

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

Wednesday, June 5, 2024

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 (“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 June 5, 2024.

HCDA Chairperson, Chason Ishii, called the May 1, 2024, HCDA Kalaeloa Authority Regular meeting to order at 10:30 a.m.

Acknowledgment 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.

About 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. Mr. Nakamoto also noted the time limits for public testimony.

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, DOT (Ex-Officio)
Sabrina Nasir, B&F (Ex Officio)
Tim Streitz, City & County of HNL DPP (Ex-Officio)

Members Excused: Mary Alice Evans, DBEDT (Ex-Officio)
David Rae
Kalaeloa Member (Vacant)

A quorum was present.

Legal Counsel: Kevin Tongg, Deputy Attorney General

Staff Present: Craig Nakamoto, HCDA Executive Director
Garet Sasaki, HCDA Chief Financial Officer
Francine Murray, HCDA Community Outreach Officer
Ryan Tam, HCDA Director of Planning & Development
Charlene Oka Wong, HCDA Program Specialist V
Armaine Tomacder, HCDA Secretary

II. APPROVAL OF MINUTES

Regular Meeting Minutes of May 1, 2024

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 Send a Letter of Intent to the Department of Navy, a Federal Agency, as Represented by and through the Commander, Navy Region Hawaii (“CNRH”) that Indicates an Intent by the Hawaii Community Development Authority (“HCDA”) to Enter in an Intergovernmental Support Agreement Between HCDA and Navy to Allow HCDA to provide Navy with Installation-support Services as Further Agreed to between the Parties Through Project-Specific Task Orders.

Craig Nakamoto, HCDA Executive Director, summarized the staff report provided in the board packet. The CNRH received an \$18 million federal appropriation to transfer customers from the current Navy electrical utility system to an upgraded electrical system, as well as other expenses related to the project. These funds expire for purposes of initial obligation on September 30, 2024. CNRH desires to partner with the HCDA on Navy Region projects, and in order to do so, the HCDA must send to the Department of Navy a Letter of Intent to establish an Intergovernmental Support Agreement. Mr. Nakamoto explained the Navy’s vested interest in the HCDA-governed Kalaeola district, which presents a great opportunity to support the future redevelopment of the area while aligning with HCDA’s mission of collaborating with other government agencies.

The following individuals were available for comment and questions: Brandon Gosch, Commander and Assistant Regional Engineer of the Navy Region Hawaii; Tiffany Iiga-Saole, Deputy Assistant Regional Engineer of the Navy Region Hawaii; Laurie Moore, Director of the Military and Community Relations Office of DBEDT; and John Greene, Deputy Director of the Military and Community Relations Office of DBEDT.

Secretary Apo asked what the long-term interest of the federal government is in maintaining their ownership of land in this area.

Commander Gosch answered that though he can only speak on behalf of the Navy, the Navy plans to divest most of its land ownership in the area, with the exception of a few parcels that are still actively being used. During the initial Base Realignment and Closure (BRAC), the transfer of utilities was omitted, which remains a hindrance to the Navy's withdrawal from the area. Commander Gosch mentioned that a large amount of the properties that the Navy plans to divest of are already in the process of conveyance to various entities. The Navy does not have any mission activities left in the Kalaeloa district, and once the conveyances are complete, the Navy's presence in the area will be limited to recreational uses for military personnel. Mr. Nakamoto reiterated that the Navy's goal is to divest itself of the outdated electrical system in order to focus their efforts on mission-critical projects elsewhere, and the HCDA's goal is to advance the infrastructure in the Kalaeloa district.

Vice Chair Higa asked Mr. Nakamoto if HCDA would be able to help other military bodies divest themselves of assets in the future, or if this is specific to the time and place in Kalaeloa.

Mr. Nakamoto answered that there is a possibility according to the Board's adoption of the current Strategic Plan and vision for HCDA to assist other state and federal agencies. However, each situation would still be subject to Board approval in consideration of staff capacity and workload. Mr. Nakamoto emphasized the need to look at one project at a time, although this project between HCDA and the Navy may reveal how the two entities work together and may be the start of a good inter-governmental relationship.

Vice Chair Higa advised HCDA to be mindful of the lessons to come in this first experience working with the Navy, as it may be beneficial if any future projects with the military arise.

