

## Hawaii Interagency Council for Transit-Oriented Development

### Minutes of Meeting

Wednesday, July 5, 2017

9:30 am

**State Capitol, Conference Room 309  
415 S. Beretania Street, Honolulu, Hawaii**

Members/ Designees Present:	<p>Craig Hirai, Hawaii Housing Finance &amp; Development Corporation (HHFDC), Co-chair          Rodney Funakoshi, Office of Planning (OP), Co-chair          Denise Iseri-Matsubara, Office of the Governor          Chris Kinimaka, Department of Accounting and General Services (DAGS)          Kenneth Masden, Department of Education (DOE)          Darrell Ing, Department of Hawaiian Home Lands (DHHL)          Lola Irvin, Department of Health (DOH)          Malia Taum-Deenik, Department of Human Services (DHS)          Russell Tsuji, Department of Land and Natural Resources (DLNR)          Cathy Ross, Department of Public Safety (PSD)          Robert Miyasaki, Department of Transportation (DOT)          Hakim Ouansafi, Hawaii Public Housing Authority (HPHA)          Charles Vitale, Stadium Authority          Carleton Ching, University of Hawaii (UH)          Senator Breene Harimoto, State Senate          Harrison Rue, City and County of Honolulu (City) Planning and Permitting          Lyle Tabata, County of Kauai Public Works          Michele McLean, County of Maui Planning          Bennett Mark, County of Hawaii Planning          Bill Brizee, Architects Hawaii Ltd., Developer Representative          Tyler Tsubota, Department of the Navy (Ex-officio)</p>
Members/ Designees Excused:	<p>Leo Asuncion, Office of Planning (OP), Co-chair          Senator Donovan Dela Cruz, State Senate          Representative Henry Aquino, House of Representatives          Jesse Souki, Hawaii Community Development Authority (HCDA)          Betty Lou Larson, Catholic Charities, Housing Advocate Representative          Ryan Okahara, U.S. Housing and Urban Development, Honolulu Office (HUD)          Business Community Representative (vacant)</p>
Other Designees/ Alternates Present:	<p>David DePonte, DAGS          Ian Hirokawa, DLNR          Heidi Hansen Smith, DOH          Danielle Schaeffner, DOH</p>
TOD Council Staff:	<p>Ruby Edwards, OP          Jayna Oshiro, HHFDC          Dawn Apuna, Deputy Attorney General          Briana Bernardino, OP</p>
Guests:	<p>Senator Will Espero</p>

Harold Alejandro, PSD  
Sarah Beamer, HPHA  
Ben Park, HPHA  
Wayne Yoshioka, Hawaii Public Radio  
Shannon Alivado, General Contractors Association of Hawaii

**I. Call to Order**

Craig Hirai, Co-chair, called the meeting to order at 9:35 a.m.

**II. Introduction of Members**

Members and guests introduced themselves.

**III. Review and Adoption of Minutes of May 2, 2017 Meeting**

The following amendments were requested as follows:

- Harrison Rue, City Department of Planning and Permitting (DPP), requested on page 5, third bullet under City and County of Honolulu, second to the last sentence be deleted.
- Chris Kinimaka, DAGS, stated on page 6, last bullet, the word “Irrevocable” should be changed to “Revocable” in two places.
- Robert Miyasaki, DOT, stated on page 12, under DOT, second paragraph, third sentence should read, “Harbors is looking into potential TOD use at the Aloha Tower.”

It was moved by Denise Iseri-Matsubara and seconded by Russell Tsuji, and unanimously carried to adopt the May 2, 2017 meeting minutes as amended above.

**IV. TOD Legislation**

a. Recap of TOD Legislation and CIP Funding

Co-chair Hirai summarized the 2017 TOD Measures of Interest.

- SB1148, SD2, HD2, CD2 - Relating to Community Development  
Requires the Hawaii Community Development Authority to develop a transit-oriented development (TOD) zone improvement program to foster community development by strategically investing in public facilities. Appropriates funds to HCDA for staff necessary to develop and manage the TOD zone improvement project.

The bill did not pass. The bill was recommitted to conference committee as amended in CD1.

