Two (2) Additional Years.
- **Information & Discussion:** Status of In re the Petition of Golden Eagle Marine Charter Services, Corp., Petitioner-Appellant, vs. Hawaii Community Development Authority, Respondent-Appellee, and Kewalo Basin Harbor, LLC, Kewalo Harbor Management Company, LLC, Intervenors-Appellee, Civil No. 1CCV-21-0001163 (Agency Appeal), Circuit Court of the First Circuit.
- **Decision Making:** Consider Authorizing the Interim Executive Director to Award and Execute a Three-Year Contract with Two One-Year Options to Extend to Secure Parking Hawaii LLC for Parking Management, Operations and Maintenance Services for Lot C and the Container Equipment Maintenance Station (CEM Lot) located at the Ewa end of Ilalo Street in Honolulu, Hawaii 96813 Identified as Tax Map Key (1) 2-1-015:052, in an Amount Not to Exceed \$182,412.00 in accordance with Bid Form Nos. 4-6 for IFB HCDA 03-2022.
- **Report of the Executive Director:** Monthly Report and Other Status Report - Approved permit applications that did not require HRS 206E-5.6 public hearings.

III. DECISION MAKING

Consider Authorizing the Interim Executive Director to Amend the Non-Exclusive Temporary Revocable License No. 21-01 with Kewalo Makai LLC, dated June 22,

2021, for the Use of the Kewalo Charter Building and NOAA Lot for Commercial Retail and Office Purposes, to Clarify the Premises and Extend the Term by Two (2) Additional Years.

HCDA Asset Manager, Ms. Lindsey Doi Leaverton, presented the staff report for this item. Ms. Leaverton explained this request was originally taken up in the previous year, when the Howard Hughes subsidiary, Kewalo Makai LLC, came to HCDA with this interim use for the Charter boat building, located just off of Ala Moana Boulevard at Kewalo Basin Harbor. Ms. Leaverton stated the building was previously not used at all and was vacant since 2012. She continued by saying there are plans for the building's development, but right now has this interim use license. She continued by stating Kewalo Makai LLC would like to extend that license to keep using the area as well as the back NOAA Lot and Harbormaster office building for an additional two years.

Ms. Leaverton noted there is a rental license fee of \$1,900 per month for the use of those facilities, and stated HCDA recognizes that is not a market value based on what the facilities could be used for. However, HCDA also recognizes that this is intended to be an interim use because of the development plans Howard Hughes does have to develop the lot. Ms. Leaverton stated Kewalo Makai LLC is willing to continue to pay all the utilities and maintenance costs for operating the Charter boat building and the NOAA lot as part of their rental fees.

Chair Todani asked the board members for questions or comments on the staff report.

Member Sakoda asked how this matter relates to the bridge that is being built, asking if the Charter boat building is located at the bridge's landing. Ms. Leaverton confirmed that the landing will be on the makai side of the pedestrian bridge over Ala Moana Boulevard which is located close to the Charter boat building.

Member Sakoda asked if the building would have to be demolished. Ms. Leaverton stated that the building will remain.

Referring to language used in the staff report, Chair Todani asked what "fastlands" are. Ms. Leaverton explained that her understanding is it relates to the physical land around the harbor. Ms. Leaverton further explained that the fastlands would be the OHA property on the Ewa side of the harbor and all the HCDA property surrounding it on the Diamond Head side, which are the portions subject to development.

Chair Todani asked Ms. Leaverton to clarify the building area and the land area because two different square footages are mentioned in the staff report. Ms. Leaverton stated when this was first executed in the year prior, there was an error in the square footage so she clarified with Kewalo Makai that the temporary revocable license should cover the entirety of the parcel, because it previously covered only the office space inside the building. She explained the amendment has been revised to clarify that the temporary revocable license covers the entire Tax Map Key.

Referencing the staff report and its exhibits, Chair Todani asked if the 13,030 and 13,000 square footages are the land area and if the 6,831 square feet is the building area. Ms. Leaverton confirmed the latter was being used for the office space.

