

Hawaii Interagency Council for Transit-Oriented Development

Minutes of Meeting No. 29

Tuesday, August 13, 2019

9:30 am

Hawaii Community Development Authority

Community Room, 1st Floor

547 Queen Street, Honolulu, Hawaii

Members/
Designees
Present: Rodney Funakoshi, Office of Planning (OP), Co-Chair Designee
Craig Hirai, Hawaii Housing Finance & Development Corporation (HHFDC), Co-Chair
Mary Alice Evans, Office of Planning
Sara Lin, Office of the Governor
Curt Otaguro, Department of Accounting and General Services (DAGS)
Darrell Ing, Department of Hawaiian Home Lands (DHHL)
Lola Irvin, Department of Health (DOH)
Malia Taum-Deenik, Department of Human Services (DHS)
Aedward Los Banos, Hawaii Community Development Authority (HCDA)
Ben Park, Hawaii Public Housing Authority (HPHA)
Charles Vitale, Stadium Authority (SA)
Carleton Ching, University of Hawaii (UH)
Nadine Nakamura, House of Representatives
Harrison Rue, City & County of Honolulu
Pam Eaton, County of Maui
Jillian Okamoto, Catholic Charities, Housing Advocate
Bill Brizee, AHL, Developer Representative
Ryan Okahara, U.S. Housing & Urban Development, Honolulu Office (HUD)

Members/
Designees
Excused: Christine Kishimoto, Department of Education (DOE)
Suzanne Case, Department of Land and Natural Resources (DLNR)
Nolan Espinda, Department of Public Safety (PSD)
Jade Butay, Department of Transportation (DOT)
Senator Lorraine Inouye, State Senate
April Surprenant, County of Hawaii
Lyle Tabata, County of Kauai

Other
Designees/
Alternates
Present: Chris Kinimaka, DAGS
David DePonte, DAGS
Heidi Hansen Smith, DOH
Scott Chan, SA
John Fink, SA
Kathy Sokugawa, City & County of Honolulu
Marc Takamori, County of Maui

TOD Council
Staff: Ruby Edwards, OP
Carl Miura, OP

Guests: Audrey Hidano, DAGS
Adam Shaw, WT Partnership

Frantz Kraintz, City & County of Honolulu
Derek Inafuku, UH Honolulu Community College
Tim Houghton, City & County of Honolulu, Department of Environmental Services
Blue Kaanehe, DLNR
Kenna Stormogipson, Hawaii Budget and Policy Center
Francine Murray, HCDA
Tim Streitz, City & County of Honolulu
Senator Stanley Chang, State Senate
Riley Fujisaki, State House Finance Committee
Senator Sharon Moriwaki, State Senate
Kaley Vatalaro, Office of Senator Moriwaki
Nandana Kalupahana, Office of Representative Sylvia Luke
David Arakawa, Land Use Research Foundation
Robyn Loudermilk, DOE

1. Call to Order

Rodney Funakoshi, Co-chair Designee, called the meeting to order at 9:32 a.m.

2. Introduction of Members

Members and guests introduced themselves.

3. Review and Approval of Minutes of the June 18, 2019 Meeting

The June 18, 2019 meeting minutes were approved as circulated.

4. Anatomy of TOD: Plans and Implementation Case Study, Halawa-Stadium

Ruby Edwards introduced the presentations, which will provide an update on the Aloha Stadium redevelopment project and the City's Halawa Area TOD Plan, and illustrate the elements for TOD in Halawa or anywhere in the State. Key elements for successful TOD are some form of transit, a vision and community-based plan, a catalytic project, and regional infrastructure support. As in the Halawa-Stadium area, TOD may face one or more critical infrastructure barriers that will require a lot of collaboration to address.

a. *Community Vision and Context: City and County of Honolulu's Halawa Area TOD Plan.*

Harrison Rue, Community Building and TOD Administrator at the City Department of Planning and Permitting, summarized the development of the Plan and its current status. He emphasized this neighborhood TOD City plan is the "poster kid" for interagency—City and State—cooperation in developing concepts that could work for the State as the largest landowner and developer in the area. Not all stakeholders were sold on TOD when the process first started. The plan process was guided by a great consultant that really helped stakeholders think about the TOD potential of the location. Since about 80-85 percent of the land is owned by the State, they wanted a City TOD Plan that defers a lot of the decision-making to the landowner on how it should be used. The largest State land uses in the Halawa TOD Plan area are the Aloha Stadium, Puuwai Momi, and Aiea Elementary School.

