



**LINDA LINGLE**  
Governor  
**MELISSA PAVLICEK**  
Chairperson  
**SANDRA PFUND**  
Chief Executive Officer

## **ALOHA TOWER DEVELOPMENT CORPORATION**

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### **BOARD MEETING ALOHA TOWER DEVELOPMENT CORPORATION**

**May 30, 2007**

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

#### **MINUTES OF MEETING**

**BOARD MEMBERS PRESENT:** Melissa Pavlicek – Chairperson  
Glenn Okimoto – DOT  
(designee for Barry Fukunaga, Director)  
Jason Okuhama  
Neal Otani  
Sidney Quintal - Vice-Chairperson, C & C of Honolulu

**BOARD MEMBERS EXCUSED:** Ted Liu – DBEDT  
Robert Masuda – DLNR

**ATDC STAFF EXCUSED:** Sandra Pfund

**ATDC STAFF PRESENT:** Tom Otake, Deidre Harrison, Shari Ikeda

**OTHERS PRESENT:** Carol Hopkins, Jon Pang, Esq., Mitchell Imanaka, Esq.,  
Owen Iida, Esq., Paul Sheriff

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

#### **A. CALL TO ORDER**

Chair Pavlicek called the meeting to order at 12:03 p.m.

Chair Pavlicek reported that Director Masuda was not present today as he was attending a farewell luncheon for his departure from DLNR, and as such he will no longer serve on the ATDC Board. She acknowledged his service on the Board, and will coordinate recognition for him with Ms. Pfund at a later date.

Chair Pavlicek reported that she spoke with a reporter from Pacific Business News regarding House Bill 250, but upon further conversation the reporter was interested in a story on Pier 38, so will wait to speak with Ms. Pfund instead.

## **B. APPROVAL OF MINUTES**

### **Regular Meeting of April 25, 2007**

*Chair Pavlicek called for a motion to adopt the Meeting Minutes for the meeting held on April 25, 2007. Director Quintal moved to adopt the minutes, and was seconded by Director Otani. The motion passed unanimously.*

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

Mr. Otake referred to the report in the Board packet and highlighted key matters of concern.

### **1. 2007 Legislature**

**House Bill 250, HD2, SD2, CD1** – In conference committee, Kewalo Basin Harbor and Kahului Harbor were deleted and the jurisdictional area was restored to Honolulu Harbor, as initially proposed under the administrative measure.

**2. UC URBAN Project** – ~~The status of~~Legal issues with regard to the project will be discussed during Executive Session. Mr. Otake reported that the Public Advisory Group (PAG) did not have a meeting in May 2007, and instead took a boat tour of Honolulu Harbor, organized by PAG member Mr. Doug Won of Sause Brothers Inc.

**3. New World Divers** – There will be a presentation by Sports Equity Group during the INFORMATION section of the meeting. ~~Chair Pavlicek asked if there needs to be an ACTION item put on the agenda. Mr. Kinkley replied that they have a Development Agreement like the UC URBAN project, so there is no need for an ACTION item. Chair Pavlicek commented that the Development Agreement can be terminated, or be left as is and continue.~~

Chair Pavlicek asked if there were any questions from the Board members and there were none.

**D. ITEMS FOR INFORMATION**

Mr. Otake referred to the report in the Board packet and highlighted key matters of concern.

**1. New World Divers, Inc. (NWD)**

Mr. Paul Sheriff distributed a letter from TRH regarding project financing to the Directors. Mr. Sheriff commented on some of his project financing and stated that after the last Board meeting, he approached the investors and they are still in support of the project, however, he needs assistance to wrap-up the project so he has approached Mr. Bob Berg of Sports Equity Group to pull together and finalize the financing and project management portion of the deal.

~~Chair Pavlicek commented that the Board would discuss the matter during Executive Session.~~ Chair Pavlicek asked that the Sports Equity Group presentation be made to Ms. Pfund and Mr. Otake, and that they report on it to the Board at the next meeting. Both Mr. Kinkley and Director Okuhama requested to be included for the presentation. Mr. Otake replied that he would inform them when the meeting is to take place.

Mr. Sheriff remarked that he will work directly with DOT to cure the outstanding amount that is owed to DOT for permitted use of an office in Aloha Tower.

Chair Pavlicek stated that the matter will be set aside until the next meeting.

Director Otani asked how much more money is needed for the project.

Mr. Sheriff replied that \$4.6 million is needed for construction and beyond that, Ms. Pfund is concerned about ensuring operating capital although that amount is not required to be evidenced under the terms of the Development Agreement.

Mr. Sheriff remarked that \$10 million will make the project run well, and that \$8 million is the minimum. Mr. Sheriff commented that some of his individual personal investors will start releasing funds after \$6-\$7 million is initially raised.

Director Otani asked if a lease was needed. Mr. Sheriff said the project already has that, and Mr. Kinkley replied that if the [requirements of the](#) Development Agreement ~~is~~[are](#) met, then the project can proceed.

Director Quintal commented on the TRH letter that was distributed, and asked if the financing that was mentioned due in 30 days had come through. Mr. Sheriff replied that [it](#) is still being worked on.

Chair Pavlicek requested that the project status be updated next month. Mr. Sheriff replied that Mr. Berg will look at the project, and if it does not look as if it will proceed, then he will drop the project.

Chair Pavlicek thanked Mr. Sheriff for his comments and project update.

**2. Status Report on the UC URBAN Project at Piers 5 and 6**

[Legal questions](#) ~~Will~~[will](#) be discussed during Executive Session.

**F. EXECUTIVE SESSION**

*Chair Pavlicek asked for a motion to move into Executive Session. Director Quintal moved and Director Otani seconded a motion to enter into Executive Session. The motion passed unanimously.*

Mr. Kinkley, Ms. Harrison and Mr. Tom Otake were requested to be present for the Executive Session. Mr. Imanaka, Mr. Pang, and Mr. Iida were also requested to be present 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**

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The Board entered into Executive Session at 12:18 p.m. and reconvened at 12:44 p.m.

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**G. 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 12:45 p.m.*

Respectfully submitted,

          /Sandra Pfund/            
Recorder