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Chairperson
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ALOHA TOWER DEVELOPMENT CORPORATION

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BOARD MEETING ALOHA TOWER DEVELOPMENT CORPORATION

January 30, 2008

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

MINUTES OF MEETING

BOARD MEMBERS PRESENT: Melissa Pavlicek – Chairperson (arrived 12:25 p.m.)
Sidney Quintal - Vice-Chairperson, C & C of Honolulu
Neal Otani
Ted Liu – DBEDT
Jason Okuhama
Michael Formby

BOARD MEMBERS EXCUSED: Laura Thielen – DLNR

ATDC STAFF PRESENT: Sandra Pfund, Tom Otake, Deidre Harrison

OTHERS PRESENT: Karen Holma, Esq., Sumner Howard, Kirt Pruyn

LEGAL COUNSEL PRESENT: Gregg Kinkley, Deputy Attorney General

A. CALL TO ORDER

Vice-Chair Quintal called the meeting to order at 12:15 p.m.

B. APPROVAL OF MINUTES

Regular Meeting of December 19, 2007

Vice-Chair Quintal called for a motion to adopt the Meeting Minutes for the meeting held on December 19, 2007. Director Liu moved to adopt the minutes, and was seconded by Director Okuhama. 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.

Ms. Pfund reported that DBEDT budget hearings were conducted and that ATDC is not asking for any additional funds. There were no questions from the committees. Ms. Pfund attended DOT budget hearings with Director Formby, and there were no questions or comments from committee on the Harbors Modernization Plan (HMP). Director Formby commented that there appears to be support across the legislature for the HMP.

Director Quintal asked if ATDC would receive more funds for the HMP projects. Director Formby replied that yes, there will \$129 million this year for those projects. Director Quintal asked about staffing for these projects. Ms. Pfund replied that there are two parts to the HMP bill - to allow for the expansion of the ATDC Board and additional staffing positions for the projects. Director Quintal asked how quickly these changes will occur if the bill is approved. Ms. Pfund replied that by April or May we may know if the bill will be approved, and funding can be available from July 2008 to authorize the positions.

Ms. Pfund described the various bills for the HMP project. Mr. Formby commented that Senator English introduced Senate Bill 3227 (SB 3227) which includes improvements for Hana Harbor, but that there are some concerns since Hana Harbor is not presently under the jurisdiction of the DOT, and revenue bonds cannot be used on non-DOT lands. Hana Harbor falls under the DLNR as a small boat harbor.

Ms. Pfund reported that staff has a meeting on February 11, 2008 with Westrust regarding the Aloha Tower Marketplace (ATM), and are hoping to receive its improvement proposal for the marketplace. Director Liu asked what type of changes are being proposed by Westrust. Ms. Pfund replied that Westrust is looking to implement the original plans for the existing Piers 5 and 6 parking area and improvements to the Marketplace such as repositioning of tenants.

Ms. Pfund reported that she has been accompanying Director Formby to meetings to familiarize people, especially those on the Neighbor Islands with the HMP project and the partnership with ATDC and DOT. At those meetings, the project has received favorable response; Director Formby agreed. Director Quintal asked if there have been any objections to the project, and Ms. Pfund replied that there were no objections to the ATDC-DOT partnership, however, there have been comments in opposition to the Port of Kahului Master Plan from recreational users such as surfers and canoe paddlers.

Director Formby remarked that there was not as much opposition to the Environmental Impact Study (EIS) as expected, and that recreational users prefer to be referred to as

those with cultural interests. There are concerns that the surf will be affected by proposed changes.

(Chair Pavlicek arrived at 12:25 p.m., and thanked Vice-Chair Quintal for calling the meeting to order and chairing the meeting until her arrival.)

Ms. Pfund reported with an update on the Keehi Industrial Lots project. There are experienced developers that have shown an interest in the project, and the deadline to file a Notice of Intent to Submit a Proposal for the project is January 31, 2008. There was some discussion about the location of the project area.

Chair Pavlicek asked about the HMP bill in regards to the tariff restructuring, and ATDC's role in the project. Ms. Pfund replied that ATDC will implement the plan, and that DOT will handle the tariff restructuring and increases. Chair Pavlicek commented that she has been approached about this subject, and she will refer tariff questions to DOT.

The Board Members commented that the projects will present challenges but expressed support for DOT and the HMP.

Ms. Pfund asked if there were any further questions on her report; there were none.

D. ITEMS FOR ACTION

1. Approval of the 2007 ATDC Annual Report

Ms. Pfund asked the Board for approval of the 2007 ATDC Annual Report, and upon approval, the report would be professionally printed and bound for distribution.

Director Pavlicek moved to approve the 2007 ATDC Annual Report, and Director Liu seconded the motion. The motion passed unanimously.

Vice-Chair Quintal asked for any public comments before moving into Executive Session; there were none.

E. EXECUTIVE SESSION

Vice-Chair Quintal asked for a motion to move into Executive Session. Director Pavlicek moved and Director Otani seconded a motion to enter into Executive Session. A vote was taken and the motion passed unanimously.

Mr. Kinkley, Ms. Pfund, Mr. Otake, and Ms. Harrison were requested to be present for the Executive Session, as well as Ms. Karen Holma, Esq.

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 12:30 p.m. and reconvened at 12:55 p.m. p.m.

(Ms. Holma departed at 12:45 p.m., and Director Liu departed at 12:54 p.m.)

F. ADJOURNMENT

There being no further business, Vice-Chair Quintal asked for a motion to adjourn the meeting. Director Pavlicek moved and Director Okuhama seconded the motion for adjournment. The motion passed unanimously and the meeting was adjourned at 12:56 p.m.

Respectfully submitted,

 /Sandra Pfund/
Recorder