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BOARD MEETING ALOHA TOWER DEVELOPMENT CORPORATION

February 27, 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
Sidney Quintal - Vice-Chairperson, C & C of Honolulu
(arrived at 12:05 p.m.)
Neal Otani
Russell Tsuji - DLNR
Jason Okuhama
Michael Formby – DOT
- BOARD MEMBERS EXCUSED:** Ted Liu – DBEDT
- ATDC STAFF PRESENT:** Sandra Pfund, Tom Otake, Deidre Harrison
- OTHERS PRESENT:** Karin Holma, Esq., Michael Carroll, Esq., Sumner
Howard, Kirt Pruyne, Carol Hopkins, Ken Marcus, Esq.,
Andrew Gomes, Christian Adams
- LEGAL COUNSEL PRESENT:** Gregg Kinkley, Deputy Attorney General

A. CALL TO ORDER

Chair Pavlicek called the meeting to order at 12:00 p.m. Chair Pavlicek welcomed everyone and stated that she would like to add items to the agenda.

Chair Pavlicek made a motion to add the following items to the agenda:

- 1. A report on Chair Pavlicek's Senate confirmation hearing*
- 2. Establish a committee to evaluate the ATDC CEO*
- 3. Establish a committee to look at progress and opportunities outside the Piers 5 and 6 project*

Director Tsuji seconded the motion.

Chair Pavlicek asked for any discussion or concerns. Mr. Kinkley replied with a legal question regarding the nature of the committee charged with the review of staff; if this will be a standing committee subject to Sunshine Laws, or ad hoc like an investigative committee. Chair Pavlicek suggested adding the items to the agenda following the CEO report and Mr. Kinkley's question could be taken up at that time.

A vote was taken to add the aforementioned items to the agenda, and the motion passed unanimously.

B. APPROVAL OF MINUTES

Regular Meeting of January 30, 2008

Director Tsuji recused himself, as he was not present at that meeting.

Chair Pavlicek asked if there were any comments or changes to the minutes, there were none.

Director Formby made a motion to adopt the Meeting Minutes for the meeting held on January 30, 2008, and Director Otani seconded the motion. A vote was taken and the motion passed unanimously.

(Director Quintal arrived at 12:05 p.m.)

C. REPORT OF THE CHIEF EXECUTIVE OFFICER

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

1. Legislature

Ms. Pfund reported on current legislation regarding the Harbors Modernization Plan (HMP) - HB 3406 and SB 3227. Ms. Pfund also reported on SCR 54, entitled "Requesting an Audit of the ATDC with Regards to Lawsuits Relating to Development Projects". The hearing for Senate Concurrent Resolution (SCR) 54 was held yesterday, February 26, 2008. Ms. Pfund testified that ATDC did not provide a position as of said date since the hearing was held before the Board could meet on the matter, however, ATDC in general supported transparency in our public records. There were three (3) other testimonies submitted. Two were submitted in support from legal counsel for Ken Hughes and the third testimony was submitted in support from Ann Stevens who favors maritime use over commercial development of the Aloha Tower Project Area.

2. Project Reports

a. ATDC Projects

Ms. Pfund reported that there is an Action Item later in the meeting regarding the Development Agreement dated October 2004 with Kenneth H. Hughes, Inc. (KHH).

She also reported that also on the agenda, and to be discussed in Executive Session, is a proposal by Apollo Investments and Westrust pertaining to the mediation to resolve prior lawsuits regarding the Aloha Tower Marketplace.

Ms. Pfund reported that she has joined DOT Harbors on several appearances to various groups to provide information on the HMP project.

Ms. Pfund asked if there were any questions on her report.

Chair Pavlicek replied that she would like the Board to receive copies of the legislative bills and bill status reports. Ms. Pfund stated that she provided the initial bills to the Board but will also provide copies of the various drafts as they proceed through the legislative process.

Chair Pavlicek asked what type of resources and staffing would be provided to the Board if the HMP bill passes. Ms. Pfund replied that project related costs for staffing and general operational costs such as inter-island travel expenses have been budgeted under the bond authorization proposal. Director Formby remarked that one-year has been spent on creating the budget.

Chair Pavlicek reported that she has been asked what type of expertise the Board members and staff have and what will be added if the measure passes. She further inquired on the degree to which the ATDC Board or DOT would make decisions regarding spending and other matters related to the HMP projects.

