

**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS  
560 N. Nimitz Hwy, Suite 200  
HONOLULU, HI 96817**

**Minutes of the Office of Hawaiian Affairs Committee on Resource Management  
March 29, 2017  
1:00pm**

**ATTENDANCE:**

Trustee Rowena Akana  
Trustee Keli'i Akina  
Trustee Peter Apo  
Trustee Carmen Hulu Lindsey

Trustee Robert K. Lindsey, Jr.  
Trustee John Waihe'e, IV  
Trustee Leina'ala Ahu Isa

**STAFF PRESENT:**

Lisa Victor, COO  
Albert Tiberi  
Carol Ho'omanawanui  
Claudine Calpito  
Davis Price  
Dayna Pa  
Farah Cabrera  
Jim McMahan  
Lady Garrett  
Lehua Itokazu  
Liana Pang  
Makana Chai

Alvin Akee  
Maria Calderon  
Matthew Kodama  
Melissa Wennihan  
Merlyn Akuna  
Miles Nishijima  
Paul Harleman  
Raymond Matsuura  
Scott Hayashi  
U'ilani Tanigawa

**GUESTS PRESENT:**

Bo Kahui  
Germaine Meyers  
Keali'i Makekau  
Landon Paikai

Malia Ka'aihue  
Rob Iopa  
Tom Schnell

**I. CALL TO ORDER**

**Committee Chair Hulu Lindsey** – Calls the Committee on Resource Management to order at 1:00pm.

		<b>Present</b>	<b>Excused</b>	<b>Comments</b>
TRUSTEE LEI	<b>AHU ISA</b>	<b>X</b>		
TRUSTEE DAN	<b>AHUNA</b>		<b>X</b>	
TRUSTEE ROWENA	<b>AKANA</b>	<b>X</b>		
TRUSTEE KELI'I	<b>AKINA</b>	<b>X</b>		
TRUSTEE PETER	<b>APO</b>	<b>X</b>		
TRUSTEE ROBERT	<b>LINDSEY</b>	<b>X</b>		
TRUSTEE COLETTE	<b>MACHADO</b>		<b>X</b>	
TRUSTEE JOHN	<b>WAIHE'E</b>	<b>X</b>		
CHAIRPERSON HULU	<b>LINDSEY</b>	<b>X</b>		
<b>TOTAL</b>		<b>7</b>		
At the Call to Order, there are seven (7) Trustees present and two (2) excused.				

**II. COMMUNITY CONCERNS**

**Committee Chair Hulu Lindsey** calls upon Germaine Meyers noting that her written testimony has been distributed to all Trustees on the table.

**Germaine Meyers** greets the Board of Trustees and introduces herself as an OHA beneficiary for Beneficiary Advocacy and Empowerment; also a lessee of Nānākuli Hawaiian Homestead. She asks: Who owns Waimea Valley – Office of Hawaiian Affairs or Hi'ipaka, LLC? She cites OHA's website stating the purpose of purchasing Waimea Valley and creation of Hi'ipaka LLC. Being that Waimea Valley is under Hi'ipaka LLC, she shares her concern that UIPA/H.R.S. §92-F does not apply to private/non-profit companies as it respects the individual's right to privacy. She also points out that government records and agencies should be open to public inspection unless access is restricted.

Citing a letter written by attorney Kimberly Greeley stating that the LLC's are not agencies of the government, H.R.S. 92F-3, Ho'okipaipai LLC's 2015 Audit Report, she discusses discrepancies over ownership, organization, management, and funding, asking Trustees to give clarity to her confusions and concerns.

**Trustee Akina** addresses the chair, asking if he could ask some clarifying questions of Ms. Meyers.

**Chair Lindsey** obliges Trustee Akina's request.

**Trustee Apo** advises a word of caution, based on Ms. Meyers' legal analysis, and agrees with Trustee Akina that Ms. Meyer's testimony was very substantive. The items at issue are not agendaized and under Sunshine Law, the board is not allowed to discuss anything that is not on the agenda. As such, the board should be very careful. Secondly, he shares he does believe that Ms. Meyers deserves a response from the board and suggests that the Chair consider finding a way to provide a written response to all of her concerns.