Taking the license fee of \$1,900 divided by the building area of 6,831, Chair Todani asked if she was correct to believe it equates to \$0.27 per square foot. Ms. Leaverton confirmed. Chair Todani stated that anything that relates to rent is typically shown in the amount per square foot for good perspective. She stated she understands it is an interim use and stated that \$0.27 per square foot is very low, but it's better than nothing, so she can accept it as an interim use. Chair Todani asked what the original period was, asked when Howard Hughes committed to preparing a development plan to show what the future of the site will be, and asked when Ms. Leaverton expects Howard Hughes to provide a revised development plan. She added that a Request for Proposals (RFP) was issued as early as 2014, which Howard Hughes won, but noted there have been many external factors since then, with the COVID-19 pandemic being the most recent in the past few years. Ms. Leaverton explained this interim use with Howard Hughes makes the most sense because if the temporary revocable license needs to be terminated at any time due to Howard Hughes being ready to proceed with their development, the termination will be seamless. Ms. Leaverton added saying the license has a 60-day notice termination clause, therefore either party can terminate at any time during the two-year period with 60-days' notice, making it flexible for when the development timeline is ready.

Chair Todani stated this interim use could be forever if they do not have a target date and added that she would like a target date so that the Authority has an idea of how long the expected interim use will be, because depending on time expectancy, the Authority may want to make a different decision on the matter. Ms. Leaverton agreed and stated she believes Howard Hughes is looking to take action on the matter and will hopefully have movement within this two-year extension. Chair Todani asked Ms. Leaverton to let the Authority know what Howard Hughes' time horizon is and stated she has no issue authorizing this specific item but does not want to have the matter continuously come back for authorization. Ms. Leaverton affirmed.

There were no further questions from board members.

Public Testimony

There were no inquiries to provide verbal testimony, and no written testimonies were received.

Chair Todani asked for a motion.

MOTION

Member Sakoda motioned for the Authority to authorize the Interim Executive Director to amend the Non-Exclusive Temporary Revocable License No. 21-01 with Kewalo Makai LLC, dated June 22, 2021, for the Use of the Kewalo Charter Building and the NOAA Lot for Commercial Retail and Office Purposes, to Clarify the Premises and to Extend the Term by Two (2) Additional Years.

Member Ishii seconded the motion.

Chair Todani asked the board if there were discussion on the motion. There was no discussion.

Ms. Leaverton conducted the roll call vote.

The motion passed with 7 yes votes, 0 no votes, and 2 excused.

Consider Authorizing the Interim Executive Director to Award and Execute a Three-Year Contract with Two One-Year Options to Extend to Secure Parking Hawaii LLC for Parking Management, Operations and Maintenance Services for Lot C and the Container Equipment Maintenance Station (CEM Lot) located at the Ewa end of Ilalo Street in Honolulu, Hawaii 96813 Identified as Tax Map Key (1) 2-1-015:052, in an Amount Not to Exceed \$182,412.00 in accordance with Bid Form Nos. 4-6 for IFB HCDA 03-2022.

Ms. Leaverton presented the staff report for this item. Ms. Leaverton stated that the University of Hawaii John A. Burns School of Medicine (JABSOM) is the primary user of the lot, with over 300 parking permits in the 414 marked-stall lot. Ms. Leaverton went on to explain that the majority of the lot is pre-sold monthly permits, which is why HCDA Staff thought it would be best, from a management standpoint, to bid this out as a parking management contract on a fixed management fee, which is unlike other typical parking contracts that normally have a percentage incentive fee to incentivize greater revenue return.

Ms. Leaverton stated Secure Parking LLC was the lowest bidder whose bid was \$93,708 over the initial three-year term. Ms. Leaverton further explained that the request of \$182,412 is for the full, potential five-year maximum amount. Ms. Leaverton noted this number is a reduction in the parking management fees HCDA previously paid under the prior parking operator, whose contract included both a management fee and an incentive percentage fee, thus pushing Staff's decision to remove the incentive percentage fee.

*Member Apo joined the meeting at 10:55 a.m.

