



## ALOHA TOWER DEVELOPMENT CORPORATION

600 Fort Street, Pier 10 Terminal, 2nd Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Website: [www.alohatower.org](http://www.alohatower.org)

LINDA LINGLE  
Governor  
MELISSA PAVLICEK  
Chairperson  
SANDRA PFUND  
Chief Executive Officer

Telephone: (808) 586-2530  
Fax: (808) 586-3046  
E-mail: [atdc@alohatower.org](mailto:atdc@alohatower.org)

**BOARD MEETING**  
**ALOHA TOWER DEVELOPMENT CORPORATION**  
**March 29, 2006**  
**No. 1 Capitol District**  
**250 S. Hotel Street**  
**4<sup>th</sup> Floor Conference Room**  
**Honolulu, Hawaii**

**MINUTES OF MEETING**

**BOARD MEMBERS PRESENT:** Melissa Pavlicek, Chairperson  
David Louie  
Neal Otani  
Barry Fukunaga - DOT-H  
Theodore Liu – DBEDT  
Robert Masuda – DLNR (arrived at 12:07 p.m.)

**BOARD MEMBER EXCUSED:** Sidney Quintal

**ATDC STAFF PRESENT:** Sandy Pfund, Harumi Leong

**OTHERS PRESENT:** Andrew Gomes, Paul Sheriff, Carol Hopkins, Richard Lowe

**LEGAL COUNSEL PRESENT:** Gregg Kinkley, Deputy Attorney General

**I. CALL TO ORDER**

Chair Pavlicek called the meeting to order at 12:06 p.m.

**II. APPROVAL OF MINUTES**

**A. Regular Meeting of January 25, 2006**

Chair Pavlicek called for motion to adopt the Meeting Minutes for the meeting held on January 25, 2006. Director Liu moved to adopt the minutes and the motion was seconded by Director Fukunaga. The motion passed unanimously.

### **III. REPORT OF THE CHIEF EXECUTIVE OFFICER**

Ms. Pfund referred to her report in the Board packet and highlighted key matters of concern. The Board discussed the following:

#### **A. Personnel**

Administrative approval was received to fill the position formerly held by Dan Orodener. Staff is working with DBEDT personnel to advertise for the position.

(Director Masuda arrives at 12:07)

#### **B. Legislation**

The ATDC requested two changes to the Supplemental Budget. The first was a housekeeping matter to abolish the permanent Secretary IV position since an exempt Secretary position was created in 2004. The adjustment results in a cost savings of approximately \$26,000, and ATDC requesting to retain this amount in the budget to be used for other needs. To date, the House does not concur with this request on the basis that no specific use for the funds has been established.

The second change in the Supplemental Budget is to convert the two unbudgeted exempt positions created administratively to support the Hawaii Harbors Project, to budgeted positions. The Senate Ways and Means Committee (WAM) transmitted a seriously worded inquiry indicating that the positions should be with DOT-Harbors and questioned ATDC's effectiveness in promoting its own mission. The WAM inquiry and ATDC's response is enclosed in the Board packet.

Chair Pavlicek reported that she met with a WAM staff person to discuss the matter. She recommends that a meeting between Board members and WAM be held after the end of legislative session, particularly with regard to WAM's view that public/private partnerships to develop the Aloha Tower Area have not come to fruition. Chair Pavlicek indicated that ATDC should increase communication efforts with the Legislature.

Chair Pavlicek, Director Fukunaga and Ms. Pfund individually spoke to a WAM staff member on the matter and discussed with the Board the possible basis for WAM's inquiry.

Director Louie recommended that a supplemental letter be transmitted to WAM describing all the work that was done on the HECO relocation issue.

Ms. Pfund reported that ATDC's Annual Report was transmitted to all legislators and a couple of positive responses were received.

**C. Inquiry from Dr. Kent Keith**

Deputy Attorney General Gregg Kinkley reviewed the matter and provided a report.

**D. Aloha Tower Marketplace Year-End Rent Calculation for 2005**

Ms. Pfund reported that the end of the year additional rent calculation for 2005 was provided in the Board packet. The Marketplace rent is set at \$1 million per annum, or a percentage rent, whichever is greater. In 2005, the rent remained at the base rent of \$1 million.

**E. Hawaii Harbors Project**

Ms. Pfund reported on two items that will be presented to the Board of Land & Natural Resources (BLNR) regarding the Sand Island Annex Area and Kapalama Military Reservation.

**IV. ITEMS FOR ACTION**

**A. Approval to Establish an Investigative Committee to Review the Development Proposal by UC Urban for Piers 5 and 6**

Ms. Pfund presented the staff report. She noted that Chapter 92, Hawaii Revised Statutes, provides that an investigative committee of Board members comprising less than a quorum may be established. She further reported that the Board may establish an investigative committee of three members based on the seven-member ATDC Board.

Chair Pavlicek noted that the purpose of the investigative committee is to have a sub-group of Board members spend additional time to look into the development proposal in greater detail. The investigative committee would report its findings and recommendations to the full Board for any decision-making.

Chair Pavlicek also requested that the investigative committee, or another committee, look into whether a real property consultant and legal counsel should be retained to assist in furthering review of the development proposal. The Board discussed this proposal and decided that recommendations could be made by the Chief Executive Officer for decision-making by the Board.

Chair Pavlicek called for a motion to establish an Investigative Committee to review the development proposal by UC URBAN for Piers 5 and 6. Director Liu so moved, and the motion was seconded by Director Louie. Chair Pavlicek called for discussion. Director Otani, Director Fukunaga and Director Masuda were nominated to serve on the Investigative Committee. The motion was put to a vote and the motion passed unanimously.

**B. Approval to Extend the Time to Commence Construction of the New World Divers, Inc. Project by Ninety (90) Days**

Ms. Pfund presented her staff report.

Mr. Paul Sheriff, Chief Executive Officer, New World Divers, Inc. presented background information and described for the Board all of the pre-development requirements that have been completed.

Mr. Sheriff reported that he is finalizing his financing commitments with investors and working with the Bank of Hawaii to finalize a \$3 million construction loan.

Ms. Pfund confirmed that, except for the financing prerequisites, the pre-development requirements have been submitted and reviewed by ATDC, and as applicable, DOT-Harbors.

Director Louie inquired if a 90-day extension was sufficient to finalize the remaining commitments. Mr. Sheriff replied that he was willing to accept that but would prefer a 120-day extension.

Director Fukunaga reported that DOT-Harbors has been pleased with the progress and work product submitted to date by New World Divers, Inc.

Director Masuda asked Mr. Kinkley if there were any restrictions on the amount of time granted for the extension. Mr. Kinkley replied that the term of extension is by mutual agreement.

Chair Pavlicek requested a motion to approve staff's recommendation, as amended, by extending the time to commence construction to 120 days instead of 90 days. Director Masuda moved to adopt the amended recommendation, and Director Fukunaga seconded the motion. The motion passed unanimously.

**V. EXECUTIVE SESSION**

Director Louie moved and Director Liu seconded a motion to enter into Executive Session. The motion passed unanimously.

