



ALOHA TOWER DEVELOPMENT CORPORATION

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BOARD MEETING ALOHA TOWER DEVELOPMENT CORPORATION

July 26, 2006

No. 1 Capitol District
250 S. Hotel Street
DBEDT Conference Room 436
Honolulu, Hawaii 96813

MINUTES OF MEETING

BOARD MEMBERS PRESENT: Melissa Pavlicek, Chairperson
Sidney Quintal, Vice-Chairperson – C&C of Honolulu
Neal Otani
Theodore Liu – DBEDT
Barry Fukunaga – DOT-H
Robert Masuda – DLNR
Jason Okuhama

ATDC STAFF PRESENT: Sandra Pfund, Gertrude Tomokiyo

OTHERS PRESENT: Jim Stubenberg, Ken Hughes, Tim Slaughter, Carol Hopkins, Paul Sheriff, John Michael White, Michele Matsuo, Andrew Yanoviak, Vernon Woo, Nina Wu, Amy Anderson, Allan Dowsett, Andrew Gomes, Michelle Matson

LEGAL COUNSEL PRESENT: Gregg Kinkley, Deputy Attorney General

A. CALL TO ORDER

Chair Pavlicek called the meeting to order at 12:05 p.m.

B. APPROVAL OF MINUTES

1. Regular Meeting of June 28, 2006

Chair Pavlicek called for a motion to adopt the Meeting Minutes for the meeting held on June 28, 2006. Director Quintal moved to adopt the minutes and was seconded by Director Fukunaga. The motion passed unanimously.

C. REPORT OF THE CHIEF EXECUTIVE OFFICER

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

1. Personnel

Ms. Pfund reported that a start date was being discussed with the selected candidate for the ATDC Secretary position.

Ms. Pfund also reported that seven applications for the Development Director/Special Assistant position were received and are being reviewed.

2. Consultant Contracts

Ms. Pfund reported that a Selection Committee, convened by the Attorney General's Office, selected three candidates for ATDC's Special Legal Counsel and that the final selection would be subject to approval by the Attorney General. She also reported that the Governor granted approval to retain a Real Estate/Appraisal Consultant, but that the Governor's approval to retain the Planning Consultant is delayed due to questions regarding the request.

Director Liu asked when the contracts for the Special Legal Counsel and Real Estate Appraisal Consultant would be finalized.

Deputy Attorney General Kinkley replied that the Attorney General's selection should be finalized by the end of the week.

Ms. Pfund replied that the contract for the Real Estate/Appraisal Consultant would be fast tracked but that the procurement and contracting process takes time.

D. ITEMS FOR ACTION

1. Approval to Amend the Development Agreement dated October 12, 2004 between UC URBAN (Kenneth H. Hughes, Inc.) and ATDC for the Development of Piers 5 & 6

Ms. Pfund referred to her staff report in the Board packet.

Chair Pavlicek requested that the Investigative Committee re-state its recommendations for the general public.

Director Fukunaga replied that the committee recognized the value of the project and that although adjustments, as identified in the Investigative Committee's report, needed to be addressed the final recommendation was for the project to move forward.

Chair Pavlicek asked for any comments from the public members in attendance.

Mr. John Michael White, President of Hawaii Land Company and a Harbor Square resident and Board member, commented that he appreciated the efforts of Mr. Hughes to present his project to the Harbor Square Board, residents and the community. He also mentioned that after seeing the numerous projects that Mr. Hughes had developed, and knowing him as a qualified and well-respected developer, he considered the project to be the best opportunity for downtown Honolulu.

Ms. Michelle Matson commented that she felt the Investigative Committee did an exceptional job in its recommendations for the project, especially with regard to cultural sensitivity, the concept of a green belt along the waterfront and improving the parking situation.

Ms. Michele Matsuo stated her concerns that the project would block her view of the harbor from the Harbor Square condominium. She noted that she contacted a number of residents in her building and adjacent buildings in the area and reported that none had been notified of a development being proposed. She asked that the Board defer its decision to amend the Development Agreement until more briefings for the public had taken place.

