

**STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
AT-LARGE BOARD 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 (“State”) met in-person at the HCDA’s physical meeting site, American Brewery Building, 547 Queen Street, 2nd floor board room and provided an option to attend virtually (utilizing the State-supported Zoom Meeting platform) for a Regular meeting on January 4, 2023.

Chairperson Chason Ishii called the January 4, 2023, HCDA At-Large Authority Regular meeting to order at 10:14 a.m.

Acknowledgement that the Meeting is Being Convened Virtually

Executive Director Craig Nakamoto 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.

Regarding the foregoing, Executive Director Nakamoto reiterated wording contained in the Meeting Agenda, noting that the 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 the HCDA’s YouTube Channel contained in the Meeting Agenda and that the HCDA also welcomes public comment and public participation via submission of written or oral testimony. Executive Director Nakamoto stated that individuals, if any, from the public who had requested to provide testimony were on standby and would 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:

Chason Ishii, Chairperson
Peter Apo, Vice Chairperson
Sterling Higa, Secretary
Melissa Miranda-Johnson, DOT (Ex-Officio)
Craig Hirai, City & County of HNL DPP (Ex-Officio)
Dane Wicker, DBEDT (Ex-Officio)
Russell Tsuji, DLNR (Ex-Officio)
Kevin Sakoda
David Rae
Jo-Ann Leong

Members Excused: Kathleen Aoki, Maui County DPP (Ex-Officio)
Phillip Hasha
Kuhio Lewis
Punihei Lipe
Luis Salaveria, B&F (Ex-Officio)
Pulehunui Seat – Vacant
Pulehunui Seat - Vacant

Legal Counsel: Kelly Suzuka, Deputy Attorney General

Staff Present: Craig Nakamoto, Executive Director
Garet Sasaki, 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 2, 2022

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

III. INFORMATION AND DISCUSSION
Presentation of the Audited Financial Statement for the Fiscal Year Ended, June 30, 2022.

Mr. Garet Sasaki, Administrative Services Officer, presented an overview of the staff report for this item and introduced HCDA's auditors, KKDLY, to do a short presentation. Mr. Guy Nishihira, Principal, and Mr. Ralph Kanetoku, Partner, from KKDLY presented a slide deck presentation of the financial audit.

Member Rae joined the meeting.

Referencing the revenue bonds breakdown shown in the packet materials, Member Higa asked Executive Director Nakamoto for guidance on how long the revenue bonds are able to be issued for and asked for a timetable on issuing for the next couple of years. Executive Director Nakamoto deferred the question to Mr. Sasaki. Mr. Sasaki stated Member Higa's question would have to be addressed separately and noted that he would take down Member Higa's question and get back to him. Member Hirai asked when the last time HCDA issued revenue bonds was. Mr. Sasaki stated it was decades ago. Executive Director Nakamoto stated they would get back to Member Higa regarding his original question.

There were no further questions or comments from board members.

Public Testimony

Chair Ishii called for public testimony. There were no inquiries to provide verbal testimony, and no written testimonies were received.

Member Hirai left the meeting.

Presentation of the Public Facilities Plan for 2023-2027. The Public Facilities Plan is the list of projects with anticipated timing the HCDA staff plans to execute in the next five years.

Mr. Garet Sasaki, Administrative Services Officer, presented the staff report for the Public Facilities Plan and provided background for the members. Referencing the list of projects in the packet materials, Mr. Sasaki stated HCDA will be refining the list over time. Executive Director Nakamoto added stating this plan is intended to list HCDA's aspirations and what HCDA hopes to accomplish by way of public facilities improvements in its districts, but noted that the costs, estimates, and method of financing for these projects is yet to be determined.

Member Higa stated he noticed that there is not much infrastructure development, and asked if there is not an additional need for infrastructure in the Kakaako district, specifically in TOD areas, asking further if there is adequate infrastructure to support the anticipated construction in those TOD zones.

