

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

Wednesday, January 4, 2023

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 January 4, 2023.

HCDA Chairperson, Chason Ishii, called the January 4, 2023, HCDA Kalaelo Authority Regular meeting to order at 11:30 a.m.

Acknowledgement that the Meeting is Being Convened Virtually

Craig Nakamoto, Executive Director 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, Mr. Nakamoto 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 or verbal testimony. Mr. Nakamoto 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:

David Rae
Peter Apo
Melissa Miranda-Johnson, DOT (Ex-Officio)
Dane Wicker, DBEDT (Ex-Officio)
Sterling Higa
Chason Ishii, Chairperson

Members Excused:

Luis Salaveria, B&F (Ex-Officio)
Craig Hirai, City and County of Honolulu DPP (Ex-Officio)
Joe Kuhio Lewis

Legal Counsel: Kelly Suzuka, Deputy Attorney General

Staff Present: Craig Nakamoto, HCDA Executive Director
Janice Biletnikoff, HCDA Planner
Garet Sasaki, HCDA Administrative Services Officer
Francine Murray, Community Outreach Officer
Tommilyn Soares, HCDA Secretary

A quorum was present.

II. APPROVAL OF MINUTES
Regular Meeting Minutes of September 7, 2022

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

III. INFORMATION AND DISCUSSION
Status Update: Presentation by the HCDA Planning Staff and G70 regarding the Draft Environmental Assessment (“DEA”) for the Honokea Surf Village Project in the Kalaeloa Community Development District, Located at Tax Map Key (1) 9-1-013-068 [no postal address].

HCDA Planning and Development Director Ryan Tam, presented the staff report and noted that HCDA staff wanted to keep the board and public informed about the status regarding the Honokea Surf Village Project as staff is preparing to accept the Environmental Assessment (EA) and issue a determination. Mr. Tam referred to the staff report and said the draft EA and the Matrix of comments (and responses) are included in the board packet. He added that the applicant’s consultant, G70, will also be providing a presentation regarding the EA.

Mr. Tam provided background information on the project and noted the applicant is proposing to lease a 19.4-acre parcel, Makai (southeast) of runway 4R 22L, owned by HCDA, to develop an artificial wave lagoon. This use of state lands is a trigger to prepare an EA and as the landowner, HCDA will be the accepting agency for the EA. He noted, the purpose of an EA is to ensure environmental concerns are given appropriate consideration in decision making along with economic and technical considerations; the EA analyzes and explains the anticipated impacts of the proposal on the affected environment and resources. Also, the EA should have sufficient information to base decision making and see if those environmental impacts are acceptable. The draft EA and comment period began September 23, 2022, and there were 14 agencies and 9 individuals that provided comments. The key issues (based on the comments) received are listed in the staff report and include water resources, concerns of proximity to the airport, cultural resources, traffic tourism, sea level rise and others. Subsequent to the final EA, HCDA does anticipate issuing a Finding of No Significant Impact, based on the information provided to date. Once the final EA is completed, HCDA’s Executive Director will proceed with the acceptance and submit the determination to the state

environmental review program office. The determination will incorporate language obligating the applicant to monitoring programs and mitigation measures including State prescribed programs as well as new project-specific commitments as detailed in the matrix. He noted the next steps and said that the EA is one of three independent steps for a project development. Failure of any one of these steps will result in the other steps becoming moot. After the EA, HCDA will be negotiating a ground lease with the applicant. The last step is the issuance of a Conditional Use Permit and an HCDA development permit. He added that acceptance of the EA does not mean the board also approves the ground lease, the development permit, or the conditional use permit, and reiterated this is an independent decision for the EA. Mr. Tam noted that the EA includes discussions regarding camp cabins although lodging is not currently allowed in the T2 Zoning; therefore, the applicant has withdrawn the lodging element of the project at this time.