**Ms. Meyers** interjects sharing that her main concern includes a conversation with John Kim, acting CFO, asking for non-budget detailed items. She shares that he stated that the LLC's come under the non-budget items and that they are not funded by OHA; but according to the information provided in her testimony, grants were funded by OHA to Hi'ilei Aloha LLC. This information is contradictory and she must give her mana'o regarding the Biennium Budget.

**Trustee Apo** responds sharing that he understands her concerns but also goes on to say that OHA is under fire for failing to oblige with the Sunshine Law and again issues a word of caution about the present conversation that includes substantive legal questions.

**Ms. Meyers** agrees but shares that she has already asked for a written response in February because she brought up deficiencies about the Sunshine Law; having already written to Trustee Machado. She shared a compiled list of all of OHA's violations with the OIP; of which OIP agreed that they were all violations but that she needed to get a written response from OHA. She is here trying to get a response and also wants information related to the Biennium Budget. She also shares that there is no other way for beneficiaries to converse with Trustees other than a board meeting. According to the Auditor, the only means for beneficiaries to receive responses is through a board meeting.

**Trustee Akana** agrees with Trustee Apo as well as Ms. Meyers in that if OHA issues their audit and annual reports and there are discrepancies, it is very confusing. She shares that she believes that Ms. Meyers deserves an answer and she is right that there is no question that OHA has funded these LLC's.

**Ms. Meyers** further adds that OHA follows the Fiscal Year of July 1-June 30<sup>th</sup> and that the previous CFO was providing January-December which is confusing.

**Trustee Lindsey** suggests that Ms. Meyer's testimony is shared with Board Counsel for a legal response and opinion in a timely manner.

**Trustee Akana** adds that this is ok, but doesn't think that the Board Counsel will have the information regarding OHA's fiscal structure and how OHA was funding the LLC's. She also discusses recent accidents at some of these locations, sharing that after insurance, OHA must pay some of the expenses. She believes there is no doubt that the LLC's are being funded by OHA and that they should be looked at by an audit.

**Ka Pou Nui Lisa Victor** makes a recommendation that Mona develop a response regarding OHA having engaged with ESSA regarding the LLC's and the UIPA requirements.

**Ms. Meyers** again adds that it is really contradictory that the attorneys for the LLC's is telling her that no State employees but the audit report specifically points to Kamana'opono Crabbe as a manager.

**Trustee Apo** again interrupts to caution the Chair that they are in violation of the Sunshine Law as they continue to speak. He calls on counsel to please advise.

**Albert Tiberi** interjects and advises that the board agendaize this issue to have a better and fuller discussion. To Trustee Apo's point, if Ms. Meyers had written questions, they can certainly be addressed.

**Ms. Meyers** asked what vehicle will be used for beneficiaries to voice their complaints and concerns because they can only do that at a Board meeting. She also discusses the Board of Trustees' boycotting of a past meeting against the Chair and that they set precedent. She alleges that the CEO and Trustees purposefully violated a Chair's statement regarding Sunshine Law.

**Chair Lindsey** thanks Ms. Meyers and confirms that Ms. Victor will have a response to Ms. Meyers in a reasonable timeframe.

**Ms. Victor** confirms that a week is a reasonable timeframe.

**Chair Lindsey** calls on Mr. Bo Kahui for testimony.

**Bo Kahui** greets the Board and introduces himself as the Executive Director for La'i 'Ōpua 2020, a Director of the Villages for La'i 'Ōpua Homesteaders Association, and serves on numerous Boards on West Hawai'i. Today, he intends to share updates on La'i 'Ōpua Community Center Project. He announces that last week they received \$1.5 million in New Market Tax Credits and that they issued their Notice to Proceed to construct the first phase of a Community Center. Phase 2, a community kitchen, will continue with a GIA request at the State level and will allow them to generate revenue to be more self-sustainable.