- HB627, HD2, SD2, CD1 - Relating to Public-Private Partnerships  
Authorizes establishment of a State Public-Private Partnership Coordinator position within the Department of Business, Economic Development, and Tourism to manage public-private partnerships entered into by the State and associated contracts, proposals, and negotiations, except public-private partnerships entered into by Hawaii Public Housing Authority. Establishes an Office of Public-Private Partnership within the Department of Business, Economic Development, and Tourism.

The bill passed, however, it is on the Governor's list of Notice of Intent to Veto.

Some of the issues and concerns discussed regarding the bill are:

- One person might not be enough to manage everything.
- Can the bill be administered?
- It's not clear whether it's consultative or mandatory.
- It might create a bottleneck by funneling all P3 projects to one office. DAGS wants to allow agencies to continue looking into P3 without the potential bottleneck.
- Procurement issues need to be clarified. The bill states that the entity will manage all P3 projects, so it's a question on who would have procurement authority over any initiative that moves forward.
- Having one resource office to pull all expertise and knowledge together would be helpful.

The 2017 TOD Measures of Interest can be found at:

<http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>.

b. TOD Council Budget

Co-chair Hirai explained that the Legislature did not appropriate funding for the TOD Council for FY 2018. However, the remaining FY 2017 funds were carried over to be used for Neighbor Island airfare and car rental only (no per diem, parking, or taxi) to December 2017.

Hirai suggested that the Council may want to consider having subcommittees for each county that may save on logistical expenses.

Rue stated he has found it very valuable to have the other counties present and involved at the TOD Council meetings, since a lot of policies and potential investments follow similar patterns on the Neighbor Islands.

Rodney Funakoshi, Co-chair, suggested looking into the use of technologies like Skype, to allow the Neighbor Islands to participate remotely.

Russell Tsuji, DLNR, mentioned that DOT has conference rooms on every island. Miyasaki agreed that the DOT district engineers' offices have good conferencing capability.

Hirai stated another alternative would be to reduce the number of Council meetings. However, any action by the Council needs to be done at a noticed meeting.

Funakoshi reported that OP was appropriated \$1 million CIP this past legislative session, for TOD for Oahu only. OP has not decided how the funds will be used yet, but may focus on the priority areas identified for the rail corridor.

In response to Lola Irvin, DOH, Funakoshi stated that the strategic plan to be prepared for the Council will look at and address gaps and make recommendations as part of the strategic plan.

## **V. Report on Hawaii P3 Workshop**

Ruby Edwards, OP, reported on the Hawaii P3 Workshop held on Tuesday, June 6, 2017 at the Hawaii Imin International Conference Center. The P3 workshop was a partnership with the Association for the Improvement of American Infrastructure (AIAI). AIAI assisted with panelists and workshop program materials.

A tour for the panel members of projects along the rail line was held on Monday, June 5, 2017, to provide a context for State TOD on Oahu. In the afternoon, a P3 Q&A Session was held at the Hawaii Community Development Authority (HCDA) Community Room, which was attended by 38 people.

There were 133 attendees (84 State; 26 City/County; 19 business/non-profit; and 4 federal) at the P3 workshop. The Tuesday workshop program included the following:

- Two local presentations by the Navy and the Army on military housing P3 initiatives, in partnership with Hunt Companies and Lendlease Communities, respectively.
- The morning session included a panel on introduction to P3; understanding public-private-partnerships; and what's different about P3 using case studies.
- The afternoon session included a panel on financing models and risk management. The session also walked through the process for how to do a P3 project.

### Post-Workshop comments and feedback

A survey (using Survey Monkey) was sent to all attendees for their comments and feedback. Fifty-six responses were received. Overall, there were favorable comments about the workshop and content. The respondents appreciated the public sector panel members/speakers who outlined the challenges and opportunities faced when using P3. A private sector attendee commented that it was good to see public sector interest in this approach, because they feel the biggest hurdle is getting agencies comfortable with P3. Other comments included: the presentation repeated information; the panel sessions were dense; and there were no breaks. Others wanted more local speakers to talk about their challenges and opportunities doing P3.

