

**STATE OF HAWAI‘I
HAWAI‘I COMMUNITY DEVELOPMENT AUTHORITY
KAKA‘AKO MEETING**

**Wednesday, July 5, 2023
MINUTES**

I. CALL TO ORDER/ROLL CALL

The Hawai‘i Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawai‘i, met virtually (utilizing the state-supported Zoom Meeting platform) for a Regular meeting on July 5, 2023.

Chairperson Chason Ishii called the July 5, 2023, HCDA Kakaako Authority Regular meeting to order at 10:48 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, Hawai‘i Revised Statutes (“HRS”), to enable public boards and commissions to conduct business virtually with a meeting site open to the public.

About the foregoing, Mr. 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, Hawai‘i 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 welcomed public comment and public participation via submission of written and/or oral testimony. Mr. 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 were as follows:

Members Present:

Chason Ishii, Chairperson
Peter Apo
Sterling Higa
Melissa Miranda-Johnson, DOT (Ex Officio)
Mark Anderson, B&F (Ex Officio)
Craig Hirai, DPP (Ex Officio)
Kevin Sakoda
Mary Alice Evans, DBEDT (Ex Officio)

A quorum was present.

Legal Counsel:

Kelly Suzuka, Deputy Attorney General

Staff Present:

Craig Nakamoto, HCDA Executive Director
Garet Sasaki, HCDA Administrative Services Officer
Francine Murray, HCDA Community Outreach Officer
Ryan Tam, HCDA Director of Planning and Development
Lindsey Doi Leaverton, HCDA Asset Manager
Tommilyn Soares, HCDA Executive Secretary

II. APPROVAL OF MINUTES

Regular Meeting Minutes of June 7, 2023

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

III. DECISION MAKING

Consider Authorizing the Executive Director to Schedule Presentations to the Small Business Regulatory Review Board and Rulemaking Hearings Regarding Proposed Amendments to the Mauka Area Rules, Chapter 15-217, Hawaii Administrative Rules, to Conform the Rules to the TOD Overlay and Make Other Amendments for lands in the Kaka‘ako Community Development District that are generally mauka of Ala Moana Boulevard.

Mr. Craig Nakamoto, Executive Director deferred the Mauka Area Rule item.

Consider Authorizing the Executive Director to Schedule Community and Stakeholder Meetings and Execute Necessary Contracts Regarding Proposed Amendments to the Kakaako Community Development District Makai Area Plan and Chapter 15-23, Hawaii Administrative Rules, to Prohibit Residential Development and to Make Other Possible Amendments, for lands in the Kaka‘ako Community Development District that are generally makai of Ala Moana Boulevard.

Mr. Ryan Tam, Planning Director presented the staff report provided in the board packet. At the HCDA’s Kakaako board meeting held on June 7, 2023, an informational item indicated a need to conform the 2005 Makai Area Rules with Section 206E-31.5, HRS, and the 2011 Makai Area Conceptual Master Plan. The next steps would include board action to begin community engagement, and then to officially move forward with the rulemaking process. Mr. Tam noted that today’s item is for the board to vote on those actions that would allow for community engagement. Future actions would be to request SBRRB approval and the contested case hearing process.

Member Higa asked if there would be any work that would not be able to be completed “in house.”

Mr. Tam responded that he is confident most of the work could be done “in house” and if there are any other requirements that arise, i.e., traffic studies or an environmental

study then staff would contract those requirements accordingly. There may be a possibility of receiving input from other consultants for expertise.

There were no further comments or questions by board members.

Public Testimony

Chair Ishii called for public testimony.

Mr. Wayne Takamine, recognized as the Chair for the Kaka‘ako Makai Community Planning and Advisory Council (CPAC) stated support to codify the Mauka Area Rules.

Mr. Ron Iwami, President of Friends of Kewalos stated his support to revise the Mauka Area Rules to solidify the residential development ban in Kaka‘ako Makai.

There was no further public testimony.

Executive Director noted for the record there were 40 individuals who submitted written testimonies via email in support of codifying HRS 206E31.5 and the Kaka‘ako Makai Area Conceptual Master Plan.