Chair Ishii reiterated the Board's concerns about assisting other agencies despite limited staffing and capacity, and asked how HCDA would be compensated for helping DBEDT reduce the rental expense of the Film Studio.

While the exact details have yet to be discussed with Director Skinner, Mr. Nakamoto hopes that by transitioning the Film Studio off of the Navy electrical grid, the Navy's financial obligation would be reduced and would be able to find a subsequent tenant. This reduction of expenses and additional form of revenue would create a surplus for the Navy, and if agreed upon by the Navy and HCDA, a portion of this surplus may be used to compensate HCDA for its efforts.

Commander Gosch and Ms. Iiga-Saole thanked HCDA for their consideration of this opportunity, and recognized the intricate details of the process in the limited time given. They explained that the HCDA's needs for funding and progress in Kalaeloa is directly complementary to the Navy's needs to expend funds and withdraw from Kalaeloa, and hopes that this transaction will establish a good relationship for future projects.

Ms. Moore expressed their support of the Letter of Intent and stated that it aligns with the mission and Strategic Plan of HCDA.

Member Streitz asked if subsequent task orders would have to be re-presented for board approval.

Mr. Nakamoto answered that the board may provide the Executive Director with discretion to enter into subsequent task orders without additional board approval, but assumes that periodic updates will be provided.

Member Nasir asked if there is a threshold for task orders that would require board approval, or if the Executive Director would have broad delegation under this IGSA approval.

Mr. Nakamoto answered that he hopes to receive broad delegation to execute future task orders; however, he plans to seek board approval for task orders of higher scope.

There were no further questions or comments from the Board.

Public Testimony

Chair Ishii called for public testimony. There were no written testimonies received, and four (4) inquiries to provide oral testimony.

Tara Rojas urged the Board to take consideration of the testimonies that will be made, and mentioned that the funds being discussed should be used to address the water issues in Kalaeloa. She suggested changes should be made to the way public input is received during these meetings.

Moleka Hicks stated that Hawai‘i is in a state of war and occupation, and the HCDA should work towards protecting the native and local population of Hawai‘i. He added that an intergovernmental agreement should be sought with the Kingdom of Hawai‘i government rather than the U.S. Navy.

Healani Sonoda-Pale criticized that there was no consultation with the kanaka maoli in this action item, and claimed that the focus for working with the U.S. Navy should be to resolve the water issues that they caused in the Kalaeloa area.

Kahuna‘aina stated that HCDA’s duty is only to steward the land that belongs to the heirs of Queen Kekau‘onohi. She urged the Board to protect the interest of the kanaka maoli, as they are given land rights according to the Treaty of 1859.

MOTION:

Chair Ishii asked for a motion to authorize the Executive Director to Send a Letter of Intent to the Department of Navy, a Federal Agency, as Represented by and through the Commander, Navy Region Hawaii (“CNRH”) that Indicates an Intent by the Hawaii Community Development Authority (“HCDA”) to Enter in an Intergovernmental Support Agreement Between HCDA and Navy to Allow HCDA to provide Navy with Installation-support Services as Further Agreed to between the Parties Through Project-Specific Task Orders.

A motion was made by Vice Chair Higa and seconded by Secretary Apo.

Mr. Nakamoto conducted the roll call vote. Motion passed with 6 ayes, 2 excused, and 1 vacant position.

Consider Authorizing the Executive Director to Reject and Decline the 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. (1) 9-1-013-039), "Southern Trap Skeet Range" (TMK No. (1) 9-1-013-042), and "Ordy Pond" (TMK No. (1) 9-1-013-041) Parcels [no street addresses] Totaling Approximately 213 Acres.

Lindsey Doi, HCDA Asset Manager, summarized the staff report provided in the board packet. Ms. Doi identified the following main issues with acquiring the subject properties: 1) the presence of the endangered 'akoko plant species will require the implementation of a conservation and management plan beyond HCDA's area of expertise, at a cost upwards of \$100,000-300,000 a year, 2) the contaminated soil and presence of munitions would add substantial liability, and 3) the archaeological and historical significance of the sites will require protection and preservation that is beyond HCDA's area of expertise and intended use. Ms. Doi noted the costs of these obligations and liabilities are greater than any potential benefits the HCDA could realize for these parcels.

Member Streitz asked if there are other plans for public use on these sites.