Looking forward, respondents thought that more information and assistance would be desirable, including: requests for technical assistance; advisory services for P3 procurement and RFQ/RFP scope; a go-to-person/officer for technical assistance on P3; State resources to agencies to help implement P3 projects; and list of local resources on who does P3 feasibility analysis and value of money analysis in Hawaii.

More information related to P3 was requested: more case studies and details on how various P3 models work; walk through a specific P3 project (especially a mixed use, vertical construction/building projects); greater details on the process, what to expect, what to avoid, lessons learned; procurement best practices for P3; P3 with respect to Hawaii's laws and applicability; financing methods and tools; bridging the gap between public resources available and making a project viable and attractive to private sector to participate, and how government can partner with private landowners to redevelop underutilized sites.

The workshop presentations are available at: <http://planning.hawaii.gov/lud/state-tod/9749-2/>

Edwards stated AIAI may transcribe the workshop and the Q&A session. The TOD Council members will be informed if these become available.

Comments by TOD Council members:

- Michele McLean, County of Maui, commented the presentation summarized the workshop well.
- Carleton Ching, UH, commented he had hoped more policy leadership would be in attendance. He also commented that P3 is no free lunch – keep in mind they got to make a profit on this, so it's how you arrange a P3.
- Rue stated he was pleased that there were several City Council members, Legislators, and some private industry present.

b. Plans for DAGS P3 Workshop

Chris Kinimaka reported that the DAGS' workshop will be held on August 14-15, 2017 at the Neal Blaisdell Center, Pikake Room. It will be all day for the two days and limited to 250 seats. DAGS will be offering the workshop to State and County agencies and their consultants first, then to the private sector.

Kinimaka explained that the current draft agenda for the workshop includes the following topics. The agenda is still being refined and will be available once finalized.

- Lease buyback model and legislation pursuant to Act 177, SLH 2015, that tasked DAGS with studying the lease buyback option and making recommendations for lease buyback legislation
- Overview of the P3 process
- Multi-sector case studies
- Use of P3 for public facilities, such as offices, schools and higher education, correctional facilities, stadium, and public infrastructure such as transportation, stormwater, drinking, and wastewater systems.
- Best practices for a viable P3 framework
- Engagement of the Office of the Attorney General, State Procurement Office, and DLNR
- Public sector considerations: risk, opportunities, management, budgeting, contingent liabilities, etc.
- Gap funding
- Advisory roles and resource availability.

Other suggested topics:

- Public speakers who've done similar projects
- Other P3 models such as the use of availability payments
- Case study of Kauai's Rice Camp housing project – to see how it was done

Kinimaka stated that the workshop and subsequent work will need agency input since different entities have different development authority and capacity, i.e., what do individual agencies need to make P3 viable?

#### P3-related Questions and Issues

The TOD Council also discussed the following:

- Lease buyback

Co-chair Hirai asked whether DAGS has any insights into how lease buyback could open up opportunities for private financing of projects on State land. Does the State have someone design, build, and finance an office building and then rent it back from the private developer?

Kinimaka stated that the legislation for the lease buyback study recognizes that the State cannot fund everything and the cost of the lease buyback is bringing in private financing with State land. The idea is to enable private developers to finance and refurbish or build State facilities, without selling the land. The State would then lease it back from the developer under a lease agreement and own the facility at the end of the lease agreement.

- Lease buyback vs. certificate of participation

Kinimaka mentioned that a lease buyback is similar to a Certificate of Participation (COP). But with a COP there's no life cycle costing that potentially offsets the argument that General Obligation (GO) bonds are cheaper. So this needs to be looked at if we do decide to move forward with lease buybacks.

Tsuji stated he met with DAGS leasing office on a COP for Kapolei and lease back is very similar to the COP concept. Kinimaka commented that there is a risk with the availability of funding because DAGS Leasing Branch needs to ask for budgets every year to pay for the COPs. It's a contract, but there's no guarantee of funding. Every fiscal biennium, it becomes a risk. And for the P3 developer, they are really relying on the idea that it's critical infrastructure and we're not going to default on payment.

Tsuji reiterated there is a cost to lease buyback. It will be important to evaluate all aspects of a project to determine whether there is a case for doing lease buyback rather than CIP GO bonds, and to inform decisions accordingly.