MOTION:

Chair Ishii asked for a motion for the Authority to Authorize the Executive Director to Schedule Community and Stakeholder Meetings and Execute Necessary Contracts Regarding Proposed Amendments to the Kakaako Community Development District Makai Area Plan and Chapter 15-23, Hawaii Administrative Rules, to Prohibit Residential Development and to Make Other Possible Amendments, for lands in the Kaka‘ako Community Development District that are generally makai of Ala Moana Boulevard.

Member Higa motioned. Member Sakoda seconded.

Chair Ishii asked if there was any discussion on the motion. There was no further discussion from Board members.

Executive Director Nakamoto conducted the roll call vote. Motion passed with 6 ayes, and 3 excused.

Consider Authorizing the Executive Director to Amend the Revocable Right of Entry (ROE 13-18) with the University of Hawaii at Manoa John A. Burns School of Medicine and the University of Hawaii Cancer Center, Dated June 18, 2018, for Up to Three Hundred Twenty Five (325) Parking Stalls Located at Kakaako Makai Lot C, Honolulu, Hawaii, Tax Map Key No. (1) 2-1-015: 052 (portion), to Extend the Term by an Additional Five (5) Years and Increase the Rent.

Ms. Lindsey Doi Leaverton, Asset Manager, stated the request for the board is to extend the subject ROE that is set to expire at the end of August 2023. Currently, JABSOM and the UH Cancer Center retain 325 parking permits/stalls, as part of the ROE terms, to provide monthly parking for its staff and students in Lot C. There is a request to extend that ROE agreement for 5 years and to revise the agreement to a flat usage fee per month, instead of an annual increase. The flat usage fee per month increases the rent by 3% from its current rate.

Member Higa asked what the maintenance costs are for these stalls and is HCDA bearing those costs, annually?

Ms. Leaverton stated there is a parking management contract for Lot C and noted Lot C is a large revenue generator for HCDA and the maintenance cost for this lot is minimal.

Member Sakoda asked when Lot C's parking lot was last maintained and repaved and would there be other users for the Lot C if the medical school does not utilize the stalls.

Ms. Leaverton stated that when the Entrepreneur's Sandbox was constructed a few years ago, Lot C was restriped. She noted Lot C is very low maintenance and has not been fully repaved or otherwise improved aside from minor repairs like pothole patching. She added that UH pays for more parking stalls than they use at any given time, and HCDA could look for other organizations to rent additional stalls if necessary.

Member Sakoda asked if students at UH are charged for parking.

Dr. Nancy Foster Associate Dean at UH JABSOM, stated that UH charges students 50% and UH covers the remaining portion per stall.

Mr. Ezra Bendiner of UH, pointed out for board members that UH only has exclusive use of these stalls Monday – Friday (excluding state and federal holidays) from 6:00 a.m. – 6:00 p.m., which allows other uses of those stalls outside of those usage times.

Member Higa stated he is generally supportive of this and understands the limitations of staff, however, would appreciate information that could be included in the staff report that notes maintenance costs and anticipated costs of resurfacing because its difficult for members to conclude whether these are viable for HCDA.

Chair Ishii asked Mr. Leaverton if there have been any recent studies regarding resurfacing the area and the life cycle of the current pavement.

Ms. Leaverton stated that there have not been any such studies and added that the current use as a surface parking lot is temporary and is subject to a redevelopment agreement with Stanford Carr, LLC. Therefore, HCDA would not contribute to any capital improvements at this time because the entire parcel could be redeveloped.

Member Ishii noted the current ROE agreement would extend the term for 5 years.

Ms. Leaverton responded and noted there is a 3-month mutual termination clause included in the ROE if redevelopment of the area begins and reiterated that the lot is not intended to be a permanent parking lot.

Member Ishii asked if there were market studies conducted to conclude with the \$115 per month fee?

Ms. Leaverton stated the current parking vendor provided market comps for the area and ranges between \$100 - \$275 per stall in the Kakaako Community Development District. She noted the higher rates are for covered, secured garage parking, whereas the lower rates are for unreserved surface parking stalls similar to those in Lot C.

There were no further comments or questions from the board members.