Ms. Pfund replied that the harbor projects to be developed under HMP have been determined under a collaborative process between the DOT and the Hawaii Harbors Users Group (HHUG) and a financial expenditure plan has been developed as Director Formby stated. The ATDC will provide development assistance to DOT in implementing this plan. Ms. Pfund referred to the HHUG/HMP brochure in the Board packet with the project descriptions and costs.

She noted that the bill contains provisions for DOT approval of the specific projects before turn over to ATDC for implementation. The bill calls for a Harbors Modernization Group Board, which would include the ATDC Board and new board members who have maritime and neighbor island representation.

Chair Pavlicek asked how many additional staff would be added. Director Formby replied that eighteen staff positions would be added to handle the work. Chair Pavlicek asked who decides what positions. Director Formby replied that the HMP Group, Ms. Pfund and ATDC recommend the positions needed to DOT. Chair Pavlicek asked if the ultimate decision would then be made by DOT or the ATDC Board. Director Formby replied that it would be a collaborative effort.

Chair Pavlicek asked if there is a need for a human resource consultant. Director Tsuji then described the process that is used at DLNR, whereby staff examines and makes recommendations, and the board then votes.

Chair Pavlicek inquired about the need to start reviewing staffing needs. Ms. Pfund replied this will be focused on with more priority if the HMP bill continues to proceed through the legislative process. Director Tsuji asked if DOT would be providing engineering expertise. Ms. Pfund replied yes, engineering and planning support will come from DOT, and project managers will be hired to pull the projects together. The expertise will be provided by DOT-Harbors in collaboration with ATDC.

Chair Pavlicek asked why DOT-Harbors is not equipped to handle this project. Director Formby replied that DOT-Harbors primary function is to operate and maintain the harbors, and it is not equipped for development projects. Director Formby replied that the plan is for DOT-Harbors to seek revenue bonds to provide ATDC with funds to hire additional staffing to perform the jobs needed for the projects.

Chair Pavlicek asked if there were any questions. There were no further questions.

Chair Pavlicek asked Ms. Pfund to report on the Sand Island projects.

b. Sand Island Project

Ms. Pfund reported on the relocation of the UH Marine Center. Chair Pavlicek asked who on staff is handling that project. Ms. Pfund replied that Mr. Dana Yoshimura, Project Manager is on that project. There is also a vacant position, due to the departure of Mr. Goo from that project.

These two positions are dedicated to DOT, through the Hawaii Harbors Project (HHP).

Chair Pavlicek asked if those two positions are being credited under the MOU that ATDC has with DOT. Ms. Pfund replied yes, and that there is discussion with DOT to adjust allocations of staff (the CEO) for credit towards the MOU as more time is being spent on the Harbors projects.

Chair Pavlicek asked what is the role of the ATDC Board to understand the budget and review the MOU financial report. Ms. Pfund replied that she has provided a report every year along with the ATM annual financial statement.

Chair Pavlicek suggested a financial workshop would help to further an understanding of the MOU. She noted that ATDC's debt to DOT has been frozen at \$8.3 million dollars as of the date of the amended MOU. Originally the ATM was to be a much larger project, so rent calculation was based on the larger project. Therefore, ATDC has always been behind on the calculations, and the MOU was amended to adjust and reflect the actual situation.

Chair Pavlicek asked Mr. Kinkley to report on the MOU, and offer a summary and review. Director Tsuji asked how rent was calculated. Chair Pavlicek replied that rent was based on loss revenue to DOT from previous maritime operations on the site. Ms. Pfund replied that the amount was overstated, since the original project was supposed to be larger than it currently is. Chair Pavlicek inquired about changing the way rent is payable to DOT. Mr. Kinkley replied that the methodology is statutory although the formula for calculation was established by MOU.

Director Tsuji asked where UH would move to on the Sand Island Project. Ms. Pfund replied that a site on Sand Island next to the Honolulu Community College Marine Education Training Center (METC) has been selected.

c. Senate Concurrent Resolution (SCR) 54

Chair Pavlicek asked to return to SCR 54 before leaving the CEO Report. A hearing on SCR 54 was held yesterday, and Chair Pavlicek asked for discussion on whether there should be an audit of ATDC. Chair Pavlicek asked Director Okuhama if he had any comments. Director Okuhama replied if there was any reason not to have the audit.