- Affordable housing issues

Harrison Rue noted a comment that the State is focusing on rental housing in future affordable housing projects. He remarked that the City is looking at some of their sites to determine whether there is an appetite among private developers to build for sale on leased property—as long as the lease is long term—and the mechanisms for doing that. The City also received initial feedback that there's no market for market rate rentals. If we really want to see development for affordable housing, for sale units may need to be considered in the mix.

- Act 54, SLH 2017 (HB 1179, HD2, SD2, CD1)

Hirai stated the Legislature passed Act 54, SLH 2017, relating to housing, which includes construction labor unions and developers and their vision on serving the population between 80 to 140% Area Median Income (AMI). The bill includes concessions from labor unions on wages and what constitute labor wages. Act 54 is private financing and there is a potential general excise and real property tax exemptions. Hirai suggested that we wait and see if some rental projects can be generated in that income range.

Rue asked whether the State is able to use CIP GO bonds to fund infrastructure for affordable housing projects that are not owned by the State. Hirai stated the short answer is yes, but there's a limit on how much is available—which isn't very much.

- Infrastructure for housing  
Hirai stated from a housing standpoint, what drives where housing units are built on State lands is whether there is water and sewer available. Lyle Tabata, County of Kauai, agreed that you can't do anything without wastewater and water.

## **VI. TOD Strategic Plan Update**

- a. Report on Hawaii County Transit Ready Development (TRD) Workshop  
Funakoshi reported that the Strategic Plan Work Group attended the Hawaii County Transit Ready Development (TRD) workshop in Hilo on June 29, 2017, and thanked Bennett Mark and the Hawaii County for hosting the workshop. The workshop was attended by various representatives from Hawaii County agencies and State agency representatives on the Big Island, including Hilo Community College.

Funakoshi provided a summary of the Hawaii TRD workshop.

### Development Patterns

There are two primary urban centers: Hilo and Kailua-Kona. The main visitor industry centers include North Kohala and Kona. There are a lot of underserved growth areas that are primarily rural in nature. These areas have low population density, but are the fastest growing areas on the island. The TRD-related areas are Hilo, Keaau, Pahoia, and Kailua-Kona.

The County is updating its General Plan and is incorporating Smart Growth principles (compact, mixed use, transit oriented, walkable communities, etc.).

### Public Transit and General Plan Update

The County's public transit, Hele-On bus service has 33 buses that serve the entire island. In addition, there is a commuter service that runs daily from Hilo to South Kohala resorts. The County is in the process of increasing services for urban areas in Kailua-Kona and Hilo and doing an overall transit master plan.

### Multimodal Master Plan

The County is doing a Multimodal Master Plan for the Downtown Hilo area to include TRD:

- Walkability, bikeability, and making maximum use of public transit.
- Converting one-way roads in Downtown Hilo to two-way travel and adding roundabouts.

- Encouraging more pedestrian friendly trails and sidewalks and bicycles;
- Consolidating parking areas and improving the Mooheau Transit Terminal. The Kamehameha Highway Commuter Park and Ride serves buses that run from East Hawaii to West Hawaii.

#### Overview of Hilo

- Hilo Bayfront – The Bayfront includes the resort area which is primarily State lands. A separate redevelopment agency is working on plans for the area.
- University of Hawaii Hilo – The area is low density that is surrounded by residential and a lot of open space. Both the State and County are interested in having more TRD type activities. There is potential for increasing affordable housing and mixed use.
- Prince Kuhio Plaza – The area has a potential for TRD. It is primarily Department of Hawaiian Home Lands' lands. The site includes major big box stores (Walmart, Home Depot, Sears, etc.). There is opportunity for future transit and affordable housing.

#### Puna District

The Puna area is dominated by large rural subdivisions. It is one of the lowest per capita income levels in the State. There is a lack of infrastructure in the entire district especially in their rural centers: no water service; most on cesspools. It's the fastest growing area in the State because of the affordability of the lots and homes in the area, but is very low density development. As more people move to Puna, more government services are needed in addition to affordable housing and public transit.