Executive Director Nakamoto stated this is an initial attempt at the Public Facilities Plan and noted there is one infrastructure improvement in mind for Central Kakaako that is not reflected on the list because HCDA is going to attempt to put that item in the supplemental State budget. Executive Director Nakamoto stated if infrastructure improvements are needed for TOD moving forward, they will be factored into the Public Facilities Plan. Member Higa stated he wants to ensure that HCDA is planning adequately for infrastructure, especially in those TOD areas of the district.

Vice Chair Apo stated he is concerned about wayfinding and street signage, noting he is unsure if those things are part of infrastructure. He continued by stating it can be hard to find your way around, so he wanted to note wayfinding and street signage as possible considerations for facilities improvements.

There were no further questions or comments by board members.

Public Testimony

Chair Ishii called for public testimony. There were no inquiries to provide verbal testimony, and no written testimonies were received.

Proposed Current Legislative Requests for the 2023 Legislative Session, summarized below:

- a. A 99-year Lease Bill. Amends Section 206E-14, HRS, to authorize entering into 99-year leases (for non-crown lands);**
- b. Saratoga Road Energy Corridor Project. Request for capital improvement project (“CIP”) funds to construct electrical and communications infrastructure improvements in the Kalaeloa community development district.**
- c. Kewalo Basin Harbor Wharf Improvements. Request for CIP funds to address public safety issue by repairing a deeply deteriorated wharf at Kewalo Basin Harbor located in the Kakaako community development district.**
- d. Heeia Infrastructure Development. Request for CIP funds, to construct an access road to Heeia stream for maintenance and clearing.**

Executive Director Craig Nakamoto provided background information on each of the listed requests.

Member Sakoda asked Executive Director Nakamoto to review the separation of Howard Hughes Corporation’s lease versus the infrastructure of the entire basin. Executive Director Nakamoto stated HCDA entered into a long-term lease with Howard Hughes for the harbor; within the lease, Howard Hughes was obligated to replace the floating dock, which they did, and HCDA, as the lessor, obligated itself to repair the wharf area, which has not been done. Executive Director Nakamoto noted as time goes on, the cost of HCDA’s obligation continues to increase, therefore he believes the repairs should be done as soon as possible.

Member Leong stated she wants Executive Director Nakamoto and Kako‘o ‘Ōiwi’s Executive Director, Kanekoa Shultz, to consider submitting a legislative request to construct a hardened or paved road instead of a gravel road because of the impact that the dust from the gravel may have on the homeowners near the site. Executive Director Nakamoto stated Member Leong’s comments are noted.

There were no further 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 oral testimony.

IV. REPORT OF THE EXECUTIVE DIRECTOR Monthly Financial Highlights of November 2022

Executive Director Craig Nakamoto referred to the written report provided in the board packet and noted a procurement listed on the report for management consultant services for a period of one year by former Executive Director Deepak Neupane.

Member Higa asked what the likelihood is of Mr. Neupane's contract extending beyond the current one-year term. Executive Director Nakamoto stated he has not given it much thought but noted it would have to be procured properly and it would depend on Mr. Neupane's personal situation at that time. Member Higa noted it is normal in executive transition situations to have some overlapping, but he wants to ensure that there will be the opportunity for competitive bidding in the future because there may be the potential appearance of impropriety. He continued by stating this situation is not similar to some other large consultant contracts that have the aforementioned appearance, but he wants to ensure that moving forward, this is handled with propriety. Executive Director Nakamoto stated Member Higa's comments are noted and added that any future actions will be done thoughtfully and appropriately through procurement.

Member Tsuji asked when Mr. Neupane left the State and asked if the adequate waiting period has passed. Executive Director Nakamoto stated that both HCDA and Mr. Neupane checked with Hawaii State Ethics Commission on this type of engagement.

There were no further questions or comments by board members.

Public Testimony

Chair Ishii called for public testimony. There were no inquiries to provide verbal testimony, and no written testimonies were received.

V. ADJOURNMENT

Chair Ishii thanked those who joined today's meeting on Zoom or the HCDA's YouTube and adjourned the meeting at 10:57 a.m.

Sterling Higa, Secretary

Date Approved by the Board