Chair Pavlicek said that her view is being open to having our records looked at anytime and that we have a duty to support the audit. Director Formby replied that currently DOT is undergoing an audit for the Hawaii Superferry, and that it is an enormous drain on staff time. Director Formby remarked that he does not support an audit, but he is not opposed to one either; if members of the legislature feel it is appropriate, we should go through the process. Director Formby supports transparency, and if the legislature thinks it is indicated, then so be it.

Chair Pavlicek remarked that she is not comfortable with the position that the Board opposes the audit. Director Formby reiterated that he is not opposed to an audit, he just does not support an audit.

Director Quintal remarked that perhaps an audit is being sought before we enter into new endeavors. Director Tsuji asked if ATDC already is being financially audited, and Ms. Pfund replied no, although we recently conducted a third party audit of the ATM. Director Tsuji remarked that SCR 54 appears to be for a legal audit, and that raises concerns about attorney/client privileged information.

Chair Pavlicek asked for discussion and consensus for Ms. Pfund to testify on what the Board's position is regarding the audit. Chair Pavlicek asked Director Otani for his comments. Director Otani replied that there is a concern for confidential material being divulged. Chair Pavlicek said that materials can remain confidential by the auditor, and that the Attorney General's office can act on the agency's behalf to ensure that. Mr. Kinkley agreed. Director Tsuji commented that he has difficulty with a non-lawyer evaluating matters relating to lawsuits.

Chair Pavlicek commented that at the hearing it was raised that every project ATDC is involved with resulted in litigation, and as a result, the agency is not carrying out its mission. Chair Pavlicek remarked that the Board has performed a good job by acting to protect the interest of the people of the State of Hawaii, and if that means not agreeing to an inordinately low price for a project and that triggers a lawsuit, then ATDC takes responsibility for that.

Chair Pavlicek asked for a motion to support the audit. Mr. Kinkley replied that the SCR contains inaccuracies. Ms. Pfund stated that the wording of the SCR 54 contains some factual errors. Chair Pavlicek stated that we do not have to support the resolution as it is worded, but we support the concept of an audit.

Discussion followed and Director Tsuji commented that wording in the Resolution should be in relation to business decisions of the Board versus legal decisions. Chair Pavlicek asked for the exact wording of the resolution title and recited it as follows, “ Requesting the Auditor to Conduct an Audit of the Aloha Tower Development Corporation, Particularly with Regard to Lawsuits Relating to Development Projects”. Chair Pavlicek then stated that she did not want to get into such detail as business versus legal decisions, but as a policy, is open to an audit and in support of transparency.

Chair Pavlicek asked again for a motion to support the audit unless there was a need for further discussion; there was no reply. Chair Pavlicek then asked Director Quintal for his comments. Director Quintal asked if the auditor’s office has qualified staff to look at the legal aspect of things. Mr. Kinkley, Directors Formby and Tsuji all replied no, that lawyers are not on staff.

Discussion followed and Chair Pavlicek asked if the Board should not support the audit because it concerns legal matters. Chair Pavlicek remarked that at a policy level, the Board should support transparency and support the audit.

Chair Pavlicek then asked to consider a motion to support transparency and an audit should the legislature choose to pass the resolution. Director Quintal moved on the motion.

Director Otani asked if there is a way to protect confidential matters. Mr. Kinkley replied that confidential matters cannot be divulged. Chair Pavlicek remarked that the Attorney General’s office can decline providing information that will divulge confidential matters. Director Tsuji asked about consulting with special legal counsel about the matter. Ms. Holma replied that with other clients, they have written an objective summary and statement.

Chair Pavlicek asked for a second on the motion, and Director Otani seconded the motion. A vote was taken with three ayes by Directors Otani, Okuhama, and Quintal; and two naves by Directors Formby and Tsuji. The motion passed.

Director Formby asked for clarification on the motion that passed, regarding the inaccuracies in SCR 54. Director Formby stated that the motion passed in support of the audit, but has concerns about the misstatements of fact in the resolution. Chair Pavlicek replied that the

motion supports the audit, but did not address support of any misstatements in the resolution.

Chair Pavlicek asked if Director Formby was suggesting we testify to clarify some of the misstatements in the resolution. Director Formby suggested the Attorney General's office draft a statement that the Board supports the audit, but does not affirm or deny the statements in the resolution.

Chair Pavlicek replied that she supports a statement that the Board supports the audit, but has no position on the statements in the resolution. Director Formby agreed. Director Tsuji inquired about an independent audit. Chair Pavlicek replied that we have a state auditor.

