

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

**Wednesday, April 2, 2025
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 Boardroom and provided an option to attend virtually (utilizing the state-supported Zoom Meeting platform) for a Regular meeting on April 2, 2025.

Chairperson Sterling Higa called the April 2, 2025, HCDA Kaka‘ako Authority Regular meeting to order at 10:00 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 (“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 Boardroom, Honolulu, Hawai‘i 96813. The HCDA welcomes public comment and public participation via the 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 Higa conducted the roll call. Those present were as follows:

Members Present:

Sterling Higa, Chairperson
Chason Ishii, Vice Chairperson
Miki‘ala Lidstone, Secretary
Mark Anderson, B&F (Ex-Officio)
Mary Alice Evans, DBEDT (Ex Officio)
Tim Streitz, City & County of Honolulu DPP (Ex Officio)
Michael China
Kevin Sakoda

Members Excused:

Melissa Miranda-Johnson, DOT (Ex Officio)

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
Francine Murray, HCDA Community Outreach Officer
Ryan Tam, HCDA Director of Planning & Development
Tommilyn Soares, HCDA Executive Secretary

II. APPROVAL OF MINUTES

Regular Meeting Minutes of March 5, 2025

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

III. DECISION MAKING

Consider Authorizing the Executive Director to 1) Execute a Purchase and Sale Agreement with Block G Ward Village, LLC (“VWL”) or a Designee for the parcels located at 952 Kawaiahao Street and 955 Waimanu Street, Honolulu, HI 96813, Described by Oahu Tax Map Key Nos. 2-3-003:065 and 093 (collectively “Block P-2”) at a Purchase Price of \$6,000,000, Plus HCDA Giving VWL Industrial Floor Area Credit in the Amount of 8,757.72 square feet of industrial floor area, and Other Customary and Standard Terms and Conditions Applicable to Commercial Real Estate Acquisitions, and 2) Do Any and All Things Necessary to Complete the Purchase Transaction, Provided that the Executive Director is Satisfied with the Due Diligence for the Parcels.

Mr. Craig Nakamoto, Executive Director, presented the staff report included in the board packet. He explained that the HCDA received an appropriation of \$5 million in the 2024 Legislative Session to plan, design, and construct a community facility for social programs and community activities in the Kakaako district. While Mother Waldron Park was identified as a possible site, it was deemed infeasible due to maintenance logistics and the already limited park space in the area. Block P-2 became available for purchase for a negotiated price of \$6 million and 8,757.72 square feet of industrial space. This space is expected to be leased to the Honolulu Kupuna Shed, an organization that provides social engagement and activities for kupuna.

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

Public Testimony

Chair Higa called for public testimony. There were 4 inquiries to provide oral testimony, and 1 written testimony were received.

Mr. Robert Speer, President of Honolulu Kupuna Shed, testified in support of this proposal. He explained the activities of their 501(c)(3) organization, their growth since

moving temporarily to Lana Lane, and their need to find a permanent space to continue providing their social programs for kupuna in the area.

Member Sakoda asked Mr. Speer to share further details about Honolulu Kupuna Shed's bicycle program.

Mr. Speer answered that the bicycle program is a foundational activity of their organization, in which they refurbish abandoned and/or donated bicycles to either donate it to the homeless communities or resell it to the community for program income. In the past year, the Honolulu Kupuna Shed has processed approximately 200 bicycles.

Secretary Lidstone asked how HCDA chooses the organizations to lease out properties.

Mr. Nakamoto answered that this particular situation originated from a request from Honolulu Kupuna Shed, who has been seeking a permanent space for some time now. He speculated that in the future, HCDA may develop a standard process to determine what the community needs are and then to make a selection on which organization may lease a property.

Member Streitz asked to clarify the proposal for the purchase and sale agreement, as the motion does not mention the Honolulu Kupuna Shed.

Mr. Nakamoto explained that the staff report includes Honolulu Kupuna Shed to provide context to the board members on what HCDA plans to do with the property, if acquired.

Vice Chair Ishii agreed with Secretary Lidstone's suggestion to have a standard selection process to be fair and equitable to all interested organizations in the community.

Mr. Keith Winnacott of F45 gym testified to ask what HCDA's plan is for them as the current business tenant on Block P-2.

Mr. Nakamoto answered that the long-term plan is to develop affordable housing on the site. During the transition time, HCDA will perform its due diligence of reviewing, closing, and possibly providing a notice of termination to the current tenant.

Member Evans asked Mr. Winnacott about their lease term with Victoria Ward, Ltd.

Mr. Winnacott answered that their current lease expires at the end of October 2026.

Member Streitz asked about other vacant properties that may be suitable for either organization.

Ms. Lindsey Doi, Asset Manager, answered that HCDA has recently acquired several properties, but because they have long-term development plans, it was more feasible to retain the existing tenants rather than seek out new leases during the planning process.

The request today is solely for the acquisition of the subject property. All discussions regarding the current tenant, a potential new tenant, and other due diligence matters will have to be performed after closing. Any eventual lease will also have to be brought to the board for approval at a later date.

Mr. Nakamoto reiterated that there are no definitive plans at this time, and everything is contingent on the due diligence to be performed.

Ms. Sarah Freeman, owner operator of F45 Gym, the current business tenant on the subject property, testified to ask for consideration to allow their business to remain on site for as long as possible, until affordable housing is ready to be developed. She explained that their business provides physical, mental, and emotional health services for 600 patrons of the Kakaako community.