Chair Pavlicek replied that the ATDC Board conducted extensive review of the project spanning over three years, and it was time for the Board to reach this decision-making step.

Chair Pavlicek again asked if there were more comments from the public.

Mr. Andrew Yanoviak, an architect, planner and consultant, replied that with regard to urban design, city planning, the HECO property and the Irwin Park expansion, the project was excellent. Mr. Yanoviak felt the project was a major step in the right direction.

Ms. Carol Hopkins of Scenic Hawaii indicated that she considered the project to be a great project and that it should move forward.

Director Masuda commented that the meeting provided the public an opportunity to have its concerns acknowledged.

Chair Pavlicek called for a motion to amend the Development Agreement between UC URBAN and ATDC dated October 12, 2004. Director Quintal so moved and the motion was seconded by Director Liu. The motion passed unanimously. Chair Pavlicek then called for discussion.

Director Liu noted that this decision was a major step toward progress along the waterfront. He noted that the Board had set a high bar for the developer, and in so doing, had set an example of what a good urban in-fill project should look like.

There being no further discussion, the motion was put to a vote and the motion passed unanimously.

2. Approval to Establish a Public Advisory Group to the Board of Directors to Assist in the Review of the Development Proposal for Piers 5 & 6

Chair Pavlicek asked for a motion to establish a Public Advisory Group for the proposal at Piers 5 & 6. Director Masuda moved and Director Fukunaga seconded the motion. Chair Pavlicek called for discussion.

Ms. Pfund referred to her report in the Board packet and noted that the areas of expertise suggested for the Public Advisory Group include architecture reflecting a “Hawaiian Sense of Place”; local culture and customs; maritime industry; real estate marketing and financing; a community member and a business member. She further noted that the Board should consider nominations of persons to the Public Advisory Group.

Mr. Yanoviak commented that the Public Advisory Group should also have a representative with experience in urban regional and city planning.

Ms. Michelle Matson also recommended a representative versed in issues related to the environment, recreation and open space.

Director Fukunaga mentioned that the developer had been involved in the recommendation of this Public Advisory Group and although it added to the complexity of the project, he commended the developer for being sensitive to community input.

The motion was put to a vote and the motion passed unanimously.

Chair Pavlicek then asked Mr. Ken Hughes for his comments.

Mr. Hughes thanked the Board and ATDC for their support in bringing the project to this level. He noted that he had met with 22 community groups over the years to present the project to the people of Hawaii and considered the “Hawaiian Sense of Place” integral to the concept of the project.

Mr. Paul Sheriff commented that he considered the project exciting for Hawaii and commended Mr. Hughes on his perseverance in seeing this project through.

Mr. Sheriff also commented on his project, New World Divers. He indicated that the project was moving forward and that it may have a new investor that may change the financial format of the project.

Chair Pavlicek indicated that the terms of the agreement would need to be discussed with the Deputy Attorney General and should there be any questions, the Board may need to address that issue at the next meeting.

E. EXECUTIVE SESSION

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

Mr. Kinkley, Ms. Pfund and Ms. Tomokiyo were asked to remain for the Executive Session.

- 1. Discussion and Deliberation Regarding ATDC’s Rights and Responsibilities Under the Development Agreement Relative to the Proposed UC Urban Project, Pursuant to Section 92-5(a)(4), Hawaii Revised Statutes**
- 2. Discussion and Deliberation Regarding the Status of Negotiations Under the Mediation Proceedings with AHI Aloha Associates, LLC Pursuant to Section 92-5(a)(3) and 92-5(a)(4), Hawaii Revised Statutes**

The Board entered into Executive Session at 12:50 p.m. and reconvened at 1:10 p.m.

F. ADJOURNMENT

There being no further business, Chair Pavlicek asked for a motion to adjourn the meeting. Director Quintal moved and Director Otani seconded the motion for adjournment. The motion passed unanimously and the meeting was adjourned at 1:11 p.m.

Respectfully submitted,

 /Sandra Pfund/
Recorder