Other areas in Puna consist of:

- Keaau Town – The town is redeveloping. The major landowner is W. H. Shipman, so there are not much government or State opportunities in the area. Shipman does not have money to do higher density development, and it's hard to compete with the large inventory of affordable lots.
- Hawaiian Paradise Park – The area is large, low density subdivision. The County is looking at whether they should acquire some lands to develop new rural centers using smart growth principles.
- Pahoia Village – The area is redeveloped and is connected to water and road infrastructure. However, there is a need for wastewater infrastructure and public transportation.

#### Overview of Kona

The Kona Community Development Plan (KCDP) guides how future growth is accommodated within the General Plan's Urban Expansion Area in the Kona region. Growth Opportunity Areas (GOA) are designated along the Kona area to help congregate their developments.

TODs were designated on the KCDP land use maps, which are intended to be served by the public transit system. Regional Center TODs primarily serve as a major employment and/or public center, with civic centers, regional hospitals, universities, or major private industries. Neighborhood Center TODs primarily serve as residential centers, with neighborhood commercial, office, and multi-family residential buildings.

The Ane Keohokalole Highway was completed about 10 years ago. This is a mid-level road that will connect Kailua Village with the airport. The County is looking at clustering urban



services in TOD nodes. Bus stops and pedestrian walkways are incorporated along the highway.

The County is looking at GOAs and TOD at these major centers: Palamanui, Kalaoa Village, Kaloko Makai, Honokohau Village, Keauhou Village, Kailua Village, and Makaeo Village.

#### Hawaii Community College at Palamanui

The County would like to develop the land near Hawaii Community College into a village concept to take advantage of the proximity to the community college, to include housing, retail, and commercial services.

#### Ulu Wini Housing Project

The Ulu Wini Housing Project is an affordable housing project on Hina Lani Street in a light industrial area. The developer provided land for it.

#### West Hawaii Civic Center

The West Hawaii Civic Center is located in the Honokohau area. The Civic Center serves as the County's government service center as well as a catalyst for future complementary office, retail, and residential development. The distance between nodes in the Kona area makes it difficult to aggregate developments.

#### Kamakana Village at Keahuolu

HHFDC has a project in Kamakana Village.

#### Kailua Village

The Kailua Village is another Regional TOD center. The County has made pedestrian improvements to the village area.

#### Old Airport

The old airport is located in Makaeo Village. The KCDP proposed to locate a transit hub at this site, and the County would like to see substantial development in this area.

There is a need to develop a Kailua multimodal transportation plan, similar to that done for Hilo, that would address location and design of a transit center, centralized public parking, expanded multi-modal infrastructure for pedestrians and bicycles, and improved connectivity.

#### Homeless Complex

The County is building a homeless complex on Henry Street at Kailua-Kona. The complex will include a camping site, emergency housing units, transitional housing units, and a community center that will provide medical services, drug addiction services, laundry facilities, and food nourishment services. The complex is located at a key location near the entrance of Kailua town.

The workgroup took a bus tour of the Hilo and Puna areas, then returned for further discussion of projects and challenges.

The workshop presentation can be found at: <http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>

Carleton Ching, UH, clarified that the development of the village is private department.

b. Maui TRD Workshop scheduled for July 18, 2017

Funakoshi stated the Maui TRD workshop is scheduled for July 18, 2017. The TOD Council's Strategic Plan Work Group members will be notified on travel arrangements to attend the workshop.

c. Strategic Plan Update

Funakoshi stated that, pursuant to Act 130, SLH 2016, the TOD Council is responsible for developing a strategic plan. The State TOD Strategic Plan is to address the following:

- TOD projects on State lands in each county;
- Coordination with counties;
- Inventory TOD projects lacking infrastructure;
- Prioritizing for TOD projects;
- Identifying financings and priorities for public infrastructure; and
- Promotion of public-private-partnerships.

The Strategic Plan Process will include information on the following:

- County-level workshops are being held to define TOD areas and needs: Kauai (February), Hawaii (June), Maui (July 18). Funakoshi reported that the County of Kauai has designated Special Planning Areas (SPAs) with form-based codes; exploring Smart Growth opportunities; Lihue Town has complete streets improvements and more to come; several potential TOD projects were identified; and General Plan update is underway.
- Inventory State lands for development potential is being done by OP.
- Address affordable housing, tie-in related efforts – The Special Action Team for affordable rental housing is developing a Housing Plan.
- Vision component will include – housing, social, health, disaster planning, sea level rise
- Education and training will include – Public Private Partnerships (PPP), Infrastructure Financing.