Mr. Nakamoto explained that the HCDA supports the conservation of these parcels, but noted conservation agencies would be a better fit to take ownership of these lands. Should the City and County Department of Parks and Recreation or another state agency or entity acquire this land, HCDA would provide support if granted the Board's approval.

Chair Ishii agreed with the staff recommendation and Mr. Nakamoto's statement that HCDA is not the best fit or adequately equipped to manage this area at a high level, and it may be better served by another entity whose expertise is in conservation and preservation work.

There were no further questions or comments from the Board.

Public Testimony

Chair Ishii called for public testimony. There were no written testimonies received, and four (4) inquiries to provide oral testimony.

Tara Rojas agreed that HCDA is not the appropriate entity to be managing the subject lands, and reiterated her suggestion to focus on addressing the water crisis in Kalaeloa.

Miki‘ala Lidstone, Executive Director of Ulu A‘e Learning Center and Kalaeloa community member, expressed her support of this decision to defer to a conservation organization that would be better suited as caretakers of these lands.

Healani Sonoda-Pale agreed that HCDA wouldn’t be the appropriate caretaker and suggests having a kanaka maoli-lead community organization to steward this land.

Kahuna‘aina expressed Kekuana‘oa Foundation and Na Kia‘i O Wai Ha’s support in this decision to make way for another organization to better facilitate the best interest of these lands. She suggested her organization, Kekuana‘oa Foundation, in collaboration with other organizations, be sought out to do the work of land remediation in this area.

MOTION:

Chair Ishii asked for a motion to authorize the Executive Director to Reject and Decline the 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. (1) 9-1-013-039), “Southern Trap Skeet Range” (TMK No. (1) 9-1-013-042), and “Ordy Pond” (TMK No. (1) 9-1-013-041) Parcels [no street addresses] Totaling Approximately 213 Acres.

A motion was made by Vice Chair Higa and seconded by Secretary Apo.

Mr. Nakamoto conducted the roll call vote. Motion passed with 6 ayes, 2 excused, and 1 vacant position.

IV. INFORMATION & DISCUSSION

Update by HCDA Staff on (i) the Actions Taken by the Board at its March 6, 2024 meeting to allow the Executive Director to extend the Exclusive Negotiation Agreement and Right-of-Entry for no longer than six (6) months, and (ii) the Current Status of the Deliverables Requested by HCDA in the Second Amendment to Exclusive Negotiations Agreement 01-21, dated March 14, 2024, and the Third Amendment to Right of Entry Agreement, dated March 14, 2024, with HK Management LLC, regarding the Honokea Surf Villages Project, Proposed To Be Located on an approximately 19.4 Acre Parcel Located in the Kalaeloa Community Development District, at TMK No. (1) 9 1 013:068 [no postal address].

Craig Nakamoto, HCDA Executive Director, summarized the staff report provided in the board packet. The agreement with HK Management LLC for exclusive negotiation and right-of-entry expired on May 14, 2024, and no permit or ground lease has been issued to date. Due to the pending litigation, all discussions between the parties related to the ground lease and permit shall cease immediately and throughout the pendency of the injunction.

There were no questions or comments from the Board.

Public Testimony

Chair Ishii called for public testimony. There were no written testimonies received, and four (4) inquiries to provide oral testimony.

Healani Sonoda-Pale, Na Kia'i O Wai Ha, commended HCDA for allowing the exclusive agreement to expire and ceasing discussions with HK Management, and summarized the potential water issues related to HK Management's proposed project. She urged HCDA to be more diligent in the environmental assessment review process, as the litigation could have been avoided earlier.

Taja Rojas agreed with Ms. Sonoda-Pale's sentiments, and stressed that HCDA, as an entity with the authority and power to do the right thing, should perform its due diligence on behalf of the native lands and native people.

Kahuna'aina reiterated that HCDA should be more diligent in reviewing environmental assessments. She suggested to consult cultural practitioners who are spiritually connected with the land and can advise on environmental impacts of potential projects.

Moleka Hicks, Na Kia'i O Wai Ha and Ewa Beach resident, stated that such developments do not benefit the people and hopes this deters future developers and opportunists from exploiting the Hawaiian lands.

V. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Report and Other Status Reports

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

Mr. 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 the Board.

Public Testimony

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

VI. ADJOURNMENT

Chair Ishii thanked those who joined today's meeting on Zoom and adjourned the meeting at 12:08 p.m.

Peter Apo, Secretary

Date Approved by the Board