

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

**Wednesday, June 5, 2024
CORRECTED 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.

Chairperson Chason Ishii called the June 5, 2024, the HCDA Kaka‘ako Authority Regular meeting to order at 12:33 p.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)
Tim Streitz, City & County of HNL DPP (Ex-Officio)
Kevin Sakoda

Members Excused: Sabrina Nasir, B&F (Ex-Officio)
Mary Alice Evans, DBEDT (Ex-Officio)
Kaka‘ako 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
Lindsey Doi, HCDA Asset Manager
Ryan Tam, HCDA Director of Planning and Development
Francine Murray, HCDA Community Outreach Officer
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 Enter Into a Non-Binding Letter of Intent with Victoria Ward Limited Regarding: 1) an Amended and Restated Master Plan Development Agreement to Document Implementation Matters, Rights, Entitlements, and Completion of Public Benefits, Beyond the January 14, 2024 Expiration of the Ward Village Neighborhood Master Plan Permit, and 2) a Proposed Purchase and Sale Transaction of the Block P-3 Property located at 610 Ward Avenue and 873 Kapiolani Boulevard (TMK Nos. (1) 2 1 049:063 and (1) 2 1 049:080, respectively).~~

Consider Authorizing the Executive Director to Enter Into and Effectuate a Letter of Intent with Victoria Ward Limited Regarding: 1) an Amended and Restated Master Plan Development Agreement to Document Implementation Matters, Rights, Entitlements, and Completion of Public Benefits, Beyond the January 14, 2024 Expiration of the Ward Village Neighborhood Master Plan Permit, and 2) a Proposed Purchase and Sale Transaction of the Block P-3 Property located at 610 Ward Avenue, Honolulu, HI 96813, and 873 Kapiolani Boulevard, Honolulu, HI 96813 (TMK Nos. 2 1 049:063 and 2 1 049:080, respectively) (“Block P-3 Property”); and Authorizing the Executive Director to Execute the Final Amended and Restated Master Plan Development Agreement and the Block P-3 Property Purchase and Sale Agreement.

Ryan Tam, HCDA Director of Planning and Development, summarized the staff report provided in the board packet. Victoria Ward Ltd. (Howard Hughes) and HCDA staff have been discussing the terms for an amended and restated development agreement to govern the aspects of future development of the Ward Village beyond the expiration of the master plan permit. The discussions for the Amended Development Agreement included the following key terms: Master Plan Commitments, District Improvements, Industrial Floor Area, Reserved Housing, and the purchase and sale of the Block P-3 property.

Chair Ishii asked for clarification on the exact amendment to the Mahana Ward Village development.

Brian Kang, legal counsel for Howard Hughes answered that the exact amendment is still not finalized, though it pertains to the floor area designs for Mahana Ward Village. Howard Hughes is conducting studies on area configuration with the intent of adding

additional residential units in the building. Once determined, Howard Hughes will submit another amended plan development permit application with the finalized details.

Chair Ishii asked for confirmation and explanation to the reduction in the industrial floor area minimum requirement.

Mr. Nakamoto recognized that Kaka‘ako is still evolving. While industrial uses would still hopefully remain, residential, commercial, and retail uses are happening. Should Howard Hughes wish to reduce the industrial floor area from 279,000 square feet down to a minimum of 100,000 square feet, they may do so without executive director approval and with payment. That minimum could be further reduced with HCDA Executive Director approval after consideration of issues such as growth in the area and demand for other uses. Previously, there was no minimum industrial floor area requirement, but there was a maximum industrial floor area requirement.

Member Streitz asked to clarify how the bonus amount and reduction fee was administered to Victoria Ward Ltd.

Mr. Nakamoto explained that Victoria Ward Ltd. received an industrial floor area bonus amount from HCDA. Any reduction in industrial floor area below a total of 279,000 square feet down to a minimum of 100,000 square feet would require repayment at a base rate of \$75 per square foot that would be escalated in the future. Doug Johnstone, President of Howard Hughes further clarified that the 279,000 square-foot total includes the 70,000 square-foot P-1 industrial credit that was realized during the Block P purchase, while the 100,000 square foot minimum excludes the P-1 industrial credit. As such, excluding the P-1 credit, the agreement would allow the actual industrial floor area to go from the current 209,000 square feet down to 100,000 square feet.

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 to authorize the Executive Director to Enter Into a Non-Binding Letter of Intent with Victoria Ward Limited Regarding: 1) an Amended and Restated Master Plan Development Agreement to Document Implementation Matters, Rights, Entitlements, and Completion of Public Benefits, Beyond the January 14, 2024 Expiration of the Ward Village Neighborhood Master Plan Permit, and 2) a Proposed Purchase and Sale Transaction of the Block P-3 Property located at 610 Ward Avenue and 873 Kapiolani Boulevard (TMK Nos. (1) 2-1-049:063 and (1) 2-1-049:080, respectively).**~~

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Proposed Purchase and Sale Transaction of the Block P-3 Property located at 610 Ward Avenue, Honolulu, HI 96813, and 873 Kapiolani Boulevard, Honolulu, HI 96813 (TMK Nos. 2 1 049:063 and 2 1 049:080, respectively) (“Block P-3 Property”); and Authorizing the Executive Director to Execute the Final Amended and Restated Master Plan Development Agreement and the Block P-3 Property Purchase and Sale Agreement.

