

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

**Wednesday, April 3, 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 April 3, 2024.

Chairperson Chason Ishii called the April 3, 2024, the HCDA Kaka‘ako Authority Regular meeting to order at 10:03 a.m.

Acknowledgment 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, to enable public boards and commissions to conduct business virtually with a meeting site open to the public.

Regarding 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. The HCDA welcomes public comment and public participation via submission of written 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. 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)
Mark Anderson, B&F (Ex-Officio)
Tim Streitz, City & County of HNL DPP (Ex-Officio)
Mary Alice Evans, DBEDT (Ex-Officio)
Kevin Sakoda

Members Excused: Kaka‘ako Member (Vacant)

A quorum was present.

Legal Counsel: Kelly Suzuka, Deputy Attorney General
Kevin Tongg, Deputy Attorney General

Staff Present: Craig Nakamoto, HCDA Executive Director
Garet Sasaki, HCDA Chief Financial Officer
Lindsey Doi, HCDA Asset Manager
Francine Murray, HCDA Community Outreach Officer
Tommilyn Soares, HCDA Executive Secretary

II. APPROVAL OF MINUTES
Regular Meeting Minutes of March 6, 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 Amend General Lease No. 19-01 Effective August 1, 2019 With Volunteer Legal Services Hawaii for the Commercial Office Space Located at 545 Queen Street, Honolulu, Hawaii, Tax Map Key No. (1) 2-1-031: 0210094, to Extend the Term by an Additional Three Years until July 31, 2027 and Increase the Rent.

Ms. Lindsey Doi, HCDA Asset Manager summarized the staff report provided in the board packet. Volunteer Legal Services Hawaii (VLSH) has a current lease that is set to expire on July 31, 2024 and is requesting a lease extension to July 31, 2027. If granted, the lease will continue its triple-net lease terms and will include a 3% annual rent increase, effective August 1, 2025. This request includes amendments to the mutual termination clause, with a one-year termination notice from landlord to tenant, and a three-month termination notice from tenant to landlord in the event of a building leak that could jeopardize VLSH's insurance policy. Ms. Doi added that Ms. Rachel Figueroa, Executive Director of VLSH, was on standby and available to answer questions.

Member Evans asked if there were financial considerations made for VLSH, since it is a 501(c)3 organization and provides legal services to low income clients?

Ms. Doi agreed that VLSH provides a valuable service to the community and has been a great tenant since 1999. With this consideration, the HCDA has suggested to keep the rent amount the same for the first extension year, deferring the 3% increase to be effective on August 1, 2025.

Executive Director Nakamoto added that the HCDA Board authorized waiving VLSH's rent during the pandemic.

Member Sakoda asked Ms. Figueroa how VLSH measures their service demand, and if she could provide a rough estimate of VLSH's annual growth rate.

Ms. Figueroa estimated that there was roughly a 10% increase in inquiries following the pandemic, and commented that VLSH has been facing difficulties in securing funding from the State.

Member Sakoda wanted to examine VLSH's marketability and demonstrate to the Legislature a greater need for legal services, especially since the Maui wildfires occurred.

There were no further 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.

MOTION:

Chair Ishii asked for a motion for the Authority to Authorize the Executive Director to Amend General Lease No. 19-01 Effective August 1, 2019 With Volunteer Legal Services Hawaii for the Commercial Office Space Located at 545 Queen Street, Honolulu, Hawaii, Tax Map Key No. (1) 2-1-031: 0210094, to Extend the Term by an Additional Three Years until July 31, 2027 and Increase the Rent.

Motion was made by Member Evans. Vice Chair Higa seconded the motion.

Ms. Doi conducted the roll call vote. Motion passed with 8 ayes and 1 excused (vacant position).

IV. 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.**

Executive Director Nakamoto referred to the financial highlights provided in the board packet, and highlighted the Legislative matters pertaining to the budget. With the possibility of not securing the full \$20 million as requested for the bulkhead repair at Kewalo Basin Harbor, Executive Director Nakamoto explained that the HCDA has requested \$3 million from Senator Hirono's office to develop a Sea Glider terminal at this location. Other alternative sources of funding are being considered in order to move forward with repairing Kewalo Basin Harbor.

Member Apo asked Executive Director Nakamoto to explain who has jurisdiction of the various parts of this area, and whose responsibility it would be to handle repairs that affect areas that are both over water and land.

Executive Director Nakamoto explained the history of ownership and management of Kewalo Basin Harbor. Currently, there is a long-term lease arrangement with Howard Hughes, Ltd. who has the responsibility of replacing the floating docks, which they have completed. The Office of Hawaiian Affairs is responsible for the bulkhead and the land site. The HCDA is responsible for the repair of the wharf, but due to multiple unsuccessful attempts to secure legislative funding, it has remained an outstanding

obligation. Executive Director Nakamoto explained that vehicular and pedestrian traffic is prohibited on the wharf due to its deteriorating condition, and emphasized the urgency of this project.

Member Apo asked to clarify if the subject area is used for reserved mooring, or only transient boating activity.

Executive Director Nakamoto explained that temporary docking is allowed, although the HCDA has erected a fence and asked Howard Hughes to prohibit vessels from tying up to the hardware, in attempt to mitigate further damage.

Member Evans commented that the public is fortunate that Howard Hughes, Ltd. was willing to make the repairs and manage the Kewalo Basin Harbor for the HCDA, as not all recreational harbors have that advantage.

Member Apo commented that the neighboring lot is a valuable asset for Office of Hawaiian Affairs, and is curious to see the further maintenance and development of this area as a whole.

Executive Director Nakamoto agreed with Member Evans' comment regarding the advantages of having Howard Hughes, Ltd. manage and repair the Kewalo Basin Harbor. To address Member Apo's comment, Executive Director Nakamoto agreed that having a public-private partnership benefits all parties involved, including neighboring parties. Executive Director Nakamoto added that he foresees public-private partnerships as the key to accomplishing future goals, and other State departments have taken notice of this example between Howard Hughes Ltd. and the HCDA.

There were no further questions or comments by the Board.

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 10:32 a.m.

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Peter Apo, Secretary

May 1, 2024

Date Approved by the Board