Kawika McCabe of G70 presented the Draft Environmental Assessment (EA) for the Honokea Surf Village project and noted the following:

1. The draft EA process was initiated in December 2022, early consultations were sent to approximately 39 agencies, elected officials, organizations, and stakeholders relevant to the project area and 12 responses were received.
2. The proposed project was presented to the Makakilo/Kapolei Neighborhood Board as well as the Ewa Neighborhood Board meetings in March 2022.
3. The Draft EA was sent to approximately 50 agencies, elected officials, organizations, and stakeholders relevant to the project district; 22 comments were received which ranged from cultural resource/archaeology concerns, impacts related to the Kalaeloa Airport operations, traffic concerns, community accessibility, potable water usage, groundwater impacts, cumulative impacts, and conformity with HCDA's Master plan requirements.
4. The next steps for the proposed project include:
 - a. DLNR's Historic Preservation review and concurrence,
 - b. Coordination with FAA/DOT Airports,
 - c. Finalizing the lease,
 - d. HCDA's development permit process,
 - e. HCDA's Conditional Use Permit,
 - f. Well, Building and Grading Permits.

Mr. McCabe noted that G70 hopes to receive approval of the EA within the next 30 days.

Chair Ishii thanked Mr. McCabe for the presentation and asked if recycled water from the City's Honouliuli facility for irrigation rather than brackish water could be used; and if G70 has investigated it, could that treated recycled water also be used to fill the pool? Are there any potential health issues that would not allow that use?

Mr. Ryan Char of G70 said the applicant would be open to that, however, it would depend on how much infrastructure would need to be build out to get recycled water lines from Honouliuli into Kalaeloa and then to the project. Mr. Char noted that he is unsure if the Board of Water Supply has that infrastructure in place, but it could be a possibility.

Chair Ishii asked if G70 or the applicant has looked into utilizing that treated recycled water, could that also be used to fill the pool? Are there any potential health issues that would not allow that use?

Mr. Char stated that is a question regarding water quality regulation for swimming pools for the Department of Health (DOH). He asked Mr. McCabe if there was someone on the team to answer that regulatory question and whether that would be allowed. He added that he believes the current regulations are potable water, therefore potable water is stated in the proposal.

Mr. Jeff Seastrom, G70 Planner, stated that HB1743 started the conversation to possibly allow non-potable water for lagoons; however, the bill is separate from possible approvals from DOH – who is understandably conservative. If allowed, this project would be the first in the state to utilize treated recycled water. He noted the team is open to the idea, however, discussions would need to take place with DOH.

Member Higa said per page 5-38 regarding the “Injection Wells” of the draft EA, it states the lagoon water will be discharged once every two years; and asked if that was correct? He also asked besides the large scale emptying of the pool, is it anticipated that the use of these injection wells to dispose of water will be done on a regular basis?

Mr. Char stated that on a regular basis the pool does use water and need to be filtered through, treated etc.; in general, the system is a root system, which is a closed system – it is more efficient that way and reduces the demand of the potable water source. The nature of the way these lagoons work is that some of the water will need to be disposed of daily, therefore it is anticipated that disposing the water through the injection wells or the wastewater system would be used on a more regular basis. . The injection wells would be used on the maintenance drawdowns, and that would happen on a once every two-year basis.

Member Higa noted there is a big difference between frequent usage and once every two years and said the characterization on the page (5-38) states infrequent use; the drainage of the lagoon water will be infrequent but if the injection well is being used on a frequent basis (based on Mr. Char’s response); Member Higa suggested that should be noted in some form, because the way it is characterized, it seems like the injection well will only be used once every two years, but based on Mr. Char’s comments that may not be the case.

Mr. Char responded and said that could be a design question. If some of the filtered backwash water and some of the other waters of the daily use of the pool could be discharged through municipal services that go to the treatment plant rather than water being used by the injection wells; he noted, he can work with their team to elaborate that section of the report.

Member Apo noted the concerns related to tourist-centric and asked how far along is G70 regarding the financial model in addressing the affordability of accessing the project especially the recreation educational services for locals and the fee system?

Mr. McCabe responded that the team is currently working on the fee structure, a business model, and looking for opportunities to “access” especially for locals to make these “memberships” affordable. Although the lagoon is a for profit business, there may also be a non-profit part to this project that have opportunities for locals to receive scholarships or to reduce training fees for the local kids from the West Coast.

