

**STATE OF HAWAI‘I
HAWAI‘I COMMUNITY DEVELOPMENT AUTHORITY
KALAELOA MEETING**

Wednesday, August 2, 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 June 7, 2023.

HCDA Chairperson, Chason Ishii, called the August 2, 2023, HCDA Kalaeloa Authority Regular meeting to order at 11:38 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, Hawai‘i Revised Statutes (“HRS”), 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, Hawai‘i, 96813. He also noted HCDA also welcomes public comment and public participation via submission of written or oral 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:

Chason Ishii, Chairperson
Sterling Higa, Vice-Chairperson
Peter Apo, Secretary
Melissa Miranda-Johnson, B&F (Ex-Officio)
Mark Anderson, B&F (Ex Officio)
Mary Alice Evans, DBEDT (Ex-Officio)

Members Excused:

Craig Hirai, Dept. of Planning and Permitting (Ex-Officio)
David Rae

A quorum was present.

Legal Counsel:

Kelly Suzuka

Staff Present:

Craig Nakamoto, 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, Asset Manager
Francine Murray, Community Outreach Officer
Tommilyn Soares, HCDA Executive Secretary
Janice Biletnikoff, HCDA Planner

II. APPROVAL OF MINUTES
Regular Meeting Minutes of June 7, 2023

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

III. DECISION MAKING

Consider Authorizing the Executive Director to (i) Accept Conveyance from the State of Hawaii, Department of Transportation of Two Remnant Road Parcels located in the Kalaeloa Community Development District [no postal address] Pursuant to that Certain Memorandum of Understanding, Dated July 25, 2016, by and among, the Hawaii Community Development Authority (HCDA), State of Hawaii, Department of Transportation (DOT), and the City and County of Honolulu, and (ii) Dispose of the Two Remnant Road Parcels to the Abutting Property Owner, Hunt Development, For Fair Market Value Established by an Independent Appraiser pursuant to Chapter 171, Hawaii Revised Statutes, for Cash and/or Other Valuable Consideration, and (iii) Terminate the Memorandum of Understanding?

Craig Nakamoto, Executive Director presented the staff report and noted this item was brought for the board's information at its May 2023 meeting. This matter arises from efforts dating back to 2016 to effectuate roadway improvements in the Kalaeloa community development district to facilitate development because of the temporary ownership of some roads by the DOT. The Memorandum addressed road standard concerns in Kalaeloa, by applying City and County standards to be applied to those certain roads in Kalaeloa. There have been recent discussions with HUNT regarding conveying West Perimeter parcel and also a portion of FDR from West Perimeter Road to the Kamokila extension.

The agenda item noted terminating the Memorandum of Understanding (MOU) however the item will need to be revised to modify (not terminate) the MOU, as some of the existing road standards within the current MOU will need to remain in effect for the remainder of FDR road, until such time there a revision is necessary.

Member Evans stated she notes that the conveyance from the US Navy will be to HCDA rather than to the State of Hawaii, does that change the nature of the ownership and if it does require Land Board approval is there an EO or not?

Mr. Nakamoto responded that the conveyance will need to come from DOT as they are the owners of the remnant parcels. He believes Member Evans' comment is for the next agenda item, however for this item the DOT conveyance will be to HCDA with a simultaneous conveyance to HUNT, provided the land board's approval to dispose these remnant parcels.

Member Miranda-Johnson noted she will be abstaining on the vote to avoid any conflict.

Mr. Nakamoto added, for the public, if the DLNR board approves the conveyance as a remnant parcel conveyance, then the remnant parcels will be conveyed to HUNT for a fair market value consideration.

There were no other questions or comments from the Board.

Public Testimony

Chair Ishii called for public testimony. There were no written testimonies received.

MOTION:

Is there a Motion for the Authority to Authorize the Executive Director to (i) Accept Conveyance from the State of Hawaii, Department of Transportation of Two Remnant Road Parcels located in the Kalaeloa Community Development District [no postal address] Pursuant to that Certain Memorandum of Understanding, Dated July 25, 2016, by and among, the Hawaii Community Development Authority (HCDA), State of Hawaii, Department of Transportation (DOT), and the City and County of Honolulu, and (ii) Dispose of the Two Remnant Road Parcels to the Abutting Property Owner, Hunt Development, For Fair Market Value Established by an Independent Appraiser pursuant to Chapter 171, Hawaii Revised Statutes, for Cash and/or Other Valuable Consideration, and (iii) Modify the Memorandum of Understanding?

Motion was made by Member Evans. Member Apo seconded the motion.

Executive Director Nakamoto conducted the roll call vote. Motion passed with 5 ayes, 1 abstention (Member Miranda-Johnson), and 3 excused.

IV. INFORMATION AND DISCUSSION

Public Benefit Conveyance from the United States of America, Acting by and Through the Department of Navy, to the Hawaii Community Development Authority, pursuant to the 1993 Base Realignment and Closure Process by the Naval Facilities Engineering Systems Command, Pacific, of Certain Navy Owned Parcels Located in the Hawaii Community Development Authority's Kalaeloa Community Development District, Described as the "Northern Trap and Skeet Range" (Tax Map Key ("TMK"))

No. 9-1-013-039), “Southern Trap and Skeet Range” (TMK No. 9-1-013-042), and “Ordy Pond” (TMK No. 9-1-013-041) Parcels [no street addresses] Totaling Approximately 213 Acres.