Public Testimony

Chair Ishii called for public testimony.

There was no public testimony.

MOTION:

Chair Ishii asked for a motion for the Authority to Authorize the Executive Director to Amend the Revocable Right of Entry (ROE 13-18) with the University of Hawaii at Manoa John A. Burns School of Medicine and the University of Hawaii Cancer Center, Dated June 18, 2018, for Up to Three Hundred Twenty-Five (325) Parking Stalls Located at Kakaako Makai Lot C, Honolulu, Hawaii, Tax Map Key No. (1) 2-1-015: 052 (portion), to Extend the Term by an Additional Five (5) Years and Increase the Rent.

Member Sakoda amended the motion to include the price of \$116.00 per stall.

Executive Director Nakamoto asked if the amendment to the motion suggested by Member Sakoda was acceptable to UH.

Ms. Nancy Foster of UH confirmed that the amendment is acceptable to UH.

Member Sakoda motioned, and Member Miranda-Johnson seconded.

** Chair Ishii noted that Member Evans joined the meeting at 11:14 a.m.

Chair Ishii asked if there was any discussion on the motion. There was no further discussion from Board members.

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

Consider Authorizing the Executive Director to Amend the Existing Lease with Interior Showplace, Dated November 11, 2009, for the Property Located at 956/958 Queen Street, Honolulu, Hawaii, and Identified by Oahu Tax Map Key (1) 2-3-003: 022, to Extend the Term by an Additional Five Months Until May 31, 2024.

Ms. Lindsey Doi Leaverton presented the staff report. HCDA purchased 956/958 Queen Street and 955/957 Kawaiahao Street from Victoria Ward, Limited (VWL) in March 2023. As part of the purchase and sale agreement, VWL assigned to HCDA all four existing tenant leases for the property (Block P). One of the lessees, Interior Showplace, Ltd., requested an amendment to its lease to further extend the lease term by five months – until May 31, 2024.

Chair Ishii asked if there is an existing stipulation that extends the lease month-to-month?

Ms. Leaverton stated this lease was assigned to HCDA by Victoria Ward in the Block P acquisition. The lease includes a carryover (holdover) provision that states rent shall be at least 200% of the last month's rent if the tenant remains on the property beyond its lease term.

Board members asked questions that pertained to the current lease, HCDA's timeline and plans for new tenants. Ms. Leaverton confirmed that Interior Showplace intends to relocate to a new facility but is facing permitting delays. Interior Showplace believes renovations to their new facility will be complete by May 2024, so they do not wish to seek a longer lease extension at this time. Executive Director Nakamoto provided HCDA's plans to develop affordable housing on the Block P property in the future.

** Chair Ishii noted that Member Apo joined the meeting at 11:28 a.m.

There were no further comments or questions from board members.

Public Testimony

Chair Ishii called for public testimony. There was no public testimony.

MOTION:

Chair Ishii asked for a motion for the Authority to Amend the Existing Lease with Interior Showplace, Dated November 11, 2009, for the Property Located at 956/958 Queen Street, Honolulu, Hawaii, and Identified by Oahu Tax Map Key (1) 2-3-003: 022, to Extend the Term by an Additional Five Months Until May 31, 2024.

Member Higa motioned, and Member Sakoda seconded.

Ms. Leaverton conducted the roll call vote. Motion passed with 8 yes votes and 1 excused.

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 board packet and summarized the following items:

1. The Kolowalu Park (dog park) project is an important amenity for the Community and is being worked on and hopes the work will be completed in late December 2023.
2. The Crosswalk project at Kolowalu is being worked on and underway. He hopes to break ground at the end of summer with the work being completed by the end of the year.

Member Sakoda asked if there are any dog parks projected for Ward Village.

Executive Director Nakamoto noted that there are no other public dog parks anticipated for the area. There is an off-leash dog park located at Mother Waldron park.

There were no further comments or questions from the Board members.

Public Testimony

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

V. ADJOURNMENT

Chair Ishii thanked those who joined the meeting on Zoom and then adjourned the meeting at 11:38 a.m.

September 6, 2023

Peter Apo, Secretary

Date Board Approved