Chair Ishii noted that the applicant has withdrawn the lodging element to this project because of the T2 Zoning but understands the withdraw was due to the noise factor from the close proximity of the Kalaeloa airport. Chair Ishii said he is still hearing talk about an outdoor recreation in this community and asked how the two elements (outdoor recreation and airport noise) will work?

Mr. Ebisu, consultant of G70, conducted the noise study for the project and noted that the difference between the cabin (lodging) and daytime recreation is the use of the cabin for sleeping at night. That is why the noise metrics for compatibility tend to be more stringent for the cabin’s nighttime use. The more recent history of the Kalaeloa airport is that they do not have night operations unless there is a major military requirement. He added that another factor that weighed toward the cabins is that contours that were being used to establish the acceptability of the site for night use is about 5 decibels overstated, based on three days of on-site measurements. Because the contours are overstated by 5 DNL points, the threshold for even residential use would drop to being acceptable, even with increased military activity. Mr. Ebisu stated that maybe why the applicant is not willing to give up on the cabins is because there is evidence that suggests that the site might be acceptable under the most stringent noise compatibility threshold.

ED Nakamoto asked Mr. Ebisu if there is increased military activity at the Kalaeloa airport during the nighttime hours – would that change Mr. Ebisu’s view of the noise contours and any issues associated with that?

Mr. Ebisu responded and noted that it would increase the measured values, whether it increases the current contour values are not that clear, because a 5-point change in the decibel level of the contour, requires a significant increase in noise. It’s difficult from a planning standpoint because the military has not provided updates.

There were no further questions or comments from members.

Public Testimony

Chair Ishii called for public testimony.

Guy Ichinotsubo, Engineering program manager of the Department of Transportation (DOT) provided comments. He first commented on Mr. Ebisu’s comments regarding the noise contours being overstated. Mr. Ichinotsubo stated, what is officially documented

with the FAA is that this Honokea Surf Village project development is outside of the acceptable noise contour levels. He noted that consultants may conduct their own noise studies and manipulate the information for a favorable study. However, he reiterated that what is officially documented with the FAA – the proposed development is outside the acceptable noise contours. The DOT is not opposed to this project but does have some concerns with the proposed development. He noted that the camp cabins have been withdrawn but understands the applicant would still like it considered and that is not in compliance with the land compatibility use along with the FAA ground assurance and advisory circulars. There are concerns with noise, being that the proposed development is immediately adjacent to the airport, there will be potential fumes, odors, vibrations, and dust that will occur because of aircraft flight operations. He added that Kalaeloa was primarily used by the military, and they have indicated that they will be flying in F22's into Kalaeloa as well as an increase in their night vision training exercises. Mr. Ichinotsubo stated that everyone should be aware that there will be significant noise impacts. The wave lagoon and food establishments being proposed has the potential to create a wildlife attractant that will result in hazardous conditions to airport operations. The U.S. Department of Agriculture performs hazing operations to prevent conglomeration of birds and potential increase of bird strikes, which DOT feels this development could increase that wildlife attractant potential. He recalled a recent situation where, part of the proposed project design team doing survey work at the same time the USDA conducted their hazing operation; those people (design team) were alarmed when they heard gun shots being fired, claiming that gun shots were being fired in their direction. Mr. Ichinotsubo believes the USDA has submitted its comments. He reiterated that the DOT is not opposed but does have concerns to this project. Most concerns can be addressed by mitigation measures acceptable to the DOT – Airports. Given the proximity of the development to the airport DOT-A is requiring a navigation easement to be submitted and granted which he does not believe that DOT-A has received any applications for it.

Public Testimony

Chair Ishii called for public testimony. There were no written testimonies received in support of this item. There were no requests to provide verbal testimony.

IV. 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 referred to the report provided in the packet and noted the State Historic Preservation Division (SHPD) provided retroactive approval for the burial vault located at the Kalaeloa Heritage Park. HCDA staff plans to bring the stewardship agreement for board action in either February or March 2023.

There were no comments or questions from board members.

Public Testimony

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

V. 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 12:29 p.m.

Sterling Higa, Secretary

Date Approved by the Board