Mr. Ryan Tam, Planning and Development Director referred to the staff report under tab 3 of the board packet and stated the parcel in discussion is approximately 213 acres that remain unallocated that could be transferred to HCDA. The parcels include Ordy Pond, which is a 10,000-year-old natural limestone sinkhole that was used for target practice and disposal by the US Navy. Environmental studies and the disposal process have been underway since the late 1990s.

Member Evans asked if Department of Transportation Airports provided any comment on restrictive uses as the parcel is at the end of the Kalaeloa Airport runway, specifically the glare from the photovoltaic farm – which is the proposed use of the parcel that Mr. Tam mentioned for the parcel.

Mr. Nakamoto responded that HCDA has not consulted with DOT Airports and if plans for a photovoltaic farm are being proposed, consultation with DOT Airports will be made.

Vice Chair Higa asked what is the timeline for the parcel? How long would it take for the Navy to divest themselves from this land? Also, what is the order of succession; should HCDA pass on this parcel? He also asked if there is a possibility for a three-part deal with a private entity? He added there is no guarantee this parcel is suitable for habitation or any productive use, however, according to the staff report it will cost approximately \$100K - \$300K per year to maintain this parcel. The last thing he noted was that if the Navy spent \$1.35 Million on clean-up thus far, does that include this sort of conservation, or is that a separate budget? That would indicate that whatever the Navy spent on the clean-up would only be adequate to maintain this parcel for 13 years, which would then indicate much more investment into this property required than we would initially predict.

Mr. Nakamoto responded, as far as the timeline – through the Navy’s BRAC office in San Diego, they have been working on this for quite sometime and are finishing up the biological assessment regarding the impacts on the Akoko and critical habitats and have been working with fish and wildlife. However, it’s taking a while; we cannot say when the Navy will be ready in this conveyance process. Regarding succession if HCDA passes on these three parcels, the City may be interested, although there is no definitive answers from the City; parcels could possibly go to public auction and sold to a third party.

Member Higa asked if there is a possibility to purchase these parcels separately.

Mr. Nakamoto responded that the Navy stated all three parcels will be conveyed together. He noted there is a cause for concern with the Ordy Pond parcel due to its ordinances, etc.; there is a possibility for collaboration for a multi-agency stewardship; for example, DLNR could work with HCDA or a nonprofit.

Member Evans commented that HCDA has experience in its Heeia district which is a parcel that is not suitable for an intensive industrial mixed or residential use and therefore, this is not unique to HCDA's portfolio of use of properties.

Mr. Nakamoto thanked Members Evans for her comment and noted that discussions of Heeia's parcel does come up quite often in these BRAC conveyance discussions.

Member Higa noted initially more information is necessary; he commented that with the information provided this seems like a bad deal. If the Navy is saying this is a "packaged" deal, HCDA should examine the true cost of remediation and/or conservation of the parcels the Navy is trying to convey. He added that he doesn't necessarily trust this \$100K - \$300K per year to maintain to parcels. The costs will be significantly more than what HCDA expends in Heeia per year and a much smaller area.

Mr. Nakamoto stated he doesn't disagree with Member Higa's comments; cost is a factor and the potential continual liability is an issue. As far as Heeia – it is a different district and unlike the Kakaako district. He added that part of HCDA's mission is building a community and, while Heeia is different, we are building a community as Kako'o Oiwi as a steward.

Chair Ishii noted this item is being brought forward for board discussion only. He added he has some reservations with this parcel as well and agreed that further discussion is needed regarding these three parcels.

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

Public Testimony

Chair Ishii called for public testimony.

Ulukoa Duhaylonsod, resident of Honokai Hale and Kumu Hula, who is also part of two organizations that malama 'aina and malama kai – taking care of cultural sites in Kalaeloa, the fishing shrine at Ko'olina and the fishery off the coast there alongside the DLNR. He noted that the organizations are very interested in helping HCDA and the community in cleaning Ordy Pond, taking care of the Akoko and is aware that it's a big order. There are federal funds as well as international funds available for these types of clean ups; he often goes to the UN and there are funds from climate action, sustainable development. He attends biodiversity conferences, and those individuals want to help with cleanup efforts – the alternative is not to clean it up. He understands Member Higa's comment and that it sounds like a bad deal; however, we can turn it around and make it a good deal for the community.

There was no further public testimony.

Member Apo noted his comment is regarding capacity. As these discussions happen, HCDA should keep in mind its capacity to take on more properties specifically regarding its budget and staffing.

REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Reports

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

ED Nakamoto referred to the Executive Director’s report provided in the board packet and noted that he is available for any questions board members may have.

There were no questions or comments from 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 today’s meeting on Zoom and adjourned the meeting at 12:20 p.m.

Peter Apo, Secretary

Date Approved by the Board