Overall, it was a robust planning process that included neighbors and other landowners sharing their ideas. The public was somewhat concerned about having more towers, but not opposed to additional density. Some of the items people suggested were:

- A retail, entertainment destination where people can enjoy themselves for couple of hours and not have to go home right after a major event.
- A working destination with jobs so that people do not have to drive to downtown Honolulu.
- A lot of open space and connectivity to existing places like the Pearl Harbor Historic Trail and museums.
- Good multimodal access and residences with housing diversity.
- A focus on sustainability and a green network.

People called for a cool district with a lot of density, connected via a retail-walking environment—capturing people before and after games and events.

The TOD Plan proposes a density similar to what DAGS and the Stadium Authority thought was the right mix of development, including the following:

- Residential - 2,000 units.
- Retail/restaurant - 250,000 square feet.
- Office/institutional -400,000 square feet.
- Hotel -300 rooms.
- Entertainment/cultural - 100,000 square feet.
- Aloha Stadium - 30,000-40,000 seats.

The City TOD Plan includes other sites that could be considered for potential redevelopment, including the Aiea Elementary School, Puuwai Momi, Stadium Marketplace, and Stadium Mall sites. These sites could yield an additional 2.2 million square feet of space.

The Halawa Plan area infrastructure improvements were estimated to cost between \$495- \$675 million, including transportation infrastructure improvements, such as an additional off-ramp the Stadium Authority was seeking.

The Halawa Area TOD Plan conforms to the Oahu General Plan and Primary Urban Center Development Plan. It has been forwarded to the City Council for consideration and action. The State has the authority to overrule the City and put in place its own zoning, but the process could take longer. The City TOD Special District zoning, which would allow denser, mixed-use development, would be adopted after the Halawa Area TOD Plan is approved by the Council.

HHFDC is financing affordable housing towers right outside of the Plan's proposed TOD Special District. They are discussing whether it should be added to the TOD Special District or kept separate.

Discussion. Rue stated in response to a question from Funakoshi that the timeframe for City Council of adoption of the plan and TOD Special District zoning is uncertain. The City Council has been methodical in adopting new plans, and there is a new chair for the planning, zoning, and housing committee. If the State is interested in speeding things up, he suggested sending a letter to the new chair.

Craig Hirai asked whether there is a CIP and infrastructure timetable for the Plan. Rue said the Plan includes general phasing in 10-year increments, but would require more work to prepare a timetable. The wastewater improvements needed have a firmer timetable for development because of work underway by the City Department of Environmental Services (ENV).

Sara Lin questioned why only 2,000 residential units are anticipated in the Plan, when it could be denser. Rue explained that number came out of City discussions with their consultants, the Stadium Authority, and HPHA, and is based on market assumptions. There is room to do more housing. Over time, half of the parking lot could be used for housing, so the numbers could rise. The Stadium Authority wanted to make sure there is enough parking initially to meet their needs.

Lin asked whether the potential for additional residential units have been included in sewer allocation and other infrastructure sizing for the Plan area. Rue said that he'd need to defer to ENV on the details. The City TOD Plan currently looks at potential development over the next 40 years.

Vitale pointed out that residential development is proposed in the Plan for other sites, such as Puuwai Momi, which will have 1,200 units plus a new tower with another 1,200 units.

Pam Eaton asked how the percentages of retail, office, and other uses were development. What kind of data is needed for the market study and how does it work? Rue said that since it's difficult to predict beyond seven or so years, it's a little more science than art. Each TOD Plan area has a small market study associated with it, which looks at the surrounding area and makes some projections on growth and demand based on when rail goes into downtown. Strategic Economics just completed a study for the City that looked at demand analysis and market projections throughout the rail corridor. The methodology for the market study is explained on their website.