Funakoshi explained relative to State land and projects with TOD potential:

- OP is developing a TOD database to identify and monitor: TOD potential of State lands; status and coordination of State TOD projects; and Strategic Plan implementation.
- The completed database will contain parcel and project information: lessee(s), lease dates, lease cancellation terms, current uses on property, existing buildings on site, number of housing units, unit type, market rent by AMI, and plans for development. State agencies are being asked to provide information/facts on their projects for input into the database.

Funakoshi provided an overview of the proposed draft Strategic Plan outline, which includes:

1. Executive Summary
2. Introduction
  - State vision
  - Key principles
  - Purpose

3. Overall State TOD Investment Strategy
  - Opportunities
  - Policy and implementation barriers
  - Needed actions
4. State TOD/TRD Opportunities in each County
  - Along Oahu's Rail Corridor
  - City and County of Honolulu Priorities
  - Kauai County TRD
  - Hawaii County TRD
  - Maui County TRD
5. TOD Investment Tools, such as
  - Value Capture – TIF, Financing Districts, Joint Development
  - TOD Improvement Zones
  - Public-Private-Partnerships
6. Recommendations for the Fiscal Biennium
  - Near term projects, infrastructure investments, policy changes

The counties and state agencies will be asked to assist with providing narratives for their sections and/or projects.

The schedule for preparing the Strategic Plan for submission to the Legislature in December 2017 is as follows:

- |                                 |                          |
|---------------------------------|--------------------------|
| • State agency consultations    | December 2016 – May 2017 |
| • Inventory and mapping         | December 2016 – May 2017 |
| • Neighbor Island workshops     | February – July 2017     |
| • Develop financing strategies  | February – August 2017   |
| • Vision and project narratives | July – August 2017       |
| • TOD Council review            | September – October 2017 |
| • Draft Strategic Plan          | October 2017             |
| • Final Plan                    | December 2017            |

Funakoshi stated the initial round of Neighbor Island workshops will be completed in July. The draft strategic plan for TOD Council review will be available in October. The Strategic Plan is scheduled to be delivered to the Legislature in late December 2017.

#### Discussion related to Strategic Plan

Co-chair Hirai asked for an update on Mayor Wright, Stadium, and UH West Oahu regarding coordination efforts among agencies.

#### Mayor Wright Housing

Hawaii Public Housing Authority (HPHA) is working on a public private partnership with Hunt Companies for the redevelopment of Mayor Wright Housing. The infrastructure for Mayor Wright regarding water, sewer, storm drains, etc. needs to be coordinated with the City. Also, the sequencing and timing of all phases need to be figured out. Hirai suggested that this could be done through the TOD Council or a subcommittee.

Rue stated a draft infrastructure master plan will be completed soon that will be shared with the TOD Council. The first phase of infrastructure for Mayor Wright should be covered.

Hirai asked DOE on what their plans are for Mayor Wright and if there are any issues in that area. Ken Masden, DOE, stated early on that DOE met on the project and informed them that the additional density would generate more students and the project is in a school impact fee designated area.

Hakim Ouansafi, HPHA, reported that Mayor Wright will be phased in over 10 years. He also stated that the private money that comes in depends on a lot of factors and no matter what you do, affordable housing is going to need gap financing, and depending on the appetite of the developer, it adds up to approximately \$145,000 per unit. The market capacity also plays a major role and that's why the project has five phases, phased in every two years. Ouansafi stated that the impact fee is a large cost, and this needs to be discussed.

Hirai asked DOE whether classrooms would be available over the 10 years to accommodate the Mayor Wright redevelopment. Masden stated DOE is aware of it and is working on the issue.

Ouansafi stated his understanding is that existing schools will be able to accommodate students in Phases 1 and 2. However, Phases 3, 4, and 5 will have an impact.