He shares that they thought that they were going to receive more money in 2016 but was ultimately denied. He looks for OHA's support again for operating funding for 1 year in the amount of \$200,000.

**Chair Lindsey** asks if he applied for OHA's grants?

**Bo Kahui** confirms that he did.

**Trustee Lindsey** asks Bo a question regarding Senator Tokuda, asking if he had an opportunity to meet with her to talk about the GIA?

**Bo Kahui** confirms that he did and shares that it is very difficult to get operating funds from the State. In addition, La'i 'Ōpua needs water for community facilities and economic development. He shares that the acquired a \$12.5 million water well project. The department was going to put in \$2 million for an exploratory well. The North well budget was removed by the House. He also discusses the current restriction use placed upon the residents of North Kona.

**Trustee Akana** thanks Mr. Kahui on the updates and congratulates him on all the progress that they have made.

### **III. NEW BUSINESS**

#### **A. Kaka'ako Makai Update and Presentation**

**Chair Lindsey** turns the time over to Ka Pounui Victor.

**Ka Pounui Victor** calls upon Miles Nishijima, Land Director, and Rob Iopa in regards to Kaka'ako Makai.

**Miles Nishijima** greets the board and calls Scott Hayashi to the table and introduces Rob Iopa of WCIT architecture, the lead of the Kuhikuhi Pu'uone Collaborative, and Tom Schnell of PBR Hawai'i, the planning partner.

**Rob Iopa** greets the Trustees and introduces himself as the representative of Kuhikuhi Pu'uone Collaborative; which includes DTL, Malia Ka'aihue, present today, and also, the Edith Kanaka'ole Foundation. He shares that his presentation will be brief and will later answer any questions the Trustees might have.

He directs the Trustees to page 1, the "Scenario A" Master Plan and provides orientation of the lots and the included map:



The proposal with “Scenario A” was to develop a highest and best use plan that included the allowable uses as currently provided. He reminds Trustees that “Scenario B” looked at potential changes for the allowable uses. For the purpose of today’s presentation and with the recommendations to move forward, the Trustees will look at “Scenario A.”

The second page in the packet outlines the same proposal for OHA parcels, but includes the surrounding parcels:



Since last meeting, HCDA has completed their Master Plan and Environmental Impact Statement (EIS) for the Kaka'ako Waterfront Park. PBR and Tom Schnell led the efforts for the EIS process for HCDA, noting that he is very familiar with the process. The impacted and interested community accepted the EIS. For the most part, it remains a relatively passage park. The most significant improvement would include the relocation of the amphitheater. The look lab site will likely be a sports facility. Aside from that, it will be large public open space.

On the Diamond Head side, there has been improvements and awards to the Howard Hughes Corporation, the Ward Village Group, as the entity to operate the Marina. He highlights concerns of Finger piers and its impacts and depicts current layout of the marina as proposed. As it currently stands, there are no finger piers listed.

**Trustee Akana** asks if they plan to dredge deep enough to bring in ships that they had wanted to bring in?

**Mr. Iopa** responds that he has not heard of any information. He shares that if they did have plans of doing this, that it would be a significant EIS, of which, OHA would have ample opportunity to comment on as a neighboring land owner.

The last update in regards to the neighboring properties of Kewalo Basin, there were considerable proposals being made to HCDA for uses on these parcels and HCDA let out 3 parcels. Ultimately, these proposals included less density than what was originally proposed,

most notably the exclusion of a wedding chapel. The selected proposal, The Ward Village Proposal, included additional landscaping, bathrooms, parking, park-like improvements, and a rehab of the NOAA building into a public facility. All low-scale improvements; all of which, in his personal opinion, benefit the waterfront environment and OHA's properties.