Director Okuhama asked for an explanation of the process. Chair Pavlicek responded that when the concurrent resolution passes, the legislature has to authorize the audit after reviewing all audit concurrent resolutions that passed.

Director Okuhama remarked that there would be misrepresentations on the resolution. Chair Pavlicek replied that she did not want to go into the misstatements on the resolution. If others feel differently, Chair Pavlicek requested to have a motion on it. Director Quintal asked if the motion should be amended, and Chair Pavlicek replied no, the motion already passed.

Director Formby made a motion to add a further motion regarding SCR 54.

Ms. Holma replied that she would like to offer comments in Executive session as it pertained to the ongoing arbitration. Chair Pavlicek stated that further discussion be given during Executive session.

NOTE: SCR 54 and Director Formby's motion was further discussed after Executive Session. See public discussion after Executive Session below.

Chair Pavlicek asked if there were any questions, there were none. Chair Pavlicek moved to the additional items added to the agenda.

ADDITIONAL AGENDA ITEMS

1. **Report on Chair Pavlicek's Confirmation Hearing**

Chair Pavlicek reported that during her confirmation hearing concerns were raised about several items. The first concern is compliance with the Sunshine Law, that in the Board meeting minutes there is reference to the CEO report, but that the CEO reports are not included in the minutes. It is the Board's view that we are in compliance with the Sunshine Laws, as the CEO report is available to the public. Chair Pavlicek suggested a briefing by the OIP at the next meeting on what should be included in the meeting minutes and whether they should be posted on the website.

Another part of that concern was that the minutes of previous meetings were not done or not available, predating Ms. Pfund's time at ATDC. Ms. Pfund is working with staff to correct that to the extent possible.

2. **Establish a staff review committee to evaluate the CEO**

Chair Pavlicek reported that the second concern raised at her confirmation hearing was that there should be an orderly and regular process for reviewing and evaluating staff. To address that concern, Chair Pavlicek would like to establish a staff review committee to perform an evaluation on the CEO, and on the CEO's evaluation of staff. Those reviews would be shared during Executive Session to the extent provided by law as they are personnel matters.

Chair Pavlicek is not sure if this should be a regular committee that needs to comply with Sunshine Law, or an ad hoc committee that meets informally. Chair Pavlicek asked for Mr. Kinkley's advice on how other Board's handle this.

Mr. Kinkley replied that there are two areas of concern, the first is if this is an investigative committee, it is ad hoc and is a one-time occurrence; or if this is in response to implementing something systematic that will occur every year, then a standing committee is created, such as a personnel committee. Concerns about personnel information being revealed are handled by moving to Executive Session, as covered by the Sunshine Law.

Chair Pavlicek replied that she would like to establish a standing committee to review staff.

Chair Pavlicek asked for a motion to establish a committee to review staff. Director Okuhama moved and Director Tsuji seconded the motion. A vote was taken and the motion passed unanimously.

Chair Pavlicek asked for two volunteers to serve on the committee. Director Otani asked if there are forms that can be used to conduct the reviews and evaluations. Chair Pavlicek asked Ms. Pfund to see what types of forms other Boards use. Directors Okuhama and Otani volunteered to serve on the committee.

3. Establish a committee to look at opportunities outside of the Piers 5 and 6 area

Chair Pavlicek reported that there were two other concerns mentioned at her confirmation hearing. One was the ability of the Board to carry out its mission, and to address that concern she would like to establish a committee to look at some progress and opportunities excluding Piers 5 and 6. Chair Pavlicek would like to serve on the committee, and one or two other volunteers. Director Quintal volunteered to serve on the committee.

Chair Pavlicek called for a motion to look at opportunities excluding Piers 5 and 6. Director Quintal moved on the motion.

Ms. Holma asked for discussion on the item in Executive Session. Chair Pavlicek deferred until after discussion in Executive Session.

Chair Pavlicek stated that legal matters will be discussed in Executive Session, and policy matters will be covered during public session.

NOTE: Further discussion on the motion was held after Executive Session. See public discussion after Executive Session below.

The last concern from Chair Pavlicek's confirmation hearing is the use of ATDC staff time on harbor projects. That topic was covered during the CEO report, and will be further covered when Mr. Kinkley gives his presentation on the MOU.

Chair Pavlicek asked if there were any questions, there were none.

D. ITEMS FOR ACTION

1. Termination of the Development Agreement Between Aloha Tower Development Corporation and Kenneth H. Hughes, Inc. Dated October 12, 2004.

