

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

**Wednesday, August 3, 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 August 3, 2022.

HCDA Chairperson, Chason Ishii, called the August 3, 2022, HCDA Kalaeloa Authority Regular meeting to order at 12:52 p.m.

**Acknowledgement that the Meeting is Being Convened Virtually**

Chair Ishii 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 commissions to conduct business virtually with a meeting site open to the public.

With regard to the foregoing, Chair Ishii 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, 2<sup>nd</sup> 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 or verbal testimony. Chair Ishii 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 Ishii conducted the roll call. Those present and excused were as follows:

**Members Present:**

Peter Apo  
David Rodriguez, DOT (Ex-Officio)  
David Rae  
Mike McCartney, DBEDT (Ex-Officio)  
Joe Kuhio Lewis  
Sterling Higa  
Chason Ishii, Chairperson

**Members Excused:**

Craig Hirai, B&F (Ex-Officio)  
Dane Wicker, City and County of Honolulu DPP (Ex-Officio)

**Legal Counsel:**

Kelly Suzuka, Deputy Attorney General

**Staff Present:**

Craig Nakamoto, HCDA Executive Director  
Carson Schultz, HCDA Director of Planning and  
Development – Kakaako  
Janice Biletnikoff, HCDA Interim Director of Planning and  
Development – Kalaeloa  
Garet Sasaki, HCDA Administrative Services Officer  
Francine Murray, HCDA Program Specialist  
Tommilyn Soares, HCDA Secretary

A quorum was present.

**II. APPROVAL OF MINUTES**

**Regular Meeting Minutes of November 3, 2021**

There were no comments or corrections by board members. The meeting minutes were approved as presented.

**Regular Meeting Minutes of June 1, 2022**

There were no comments or corrections by board members. The meeting minutes were approved as presented.

**III. INFORMATION AND DISCUSSION**

**Status update: Planning Presentation by HCDA Planning Staff and Design Firm G70 regarding the Proposed Honokea Surf Villages Project to Build a Surf and Outdoor Recreation Facility Showcasing Hawaiian Culture and Arts in the Kalaeloa Community Development District, on a 19.4 Acre Parcel, at Tax Map Key No. (1) 9-1-013-068, Mauka of the Kalaeloa Heritage Park.**

Ms. Janice Biletnikoff, HCDA Interim Kalaeloa Director of Planning and Development, provided an overview of the staff report, including a brief history of the project, the project's primary components, and the permitting and zoning of the project. Ms. Biletnikoff introduced the applicant's agent, G70, to provide a presentation. Mr. Mark Kawika McKeague, a G70 Planning Principal, and Mr. Keno Knieriem, a Partner at Honokea, introduced themselves and provided a slide deck presentation to the Authority.

Member Rodriguez stated he appreciates the cultural aspect of the vision of the project. He acknowledged the correspondence between the applicant and the Department of Transportation Airports Division and stated while noise is a concern, the toxic fumes that emit from airports is a concern as well. Member Rodriguez stated that airports are facilities that are run like an enterprise, in that its growth is unknown. He noted the presented study addressed the noise concern, but he hopes the study will also include toxic fumes because it is especially a concern with keiki and kupuna being close to the airport.

Mr. McKeague stated they are looking at air quality as part of the environmental assessment and thanked Member Rodriguez for sharing. Mr. McKeague stated the applicant and its agent acknowledge it is a conversation to have with all parties involved in order to have an amicable solution that allows for all parties' interests to be achieved. He stated they also recognize there may be some reconsideration regarding the overnight combination piece.

Member Rodriguez stated he thinks the combination piece is because of the overnight aspect, in that people may not be able to sleep, but noted that even if the facility is a daytime facility, the airport would still be open during the day, and the noise and fumes may impact the guests there during that time.

Mr. Knieriem stated this topic is something they have been working on for a number of years and noted that it will be a place for families, which is why they had a sound study done and are performing their due diligence to ensure safety and customer experience.

Member Rodriguez stated the airport right now is underutilized, but because it is an enterprise, he would foresee the desire to grow that facility in the future.

Mr. Knieriem stated there is a similar development in Australia with the same technology that is also located next to an airport, and noted there are other projects around the world with a surf component that have uses that are compatible with airport-use.

Mr. McKeague introduced Mr. Steve Yuen from Honokea to provide comments.

Mr. Yuen clarified that they are considering and studying evening uses.

Chair Ishii stated he was present at the original presentation for this project and noted parts of the plans that intrigued him were community involvement, including high school sports and surfing, and utilizing the facility for statewide safety training for lifeguards and other safety officers like fire, police, and emergency services; Chair Ishii asked if these things were still being considered.