He again reinforces that "Scenario A" looks for highest and best use under existing allowances and directs Trustees to the next sheet. This is an Economic Summary as it exists today; its highest and best use per the Market Analysis in 2015. He asks the Trustees to recall the use of 2 teams to participate in the market analysis: Hallstrom Group and AECOM.

Mr. Iopa then directs the Trustees to a 19-year revenue projection, taking the development scenarios into account and also providing the disclaimer that this presentation has not been updated since it was originally presented to the Board in 2016. For all intensive purposes, the numbers are still applicable. He asks for any questions and reiterates that the specific purpose for today's presentation includes looking at OHA's next steps – where OHA can begin the public entitlement process. Entitlements would include the discretionary permits necessary prior to moving towards construction on the site. As a part of the current contract this would include developing a programmatic EIS.

Directing the Trustees to the final page in the packet, he highlights the schedule that is done in conjunction with OHA, PBR, and WCIT. This highlights three major activities:

1. Conceptual Master Plan – With the idea that OHA is moving forward with scenario A as a recommendation for all intensive purposes would be considered complete.
2. Technical Studies – Will be included in the EIS; through Fall of 2017
3. Environmental Impact Statement – Broken into 3 primary components:
  - a. "Prep Notice" (EISPN) – this would essentially tell the community the intent of the EIS; describes parameters generally and elicits comments from the public on what should be included in the EIS. This may be issued as early as May.
  - b. Draft EIS – would include all technical reports and state all potential impacts. This would be a little longer timeframe; June 2017 through November 2017. Comments would be received in this period of time and after that, it is the responsibility of the applicant to address the comments and incorporate these things into the Final EIS.
  - c. Final EIS – Schedule includes November 2017 through mid-2018. Discretionary Permits would be in place and OHA could begin development. Additional permits may include SMA, Building permits, etc. These permits are outside the current scope of this current contract.

The scope of the current contract would take OHA through the EIS statement phase and defers to Miles and Lisa for highlighting further strategies for this. He asks for any questions.

**Trustee Akana** directs her question to Mr. Iopa, asking him to confirm that their current contract takes them through the EIS process in 2018.



**Mr. Iopa** confirms.

**Trustee Akina** thanks Mr. Iopa for his presentation. He asks for clarification regarding the major revenue drivers being Lot A, F, and G.

**Mr. Iopa** confirms and refers back to the map, generally speaking it would be those parcels.

**Trustee Akina** addresses the 2034 projection; jumping from \$23 million total revenue to \$423 million as the big milestone year.

**Mr. Iopa** responds confirming that this is the projection.

**Trustee Akina** asks him to briefly describe the kind of development being anticipated on Lots A, F, and G.

**Mr. Iopa** highlights as proposed currently, it is referred to as “Waterfront Commercial” on Lot A. With Lot F & G as industrial use. Waterfront Commercial would be something that would be akin to primarily retail and commercial retail oriented elements (Restaurant, shopping, etc.). He shares that there are no hotel or residential allowances in this equation as neither are allowed uses. For the most part, it would be commercial activities and office related functions.

**Trustee Ahu Isa** asks if the use may change over time?

**Trustee Akana** responds yes.

**Trustee Ahu Isa** addresses the lack of update of the presentation. She addresses the issue of rising water levels because of global warming and the issue of Kaka‘ako Makai being covered with water eventually. OHA’s land is also included in that and will be affected and urges the Trustees to be aware of this kind of issue.

**Mr. Iopa** thanks Trustee Ahu Isa and shares that they have accommodated for this in planning. He shares that Kaka‘ako Makai is certainly looking out for this issue. The intent is for all of Auahi street to move up 5 feet in elevation.

**Trustee Akana** cites and discusses the City of Seattle as an example of the water rising and urges the consideration of this factor at Kaka‘ako Makai.

**Ka Pou Nui Lisa Victor** addresses Trustee Akina’s question regarding the 2034 column, sharing that she thinks it is misrepresented and assures him that it will be corrected.