Mr. Otake began his staff report on the termination of the Development Agreement between ATDC and Kenneth H. Hughes, Inc. dated October 12, 2004. Ms. Holma and Mr. Carroll asked if the written report is a public item. Ms. Pfund replied that the staff report would be public upon approval by the Board unless the

staff report was deemed attorney-client privilege. Discussion followed and it was determined to move to Executive Session before further discussion and reporting on the Action Item.

E. EXECUTIVE SESSION

Chair Pavlicek asked for a motion to move into Executive Session. Director Tsuji moved and Director Quintal 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 and Mr. Michael Carroll, Esq. and Kenneth Marcus, 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 1:07 p.m. and reconvened at 2:11 p.m.

(Ms. Holma and Mr. Carroll departed at 1:36 p.m.)

(Mr. Kenneth Marcus entered at 1:36 p.m., and departed at 2:06 p.m.)

Mr. Adams, Mr. Gomes, Ms. Holma, and Mr. Carroll returned to the meeting and Chair Pavlicek welcomed the public back to the remainder of the meeting.

Chair Pavlicek returned to the **ACTION ITEM** on the agenda:

Termination of the Development Agreement Between Aloha Tower Development Corporation and Kenneth H. Hughes, Inc. Dated October 12, 2004.

Chair Pavlicek reported that the Kenneth H. Hughes, Inc. (KHH) project proposal for Piers 5 & 6 and future negotiations are no longer feasible and desirable. Chair Pavlicek asked for comments from the other directors. Director Okuhama replied that the

development agreement terms and ground lease value proposed by KHH are unacceptable, and KHH is not moving to negotiate further on these matters.

Chair Pavlicek commented that there is an inability to reach agreement on a ground lease, and one of the issues of the ground lease is the price. Chair Pavlicek remarked that her view is to consider expert opinions as to what is fair, as part of the responsibility to the people of the State. Also, once the arbitration demand was filed, the situation was not workable any longer.

Chair Pavlicek asked Director Otani for his comments. Director Otani replied he had thought we were working on an agreement, but once the arbitration demand was made, negotiations were no longer doable.

Chair Pavlicek asked for comments from Directors Tsuji and Formby, and they had nothing additional to say. Chair Pavlicek asked for any additional comments, there were none.

Chair Pavlicek remarked on Ms. Pfund's comments in the newspaper; that the Board has bent over backwards to negotiate a fair deal. There were other opportunities to terminate the agreement, when conditions were not met in earlier agreements, and the Board has proceeded and tried to work together with the developer to resolve issues. The Board has proceeded and acted in good faith, but cannot go forward with a developer who is arbitrating with us and will not reach terms on the development agreement and ground lease. It is no longer feasible and desirable and there is no way to go forward.

Chair Pavlicek asked for a motion to terminate the Development Agreement between Aloha Tower Development Corporation and Kenneth H. Hughes, Inc. dated October 12, 2004.

Director Okuhama commented that for the amount of time the developer had, there should have been more detailed plans and a more detailed concept than submitted. Chair Pavlicek stated that there were questions from the state's appraisers about the proformas, the feasibility and correctness of the financials, the number of parking spaces and other parking issues.

Director Okuhama moved and Director Tsuji seconded the motion. There was no further discussion and the motion passed unanimously.

ADDITIONAL ITEMS:

Senate Concurrent Resolution (SCR) 54

Chair Pavlicek stated there is a pending motion on this item:

Chair Pavlicek reported that a motion was passed to support an audit. In Executive Session, Special Legal Counsel presented concerns with respect to SCR 54 as it relates to the ongoing arbitration case, as well as concerns about inaccuracies in the Senate Concurrent Resolution 54. Chair Pavlicek asked for discussion on whether the Board should object to misstatements in the resolution, and whether the Board should confine or limit support of an audit to things that are not either currently pending in litigation or are not confidential based on attorney/client or other privileges in past litigation.

Chair Pavlicek asked for any comments. Director Formby replied that the audit should not be conducted on pending litigation, nor does the Board waive any attorney/client privilege past, present, or future.

Chair Pavlicek reviewed incorrect statements in the resolution. On the second page of the resolution, the fifth “whereas” that begins “Whereas in its twenty-seven year history, the Aloha Tower Development Corporation has only entered into the aforementioned three development agreements...” Chair Pavlicek remarked that there have been more development agreements, such as New World Divers, so this statement is incorrect.

