

HIGHLIGHTS OF JUNE 22, 2004 HCDA MEETING

Following is a summary of actions taken at the June 22, 2004 meeting of the Hawaii Community Development Authority (HCDA).

Queen Street Extension Park

The Authority approved the reallocation of funds authorized for the design and construction of the Queen Street Extension Park, subject to the approval of the Governor. The HCDA has proposed the development of a 2.5-acre park on both sides of the Queen Street Extension currently under construction. The Park will consist of a .9-acre Mauka park site and a 1.6-acre Makai park site divided by the Queen Street Extension. The Park will contain a sculpture (designed by artist Randall Shiroma) that will serve as a gateway feature to be located in the middle of a plaza on the Mauka park site. The Makai park site is anticipated to be completed in January 2006 and the completion of the Mauka park site is expected by December 2006. The total cost of the Park is approximately \$2 million. Under an agreement reached with the developer of the Hokua Project, the Hokua Project will construct the entire Makai park site, reducing HCDA's out-of-pocket costs by approximately \$872,000. The Authority's action authorizes the reallocation of the HCDA portion of the cost to allow for park design and sculpture contract revisions.

Funding for Kaka'ako Community Development District Administrative Expenses

HCDA members authorized the HCDA Executive Director to use Kaka'ako District revolving funds to pay for administrative expenses in an amount not to exceed \$400,000 for the fiscal year July 1, 2004 through June 30, 2005. Administrative expenses include staff and operating costs. Currently, administrative expenses for HCDA are funded by general funds, general obligation bonds funds and Kalaeloa Community Development revolving funds. The Supplemental Budget for fiscal year 2004-2005 enacted on April 30, 2004, as Act 41, SLH 2004, converted the funding of operating costs for the Kaka'ako project from general obligation bond funds to HCDA revolving funds.

Maintenance of Kaka'ako District Parks

HCDA members authorized the HCDA Executive Director to extend the Memoranda of Understanding (MOU) with the State Parks Division of the Department of Land and Natural Resources (DLNR) for maintenance of the Kaka'ako Waterfront Park, Kewalo Basin Park, and Kaka'ako Makai Gateway Park, respectively, for three one-year periods. Authority members also authorized the expenditure of up to \$208,000 per fiscal year for maintenance of the parks. Since completion of the three Kaka'ako District Parks (together totaling approximately 40 acres), the DLNR has provided economical maintenance services for the Parks that ensure the health and safety of users of the Parks and to avoid costly repairs due to neglect. Maintenance services

provided by DLNR include: custodial work, lawn mowing, tree trimming, payment of utility costs, and dialing monitoring of the Parks.

Supplemental Maintenance and Landscape Services at Kaka'ako Waterfront Park and Kaka'ako Makai Gateway Park

The Authority approved the expenditure of up to \$900,000 in revolving funds to pay for supplemental maintenance services for the Kaka'ako Waterfront and Kaka'ako Makai Gateway Parks for three years beginning in December 2004. HCDA members also approved spending up to \$45,000 for three years beginning in December 2004 to pay for landscape consultation, technical and evaluation services. Since the HCDA established its supplemental landscape maintenance program, the landscape at the two Parks has been significantly upgraded during the past three years. As a result of the supplemental maintenance, planter areas and grass coverage and health have dramatically improved and noxious weeds and brown spots have declined noticeably. Continuation of supplemental landscape maintenance will continue the high standard of maintenance and preserve previous investment into the two Kaka'ako Parks. This approval also requires that HCDA request bids for supplemental maintenance services only, and also for all maintenance serves for the three Kaka'ako District Parks. This will allow for a comparison of the costs if the services were to be provided by one entity as opposed to the DLNA and a private firm.

Reconstruction of Roofs at the Honuakaha Complex

HCDA members approved a revised funding authorization to allow improvements and repairs to the Honuakaha Complex. The Complex---which includes 151 senior rental units, 93 condominiums and commercial space---was developed and constructed by the HCDA in 1995. The Complex has experienced a severe and persistent leaking problem resulting from design and construction defects. In June 2002, the Authority approved the expenditure of up to \$3 million (in general obligation bond and HCDA revolving funds) to reconstruct the roofs and to pursue reimbursement of costs for those responsible for the defects. Due to delays in obtaining a release and indemnification from the Association of Apartment Owners of Honuakaha, it was not possible for HCDA to encumber the general obligation bond funds prior to the lapse date of June 30, 2004. The 2004 Hawaii State Legislature passed a new \$3 million general obligation bond fund appropriation to finance the entire estimated cost for the reconstruction and improvements needed for the Honuakaha Complex.