Mr. Knieriem confirmed those things are still part of the discussion. He added that they have met with the Hawaii High School Surfing Association and noted that one of their challenges is making sure that there are waves on the day of planned meets. Mr. Knieriem stated there are six states in the country where surfing is considered a varsity sport and noted that Hawaii is not one of them, but the Association's goal is to change that, and he feels confident that the project can be part of that solution. Referring to community engagement, Mr. Knieriem stated they will have a world-class beach volleyball facility and are working with the Association of Volleyball Professionals (AVP) to design it. Mr. Knieriem noted that Hawaii invented beach volleyball and has 47 Olympians, and the facility could be a place of excellence for that. Mr. Knieriem added that sport climbing is also an Olympic sport so they will have world-class sport climbing facilities that are over water and part of the waterman training facility being designed with G70. He added saying the waterman training facility will be used to practice breath

hold training, lifeguard training, and general water-safety training. Mr. Knieriem stated they have talked to the Navy about possibly having water training education as well.

Member Rodriguez asked where the water would be coming from.

Mr. Knieriem stated based on the studies they have done; they would be purchasing water from what was the Kalaeloa Water Authority. He added that the facility is about seven Olympic-size swimming pools in volume and stated in the surf technology world, this project is on the lower end by a lot. Mr. Knieriem stated in the category of water volume for a surf facility, they are being as friendly as they can in that aspect, but due to safety reasons will be using potable water. He added that the agricultural and landscape water they would potentially be using would be groundwater.

Member Rodriguez asked if it would be chlorinated.

Mr. Knieriem stated it would be what is called saltwater pool.

Member Rodriguez noted he was curious because the Board of Water Supply has asked the public to conserve water.

Mr. McKeague stated a typical waterpark uses about 170,000 to 200,000 gallons per day, but through their water-reduction strategies for the facility, they are hoping to reduce the overall typical water used at the facility by 30-50% and hopefully be a model of sustainability.

Mr. Knieriem stated they just signed a letter of intent with Holu Hou Energy to be fully off the grid for power to hopefully set an example of not contributing to climate change by having a recreation facility.

#### **Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide verbal testimony.

#### **IV. DECISION MAKING**

**Consider Authorizing the Executive Director to Amend the Exclusive Negotiations Agreement and Right of Entry Agreement with HK Management, Dated March 15, 2021, to Conduct Due Diligence on the Proposed Honokea Surf Villages Project, Involving the Proposed Development of a Surf and Outdoor Recreation Facility Showcasing Hawaiian Culture and Arts, in the Kalaeloa Community Development District, at Tax Map Key No. (1) 9-1-013-068, to Extend the Terms of Both Agreements for an Additional Eighteen (18) Additional Months.**

HCDA Asset Manager, Ms. Lindsey Doi Leaverton, presented the staff report for this item. Ms. Leaverton stated the only change to the existing agreements would be the extension of the term. Ms. Leaverton noted the existing termination clause that would

allow either party to terminate with 30 days written notice would remain the same as well.

There were no questions or comments from members.

### **Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide verbal testimony.

### **Motion**

Member Rae motioned for the Authority to authorize the Executive Director to amend the Exclusive Negotiations Agreement and Right of Entry Agreement with HK Management, dated March 15, 2021, to conduct due diligence on the proposed Honokea Surf Villages project, involving the proposed development of a surf and outdoor recreation facility showcasing Hawaiian culture and arts, in the Kalaeloa Community Development District, at Tax Map Key No. (1) 9-1-013-068, to extend the terms of both agreements for an additional eighteen (18) additional months.

Member McCartney seconded the motion.

Chair Ishii 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 6 yes votes, 0 no votes, 2 excused, and 1 abstained.

### **Request to Approve the Development Plan and Program for the Sale of Reserved Housing Units in Kaulu, the Residential Community Located in the Kalaeloa Community Development District, at Tax Map Key Nos. (1) 9-1-013: 197, 198, and 199, in Accordance with the Findings of Fact, Conclusions of Law, and Decision and Order for Planned Development Permit KAL 21-005 Dated February 2, 2022.**

HCDA Kakaako Director of Planning and Development, Mr. Carson Schultz, presented a summary of the staff report for this item. Mr. Schultz noted HCDA staff worked collaboratively with Gentry on the plan and program for Kaulu. In his summary, Mr. Schultz highlighted the following topics:

- Out of the proposed 390 units in the Kaulu project, 87 units will be dedicated as reserved housing units, in accordance with the Kalaeloa Community Development District Reserved Housing Rules.
- The reserved housing units will be disbursed throughout the project.
- In this request, Gentry is seeking compliance with Decision and Order Condition 13, which states requirements including that the sale of all reserved housing units in the project shall be consistent with the Kalaeloa Reserved Housing Rules (HAR Chapter 15-216) and has a requirement that Gentry shall provide a Development Plan and Program for the sale of reserved housing units at the project within 180

days of the issuance of the Findings of Fact, Conclusions of Law, and Decision and Order for review and approval by the Authority, among other requirements.

Mr. Schultz noted in fulfillment of the condition, the reserved housing program was submitted by Gentry to the Authority on July 22, 2022, which was within the 180-day required period. He added that HCDA staff has been working closely with Gentry on its reserved housing program and that Executive Director Nakamoto and HCDA staff have reviewed the proposed plan and finds that the program is consistent with the applicable HCDA rules. Mr. Schultz stated Gentry was present to present the details of their reserved housing program.