**Trustee Akina** thanks Ka Pou Nui Victor and asks a follow up question. Realizing that these are estimates, he looks at the front end of the revenue generation, “Net OHA Cash flows” in the next few years. He addresses the 2017 Net figure that reflects \$2+ million and \$4.7 million in 2018. He asks Mr. Iopa how accurate these estimations are given the time it will take to get up and running? And how he would address that?

**Miles Nishijima** address Trustee Akina's question sharing that in Fiscal 2017, OHA is looking at the gross revenue of \$4.3 million; significantly in advance of the proposed estimations. In the estimation, OHA assumed a loss due to development. The first time these sets of financials were presented was in 2015 – quite a while ago.

One presumption included in these financials is that during development, the developer would only be paying OHA ½ of the lease value. At the end of the development, s/he would be paying the full lease value for the particular lot. In 2017, this set of financials reflected 3 lots that were under development. This largely accounts for the major difference.

**Trustee Akina** thanks Mr. Nishijima for his response.

**Chair Lindsey** asks for further questions and adds that in meeting with Administration, the Developer, and the RM committee, there has been discussion of a recommendation of moving forward with the development of Lot A. Today, an Action Item to approve the EIS will be deliberated. A possibility of an RFP of a developer partnership for Lot A will also be brought to the board at a later date. There will be a lot of involvement by the board to create parameters of OHA's vision and requirements into the RFP.

Today's presentation was really to get the Board up to date on where they last left off at Kaka'ako Makai. Moving forward, there will be discussion of Lot A and well as any other progress that arises on any other lots. She asks the Trustees for questions, concerns, opinions, or ideas. Hearing none, she thanks Mr. Iopa for his presentation.

**B. RM#17-03: Authorize OHA Administration to proceed with the Programmatic Environmental Impact Statement (EIS) Process for OHA's Kaka'ako Makai Parcels**

**Trustee Waihe'e** makes a motion and **Trustee Akina** seconds the motion.

**Chair Lindsey** asks for any questions and discussions.

**Trustee Akina** asks for a proposed timeline of the completion of the EIS.

**Chair Lindsey** responds approximately a year and directs him to the handout provided by Mr. Iopa.

**Mr. Nishijima** adds that it could be as long as 18 months, depending on the comments from the general public after announcing the notice for preliminary EIS.

**Trustee Ahu Isa** points out that 5 new Trustees will be up for election during that time.

**Trustee Lindsey** shares that he is pleased to see that OHA is progressing as it has been a long time coming. He suggests calling for the vote.

**MOTION: To approve RM#17-03: Authorizing OHA Administration to Proceed with the Programmatic Environment Impact Statement (EIS) Process for OHA's Kaka'ako Makai Parcels.**

	1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE DAN AHUNA						X
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA		X	X			
TRUSTEE PETER APO					X	
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE COLETTE MACHADO						X
TRUSTEE JOHN WAIHE'E	X		X			
CHAIRPERSON HULU LINDSEY			X			
<b>TOTAL VOTE COUNT</b>			<b>6</b>		<b>1</b>	<b>2</b>

**MOTION:  UNANIMOUS  PASSED  DEFERRED  FAILED**

**Motion passes with six (6) YES votes, one (1) ABSTENTION, and two (2) EXCUSED.**

**C. RM#17-04: Authorization to expend up to \$120,000 per year for two years for the Resource Management Committee to contract a Real Estate Financial Advisor**

Trustee Waihe'e makes a motion and Trustee Akana seconds the motion.

Chair Lindsey asks for any questions or discussions. Hearing none, she calls for the vote.