Mr. Jason Tyra, member of F45 Gym, testified to share that F45 Gym provides a great service for a variety of age groups in Kakaako and creates a sense of community among members who otherwise would not have interacted outside of the gym. He stated the gym personally has changed his life. For these reasons, Mr. Tyra reiterated Ms. Freeman's request for consideration to allow F45 Gym to remain on site.

MOTION:

Chair Higa asked for a motion to Authorize the Executive Director to 1) Execute a Purchase and Sale Agreement with Block G Ward Village, LLC ("VWL") or a Designee for the parcels located at 952 Kawaiahao Street and 955 Waimanu Street, Honolulu, HI 96813, Described by Oahu Tax Map Key Nos. 2-3-003:065 and 093 (collectively "Block P-2") at a Purchase Price of \$6,000,000, Plus HCDA Giving VWL Industrial Floor Area Credit in the Amount of 8,757.72 square feet of industrial floor area, and Other Customary and Standard Terms and Conditions Applicable to Commercial Real Estate Acquisitions, and 2) Do Any and All Things Necessary to Complete the Purchase Transaction, Provided that the Executive Director is Satisfied with the Due Diligence for the Parcels.

A motion was made by Member Evans and seconded by Vice Chair Ishii.

Member Evans commented that she supports the acquisition of the property with the goal of long-term development of affordable housing, and it seems like a favorable deal.

Chair Higa asked Mr. Speer how much square feet the Honolulu Kupuna Shed would need and to describe the ideal type of facility.

Mr. Speer answered that they would need 7,000-8,000 square feet in a space that can be sectioned for their various uses.

Chair Higa commented that he supports the acquisition of the property, but commented that the leasing issues should be treated sensitively in consideration of all parties. He also noted that there may be other spaces in the district, including those owned by other landowners, that would be appropriate for these purposes.

Mr. Nakamoto conducted the roll call vote. Motion passed with 8 ayes, 0 nays, and 1 excused.

Consider Authorizing the Executive Director to Amend That Certain Lease Dated June 1, 2010, With the State of Hawaii Department of Public Safety, for that Certain Portion of Land Located at 240 Keawe Street, Honolulu, Hawaii, and Further Described by TMK (1) 2-1-015: 0043 por., to Extend the Lease Term by an Additional Five Years Until May 31, 2030 and Increase the Rent.

Ms. Lindsey Doi, Asset Manager, presented the staff report included in the board packet. She stated that the existing amended lease with the Department of Public Safety, now reorganized as the Department of Law Enforcement (DLE), will be expiring on May 31, 2025. The DLE originally intended to relocate its 240 Keawe Street Sheriff's Receiving Desk to a DAGS facility, but plans have since changed. DLE is now entering procurement to design a new facility elsewhere. The DLE is requesting a maximum 5-year extension with a 6.25% rent increase of \$85,000 annually to continue utilizing the space at 240 Keawe Street until their new permanent facility is completed.

Member Evans asked if the Sheriff's Division of the Department of Law Enforcement has law enforcement jurisdiction over the Kaka'ako development district, or if it is shared with HPD.

Ms. Doi answered that DLE does have jurisdiction over state properties, but due to agency capacity, Honolulu Police Department performs the primary response or co-response with DLE. Mr. Thomas Yamamoto, Fiscal Officer for the Department of Law Enforcement, affirmed Ms. Doi's answer and added that if an arrest is to be made, it would be performed at the subject property on Keawe Street.

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

Public Testimony

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

MOTION:

Chair Higa asked for a motion to Authorize the Executive Director to Amend That Certain Lease Dated June 1, 2010, With the State of Hawaii Department of Public Safety, for that Certain Portion of Land Located at 240 Keawe Street, Honolulu, Hawaii, and Further Described by TMK (1) 2-1-015: 0043 por., to Extend the Lease Term by an Additional Five Years Until May 31, 2030 and Increase the Rent and undertake all tasks necessary to effectuate the purpose(s) of this For Action.

A motion was made by Member Evans and seconded by Member China.

Mr. Nakamoto conducted the roll call vote. Motion passed with 8 ayes, 0 nays, and 1 excused.

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 Executive Director report provided in the board packet. He highlighted setbacks at the Kolowalu Park, including vandalism to the irrigation timer, the entry gates, and landscaping maintenance.

Vice Chair Ishii asked if signage would be installed to prohibit dogs on the childrens' play area.

Ms. Doi answered that signs will be installed around the perimeter to avoid sanitation issues and damage to the turf.

Member Sakoda asked about the warehouse that formerly housed Reuse Hawaii.

Mr. Nakamoto answered that Block L is owned by the Office of Hawaiian Affairs, and they are currently planning commercial development for the warehouses.

There were no further questions or comments by the Board.

Public Testimony

Chair Higa called for public testimony. There was 1 inquiry to provide oral testimony, and no written testimonies were received.

Ms. Michelle O asked if the infrastructure and roadways near Block P-2 will be improved.

Mr. Nakamoto answered that HCDA is still in the premature stages, as infrastructure improvements would be discussed after a developer is selected and the need for improvements, if any, is determined.

V. ADJOURNMENT

Chair Higa thanked those who joined the meeting on Zoom and then adjourned the meeting at 10:59 a.m.



Miki'ala Lidstone, Secretary

May 7, 2025

Date Approved by the Board