Chair Pavlicek continued that in the same paragraph “...all of which culminated in lawsuits that have stalled, vitiated, or otherwise eviscerated development plans for the area...” is incorrect, as the New World Divers project did not result in a lawsuit. Then in the next paragraph “Whereas, it is believed that Aloha Tower Development Corporation does not have any current new projects, and exists presently to defend itself against the aforementioned pending litigation...” is incorrect, as the Board has a statutory purpose and is pursuing it.

Chair Pavlicek asked if anyone else had seen any other factual misstatements in the resolution. Director Formby suggested language disputing the accuracy of statements in a certain paragraph. Chair Pavlicek commented that Ms. Pfund could work with counsel to form testimony on the inaccuracies in the resolution.

Chair Pavlicek noted that the resolution had passed out of the joint hearing of the Senate Water and Land Committee and the Tourism and Government Operations Committee. The resolution still has to pass through the House to be considered a concurrent resolution and Ms. Pfund can prepare testimony on the Board’s position at the next opportunity for testimony.

Chair Pavlicek remarked that a motion to support the audit has been adopted, and a second motion on SCR 54 was made by Director Formby.

The second motion is made to clarify that support of an audit under SCR 54 is subject to the following concerns:

- 1. objection to the overall negative and argumentative tone of the resolution;*
- 2. the audit should not apply to any pending litigation, not does the Board waive any attorney/client privilege in any past, present, or future matter, and*
- 3. there are inaccuracies in the statement of facts.*

Chair Pavlicek asked for discussion.

Director Tsuji replied that once the auditor has completed their initial draft, staff can comment on it. He is comfortable with Ms. Pfund, Chair Pavlicek, and Mr. Kinkley making appropriate language for testimony. Chair Pavlicek would like a policy statement by the Board, and then staff can create the testimony.

Director Otani asked who eliminates items from the audit resolution that we are asking for. Chair Pavlicek replied that the legislature would do that. Director Formby remarked that the administration would determine on the waiver of attorney/client privilege, and the legislature would decide on the breadth and scope of the audit.

Director Tsuji moved and Director Okuhama seconded the motion. The motion passed unanimously.

Request for Special Board Meeting

Chair Pavlicek asked for a meeting before the next Board meeting to brief with counsel regarding the AHI proposal, and receive an update by Ms. Pfund on legislative items. Ms. Pfund suggested March 19, 2008 for the special meeting, and that the regular meeting be moved to April 2, 2008 since March 26, 2008 is a state holiday. Ms. Pfund stated that the Board members would be polled as to availability.

Establish a committee to look at opportunities outside of the Piers 5 and 6 area

Chair Pavlicek remarked that with the termination of Kenneth H. Hughes, Inc. Development Agreement dated October 2004, Chair Pavlicek amends her motion to establish a committee as follows:

Chair Pavlicek made a motion to establish an investigative committee to look at progress and opportunities that would further the Board mission in general. Director Tsuji seconded the motion. The motion passed unanimously.

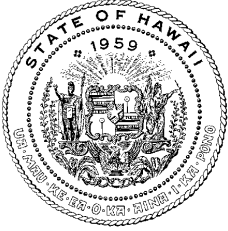
Chair Pavlicek and Director Quintal will serve on the investigative committee. Chair Pavlicek established the committee as ad hoc.

F. ADJOURNMENT

There being no further business, Chair Pavlicek asked for a motion to adjourn the meeting. Director Otani moved and Director Okuhama seconded the motion for adjournment. The motion passed unanimously and the meeting was adjourned at 2:34 p.m.

Respectfully submitted,

_____/Sandra Pfund/
Recorder



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atdc@alohatower.org

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Action taken at April 2, 2008 Board meeting:

B. APPROVAL OF MINUTES

Regular Meeting of February 27, 2008

Chair Pavlicek asked if there were any comments or changes to the minutes. Director Formby requested a change to page 4, paragraph 5, sentence 2, with changes underlined as follows:

Director Formby replied that DOT-Harbors primary function is to operate and maintain the harbors, and it is not equipped for a statewide development plan within (6) six years, absent of help or assistance. The schedule is aggressive and help is needed and welcomed.

Director Formby made a motion to adopt the Meeting Minutes, as amended, for the meeting held on February 27, 2008, and Director Tsuji seconded the motion. A vote was taken and the motion passed unanimously.