Member Fang asked if HCDA works with Secure Parking on any other lots. Ms. Leaverton stated HCDA has never had a contract with Secure Parking before but noted that they have bid on previous parking IFBs but have never been the lowest bidder before. Ms. Leaverton added that Secure Parking is looking at a mobile payment system for this particular contract for the daily and hourly parkers, which they do in some of their other contracts with other agencies.

Member Fang stated she was inquiring because Secure Parking's pricing was considerably lower, but she was not sure why. She asked if it is because the lot is primarily monthly parkers. Ms. Leaverton confirmed that is her understanding, adding that a major factor is the time that the vendor would spend managing the lot and because the vast majority is pre-sold,

there is less management. She stated that due to the mobile payment system, they may be anticipating the management to be more efficient and easier, as opposed to going to the lot and taking cash out of a cash box, which the previous vendor was doing.

Chair Todani stated she liked the format of the staff report, including the discussion of the bid and the bid process, which is easier than looking through all of the bids. Chair Todani asked Ms. Leaverton to confirm that there were no unusual items or provisions that should be considered in the pricing or the decision. Ms. Leaverton confirmed.

There were no further questions from board members.

Public Testimony

There were no inquiries to provide verbal testimony, and no written testimonies were received.

Chair Todani asked for a motion.

MOTION

Member Fang motioned for the board to authorize the Interim Executive Director to award and execute a three-year contract with two one-year options to extend to Secure Parking LLC for parking management, operations, and maintenance services for Lot C and the Container Equipment Maintenance Station (CEM Lot) located at the Ewa end of Ilalo Street in Honolulu, Hawaii 96813 Tax Map Key (1) 2-1-015:052, in an amount not to exceed \$182, 412.00 in accordance with Bid Form Nos. 4-6 for IFB HCDA 03-2022.

Member Sakoda seconded the motion.

Chair Todani asked the board if there were discussion on the motion. There was no discussion.

Ms. Leaverton conducted the roll call vote.

The motion passed with 8 yes votes, 0 no votes, and 1 excused.

IV. INFORMATION & DISCUSSION

Status of In re the Petition of Golden Eagle Marine Charter Services, Corp., Petitioner-Appellant, vs. Hawaii Community Development Authority, Respondent-Appellee, and Kewalo Basin Harbor, LLC, Kewalo Harbor Management Company, LLC, Intervenors-Appellee, Civil No. 1CCV-21-0001163 (Agency Appeal), Circuit Court of the First Circuit.

The Authority may convene in executive session pursuant to HRS § 92-5 (a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities.

Chair Todani stated Supervising Deputy Attorney General, Bryan Yee, will provide information to the board in executive session.

Chair Todani asked members if they had any questions or comments before entering executive session. There were none.

Public Testimony

There were no inquiries to provide verbal testimony, and no written testimonies were received.

MOTION

Member Fang motioned. Member Sakoda seconded. The motion passed unanimously.

Chair Todani requested Supervising Deputy Attorney General, Mr. Bryan Yee, HCDA Administrative Services Officer, Mr. Gareth Sasaki, and HCDA Staff, Ms. Kapilialoha Kidder, to join the board in its executive meeting.

Pursuant to Section 92-5 (a) (4) Hawaii Revised Statutes, the Authority convened in Executive Session at 10:24 a.m.

The Authority met in Executive Session until 10:50 a.m.

Chair Todani reconvened the meeting at 10:50 a.m.

V. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Report

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

Mr. Sasaki deferred to the written report provided in the board packet.

Chair Todani asked the board if there were any questions. There were none.

Public Testimony

There were no inquiries to provide verbal testimony, and no written testimonies were received.

Chair Todani stated the June meetings will be important because it includes the first Public

Hearing for the Kalae project by Howard Hughes, and she requested that members who are able to attend in person, do so at the HCDA office to encourage better participation and communication, as well as public input. Chair Todani shared she will not be able to attend that meeting due to a personal matter but noted it will be chaired by Member Ishii.

VI. ADJOURNMENT

Chair Todani thanked those who joined the meeting on Zoom and then adjourned the meeting at 11:02 a.m.

Wei Fang, Secretary

Date Board Approved

DRAFT