Masden stated DOE is in the process of doing a demographic study across Oahu, but principally along the rail, to understand what the impacts will be. Masden also stated that DOE has met with Hunt and housing is what drives DOE capacity.

Ouansafi stated that HPHA is coordinating with the City, State, DOE and all others that the project will have an impact on.

#### Aloha Stadium

The Stadium Authority was appropriated \$10 million for an EIS for FY 2018. In preparation of the EIS, there needs to be coordination with HPHA on Puuwai Momi, DOE, and possibly Public Safety on the impacts to the area. Charles Vitale, Stadium Authority, stated the consultant on the EIS will be looking at the surrounding area.

#### UH West Oahu

Carleton Ching, UH, stated the entire site for the UH West Oahu (UHWO) campus is approximately 500 acres. A developer was selected for 180 acres; however, a contract has not been awarded yet. It would need approval from the Board of Regents and that may take 12 to 18 months. UH is currently in the exclusive negotiation period with the selected developer. If agreed, UH will move to negotiation for the master development agreement. Ching reiterated that UH only does housing for students and faculty. However, depending on what the developer says, there may be a possibility of housing for the public. The UHWO campus has a new Chancellor, Maenette Ah Nee-Benham, who started on January 1, 2017. All UH campuses are governed by long range development plans, which are updated every five years.

Ching stated things to think about are: whether or not there is need for another 20,000 student campus? Is the population on Oahu enough to support two 20,000 student campuses? Learning will be much different in the next 10-20 years – instead of classrooms, do we need more learning centers?

Hirai stated what is holding up development in the East Kapolei area is the widening of Farrington Highway. The EIS is holding up subdivision for the Hoopili High School. Rue reported that the EIS takes a year. Hirai stated that we'll come back in a year for an update, and prepare a timeline for that area.

Co-chair Hirai also asked for an update on Kauai County's timing on their projects:

County of Kauai

Lyle Tabata, County of Kauai, stated many of their projects have long lead times. Wastewater is a major concern on Kauai as well as on the Big Island. Tabata stated that a DOH person is needed to help them, because developers can't be forced to do the wastewater. There will be small package plants all over the place, and it's going to make it unaffordable for the developers. It also costs millions of dollars to develop one system, so Kauai needs to know what financing is available. The South Kauai General Plan calls for a regional facility. The estimate for the region is approximately \$60-80 million.

Hirai stated there's a need for more interaction and coordination with the counties to get all our priorities and timing aligned.

Michele McLean, County of Maui, stated if there is capacity, the County needs to pay for hook ups and upgrades. Maui has partnered with affordable housing projects in the past to put an upgraded waterline on a case by case basis.

Hirai stated for Leialii, HHFDC has an agreement with DHHL to develop a well and needs to work with the County on wastewater.

Hirai further stated that the State and the Counties all need to get coordinated to sequence the projects. If the State is going to pay its fair share of the infrastructure for its lands, we need to get into the details on how this is expected to be paid for so we can proceed on it.

Rue stated the draft infrastructure plan for Iwilei-Kapalama includes the total dollar amount by phase, as well as the potential share for the City, State, and private developers. The TOD Council will be able to see what the price tags are, and can decide what to put in the first phase and how to sequence the rest.

Vitale asked whether this is a cash flow issue—using user fees to pay off improvements? Hirai stated user fees are usually used to pay off bonds. The question is who's going to front this. Hirai further stated that for any private development at the Stadium, user fees would probably pay and finance it. However, it's different for public uses such as a school.

Rue noted the sewer and water systems have user fees that tend to pay for everything.

**VII. Next Steps**

- a. Future Agenda Topics  
Future topics are outlined below.

Tuesday, August 1, 2017 (cancelled)

1. P3 Next Steps

2. TOD Strategic Plan Update
3. Infrastructure funding/implementation

Tuesday, September 5, 2017

1. TOD Strategic Plan Update
2. TOD Financial Tools Review

b. Announcements

The next meeting is scheduled for Tuesday, August 1, 2017 at 9:30 am, location to be determined. *(Note: With the cancellation of the August 1, 2017 meeting, the next meeting is scheduled for Tuesday, September 5, 2017.)*

**X. Adjournment**

There being no further business, the meeting was adjourned at 11:30 am.