Mr. Quentin Machida, from Gentry Kalaeloa, was present to provide a slide deck presentation to the Authority regarding the reserved housing plan and program for Kaulu with the following highlights:

- Incremental Approach to Development
- Reduced Sales Prices
- Same Quality and Features as Market Homes
- Closing Cost Incentives
- Streamlined Application Process
- Low Deposit Requirements
- Efficient Delivery Schedule
- Partnerships with Nonprofit Housing Counseling Agencies

\*Member Lewis exited the meeting at 1:43 p.m.

Chair Ishii thanked Gentry for their flexibility and noted that the effort in putting together the reserved housing program was a collaborative one.

There were no further comments or questions from members.

### **Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide verbal testimony.

Member Apo motioned for the Authority to approve the Development Plan and Program for the sale of Reserved Housing units in Kaulu, the residential community located in the Kalaeloa Community Development District, at Tax Map Key Nos. (1) 9-1-013: 197, 198, and 199, with the condition that the applicant shall present to the Authority for approval, the reserve study, and a schedule of common area maintenance fees for reserved housing units, when available, and the unit sales price for each increment 120 days prior to the lottery, in accordance with the Findings of Fact, Conclusions of Law, and Decision and Order for Planned Development Permit KAL 21-005 dated February 2, 2022.

Member Rae seconded the motion.

Chair Ishii asked the board if there were discussion on the motion.

Mr. Brian Kang, appearing on behalf of Gentry, apologized for speaking out of turn and asked if Mr. Machida could clarify whether the unit sales prices would be provided in connection with the notice of the sale.

Executive Director Nakamoto thanked Mr. Kang for raising that point and stated the reserved housing program proposed providing the unit sales prices 90 days prior to the pre-sale notice, while the staff report states it to be 120 days prior to the lottery, which he noted would essentially be around the same time. He asked Chair Ishii if the motion could be amended to state 90 days prior to the pre-sale notice instead. Executive Director Nakamoto apologized and asked Mr. Kang if that would be correct. Mr. Kang stated it would be acceptable and apologized for speaking out of turn.

Member Apo rescinded his original motion. Member Rae rescinded his second to the original motion.

### **Motion**

Member Apo motioned for the Authority to approve the Development Plan and Program for the sale of Reserved Housing units in Kaulu, the residential community located in the Kalaeloa Community Development District, at Tax Map Key Nos. (1) 9-1-013: 197, 198, and 199, with the condition that the applicant shall present to the Authority for approval, the reserve study, and a schedule of common area maintenance fees for reserved housing units, when available, and the unit sales price for each increment 90 days prior to the published notice for the reserved housing, in accordance with the Findings of Fact, Conclusions of Law, and Decision and Order for Planned Development Permit KAL 21-005 dated February 2, 2022.

Member Rae seconded the motion.

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

Mr. Schultz conducted the roll call vote. The motion passed with 6 yes votes, 0 no votes, and 3 excused.

**Request to Approve the Kalaeloa Community Development District Operating Budget for the Fiscal Year 2022 – 2023 in the Amount Not to Exceed \$958,814.00 and Authorize the Issuance of Land User Assessments in the Amount Not to Exceed \$958,814.00 Pursuant to Hawaii Revised Statutes §206E-196, Assessment for Operating Costs.**

*The Authority anticipates convening an executive meeting pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's power, duties, privileges, immunities and liabilities for the subject agenda item.*

Mr. Schultz provided a brief overview of the staff report for this item. Mr. Schultz stated that HRS §206E-196 authorizes the Authority to assess all landowners, except the

Federal government, for their proportionate share of the costs associated with administrating and operating the Kalaeloa Community Development District. He further explained that the assessments shall be based on each landowner's proportionate share of the total acreage of the district.

There were no questions or comments from members.

**Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide verbal testimony.

**Motion**

Member Apo motioned for the Authority to approve the Kalaeloa Community Development District Operating Budget for the Fiscal Year 2022 – 2023 in the amount not to exceed \$958,814.00 and authorize the issuance of Land User Assessments in the amount not to exceed \$958,814.00 pursuant to Hawaii Revised Statutes §206E-196, assessment for operating costs.

Member Rae seconded the motion.

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

Mr. Schultz conducted the roll call vote. The motion passed with 6 yes votes, 0 no votes, and 3 excused.

**V. REPORT OF THE EXECUTIVE DIRECTOR**

**Monthly Report and Other Status Reports**

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

Executive Director Nakamoto chose to stand on the written report.

**Public Testimony**

Chair Ishii called for public testimony. There was no written testimony submitted and no requests to provide verbal testimony.

**VI. ADJOURNMENT**

There being no further comments or questions on the Report of the Executive Director, Chair Ishii thanked those who joined today's meeting on Zoom or HCDA's YouTube and adjourned the meeting at 2:28 p.m.



Sterling Higa, Secretary

September 7, 2022

Date Approved by the Board