A motion was made by Vice Chair Higa and seconded by Member Streit.

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

Consider Authorizing the Executive Director to Amend the Existing Right of Entry Agreement (ROE 1-19) Dated August 9, 2019 with Kupu, a Hawaii Nonprofit Organization, for the Use of a Portion of the NOAA Lot at Kewalo Basin Harbor, Located at 1125 Ala Moana Boulevard, Honolulu, Hawaii, Tax Map Key No. (1) 2-1-058:135 (por.) for the Purposes of Parking and Utility Storage to Extend the Term for Two Additional Years Until September 30, 2026 and Increase the Rent.

Ms. Lindsey Doi, HCDA Asset Manager, summarized the staff report provided in the board packet. Kupu currently operates its Hookupu Center out of the former Net Shed, which is now owned by the City and County of Honolulu. Kupu utilizes a portion of the adjacent HCDA-owned NOAA Lot for parking, storage, and housing their industrial propane tank under ROE 1-19. Due to Kupu’s continued long-term needs and interest in redeveloping the NOAA Lot into an extension of the Hookupu Center, they are requesting an additional two-year ROE extension to allow additional time to come to agreement with the HCDA on future development plans for the parcel. A 3% rent increase is included in the proposed amended agreement.

Chair Ishii asked why the industrial propane tank was installed on the HCDA-owned NOAA Lot, instead of on Kupu’s leased property with the City.

Ms. Doi explained that, at the time of installation, both the NOAA Lot and the Net Shed properties were under HCDA ownership. The propane tank is necessary for the commercial kitchen at the Hookupu Center, but they were unable to site the tank on their leased premises due to issues related to access and safety during refueling.

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 to authorize the Executive Director to Amend the Existing Right of Entry Agreement (ROE 1-19) Dated August 9, 2019 with Kupu, a Hawaii Nonprofit Organization, for the Use of a Portion of the NOAA Lot at Kewalo Basin Harbor, Located at 1125 Ala Moana Boulevard, Honolulu, Hawaii, Tax Map

Key No. (1) 2-1-058:135 (por.) for the Purposes of Parking and Utility Storage to Extend the Term for Two Additional Years Until September 30, 2026 and Increase the Rent.

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

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

Consider Authorizing the Executive Director to Amend the Non-Exclusive Temporary Revocable License No. 21-01 Dated June 22, 2021, with Kewalo Makai LLC, a Hawaii Limited Liability Company, for the Use of the Kewalo Charter Building and a Portion of the NOAA Lot at Kewalo Basin Harbor, Located at 1125 Ala Moana Boulevard, Honolulu, Hawaii, Tax Map Key Nos. (1) 2-1-058:133 and (1) 2-1-058:135 (por.) Respectively, for Commercial Retail and Office Purposes, to Extend the Term for One Additional Year Until June 30, 2025 and Increase the Rent.

Ms. Lindsey Doi, HCDA Asset Manager, summarized the staff report provided in the board packet. Kewalo Makai LLC currently leases the Kewalo Charter Building to harbor tenants as overflow office and commercial space, and utilizes a portion of the NOAA Lot for the Harbormaster Office. This agreement was intended to be a short-term use until the Howard Hughes Corporation (HHC) redeveloped both parcels. However, HHC's plans shifted, and HHC allowed their Development Agreement with the HCDA to expire at the end of December 2023. Kewalo Makai LLC is requesting a one-year extension for RL 21-01 to continue utilizing the Charter Building and portion of the NOAA Lot until HHC can finalize a development plan for the Charter Building and reach a long-term agreement with HCDA. A 15% rent increase is included in the proposed amended agreement and includes the provision that Kewalo Makai LLC will continue paying for electricity and maintenance of both facilities.

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.

MOTION:

Chair Ishii asked for a motion to authorize the Executive Director to Amend the Non-Exclusive Temporary Revocable License No. 21-01 Dated June 22, 2021, with Kewalo Makai LLC, a Hawaii Limited Liability Company, for the Use of the Kewalo Charter Building and a Portion of the NOAA Lot at Kewalo Basin Harbor, Located at 1125 Ala Moana Boulevard, Honolulu, Hawaii, Tax Map Key Nos. (1) 2-1-058:133 and (1) 2-1-058:135 (por.) Respectively, for Commercial Retail and Office Purposes, to Extend the Term for One Additional Year Until June 30, 2025 and Increase the Rent.

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

Ms. Doi conducted the roll call vote. Motion passed with 6 ayes, 2 excused, and 1 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.**

Mr. Nakamoto referred to the project status reports provided in the board packet. Kolowalu Dog Park Improvements are expected to be completed in July, and the Kolowalu Makai Park benches and adult fitness equipment has been installed. Two playground equipment structures for different age groups were ordered to replace the existing play structure, and is anticipated to be installed in October. The pedestrian island for the Queen Street Crosswalk has been completed, and the flashing beacons are ordered and expected to be installed by October.

There were no 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 1:05 p.m.

Miki'ala Lidstone, Secretary

Date Corrected Minutes Approved
by the Board