**MOTION: To approve RM#17-04: Authorization to expend up to \$120,000 per year for two years for the Resource Management Committee to contract a Real Estate Financial Advisor**

	1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA					X	
TRUSTEE DAN AHUNA						X
TRUSTEE ROWENA AKANA		X	X			
TRUSTEE KELI'I AKINA			X			

TRUSTEE PETER	APO			X			
TRUSTEE ROBERT	LINDSEY			X			
TRUSTEE COLETTE	MACHADO						X
TRUSTEE JOHN	WAIHE'E	X		X			
CHAIRPERSON HULU	LINDSEY			X			
<b>TOTAL VOTE COUNT</b>				<b>6</b>		<b>1</b>	<b>2</b>
<b>MOTION: <input type="checkbox"/> UNANIMOUS <input checked="" type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED</b>							
<b>Motion passes with six (6) YES votes, one (1) ABSTENTION, and two (2) EXCUSED.</b>							

**D. Approval of FSP Working and Implementation Advisory Committee**

**Trustee Waihe'e** makes a motion and **Trustee Akina** seconds the motion.

**Chair Lindsey** shares that this committee is necessary to have a fiscal sustainability plan in hand. There are quite a few decisions that must be made by the Board. Half of the committee is from Administration and half is from the Board of Trustees. They will work together to get decisions from the board to work towards implementation.

**Trustee Lindsey** shares that he assumes that many of the recommendations that were fleshed out recently with Spire will be included in this committee?

**Chair Lindsey** confirms and shares that the documents from Spire will go directly to the committee.

**Trustee Akina** commends Chair Lindsey on establishing this committee at it works in partnership with Administration. His question is in respect to the 17 areas of work that need addressing, asking if she plans to prioritize a few at the front end that need immediate attention?

**Chair Lindsey** responds yes and shares that she knows it needs to be prioritized.

**MOTION: To approve RM#17-04: Authorization to expend up to \$120,000 per year for two years for the Resource Management Committee to contract a Real Estate Financial Advisor that will include Trustee Hulu Lindsey, Lisa Victor, John Kim, Carol Ho‘omanawanui, and Paul Harleman.**

	1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE DAN AHUNA						X
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA		X	X			
TRUSTEE PETER APO			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE COLETTE MACHADO						X
TRUSTEE JOHN WAIHE'E	X		X			
CHAIRPERSON HULU LINDSEY			X			
<b>TOTAL VOTE COUNT</b>			<b>7</b>			<b>2</b>

**MOTION:  UNANIMOUS  PASSED  DEFERRED  FAILED**

**Motion passes with seven (7) YES votes and two (2) EXCUSED.**

#### **IV. BENEFICIARY COMMENTS**

**Chair Lindsey** notes that there are no beneficiary comments.

#### **V. ANNOUNCEMENTS**

**Chair Lindsey** announces the next RM Meeting will be held on April 5, 2017.

**VI. ADJOURNMENT**

<b>MOTION: To adjourn the meeting on the Committee on Resource Management.</b>						
	<b>1</b>	<b>2</b>	<b>'AE (YES)</b>	<b>'A'OLE (NO)</b>	<b>KANALUA (ABSTAIN)</b>	<b>EXCUSED</b>
TRUSTEE LEI AHU ISA			X			
TRUSTEE DAN AHUNA						X
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE PETER APO			X			
TRUSTEE ROBERT LINDSEY	X		X			
TRUSTEE COLETTE MACHADO						X
TRUSTEE JOHN WAIHE'E		X	X			
CHAIRPERSON HULU LINDSEY			X			
<b>TOTAL VOTE COUNT</b>			<b>7</b>			<b>2</b>
<b>MOTION: <input type="checkbox"/> UNANIMOUS <input checked="" type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED</b>						
<b>Motion passes with seven (7) YES votes and two (2) EXCUSED.</b>						

Respectfully Submitted,

 4/26/17

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A. U'ilani Tanigawa  
Trustee Aide  
Committee on Resource Management

As approved by the Committee on Resource Management on April 26, 2017.

 4/26/17

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Trustee Carmen Hulu Lindsey  
Committee Chair  
Committee on Resource Management