Kathy Sokugawa stated that the TOD Council is the ideal place to discuss CIP infrastructure upgrades, especially for Halawa because 90 percent of the development is on State land for State purposes. Normally, the City requires the property developer to pay for or provide their fair share of infrastructure upgrades. The TOD Council is the best forum to decide what the State is going to pay. The City will not fund all of the improvement costs. The TOD Council needs to find ways to pay for this equitably and expeditiously so the plans will come to fruition within everyone's lifetimes. She also asked State agencies to be clear on what their future needs are so that the City can help respond to their wants.

Funakoshi said the State TOD implementation plan for State lands along Oahu's rail corridor is underway, and it is focusing on infrastructure, costs, and potential infrastructure financing/funding mechanisms for the three TOD priority areas.

Rue reminded Council members that the City has TOD sub-cabinet meetings with all of the department directors and key staff, twice a month, the first and third Tuesdays. If State agencies need to speak with the City, this venue is available to present the projects or discuss issues at one time instead of going around to each office separately.

Lin reiterated her concern that 2,000 projected units are not enough given the vast amount of land available and the State's affordable housing crisis. This is a massive opportunity. It's important to make sure that the maximum number of residential units possible is conveyed to ENV, so that they will take this into account when developing plans. It would be really bad to find out 10 or 20 years down the road that achievement of 65,000 housing units can't be reached because the pipes aren't big enough.

Rue explained that in developing their plans, ENV has preliminary discussions with private and public landowners to find out what they are intending to do. They also run their model based on

how much funding is possible from HHFDC and the legislature to build and look at a schedule based how many units by when.

Hirai noted that the Plan's infrastructure costs were around \$700 million. Resources are limited, so projects need to be sequenced efficiently. Some of this funding needs to be applied on the front end, like for sewerage. The rest of it can be sequenced, which is important. Better planning leads to more efficiency.

b. ***Catalytic Project: Aloha Stadium Redevelopment Master Plan.***

Ross Yamasaki, Aloha Stadium Authority Chairperson, provided an introduction to the Stadium redevelopment project—emphasizing that the project needs to focus on the Authority's mission to serve the community by bringing people together through sports, entertainment, and different activities in a manner befitting its name, Aloha Stadium.

Chris Kinimaka, DAGS Public Works Administrator, gave an overview of how the Aloha Stadium redevelopment project came about, summarizing its origins in Moiliili to its move to Halawa in 1975. When it opened in Halawa, the Stadium was a new, state-of-the-art 50,000-seat facility with 4-moveable Corten steel stands. It's been an important part of the community with over 300 events per year like the Great Aloha Run, high school games, and the State fair—and the swap meet that brings in a big share of the Stadium's operational funds.

By the 1990s, they realized that the Corten steel was not performing well in Hawaii's salty environment, corroding faster than normal steel. DAGS was doing major repairs to combat corrosion. In 2005, a study estimated it would cost \$97 million to paint the stadium to keep it useable. Between 2005 and 2007, they had to lock the stadium into a football formation. By 2014, they were only working on deferred maintenance, receiving about \$5 million per year for this.

Administrators decided that maintenance was no longer worth the cost. It was more beneficial to build a new one. However, federal and City deed restrictions limited site use to a stadium with any revenue generated going towards operations. At this point, \$20 million per year was needed to keep the Stadium functional and safe. The Stadium has only received \$10 million per year in the last five years.

In 2017, the federal and City restrictions were lifted. As a result, they can now generate revenue for other needs. Kinimaka said that this project has had the most collaboration between and within the State and City. The legislature appropriated \$10 million to start planning for a new stadium. With this new opportunity, DAGS and the Stadium Authority started to think about what the new Aloha Stadium would look like and what to do with the remaining 80 acres besides parking. A consultant team led by Crawford Architects was hired. WT Partnership was also retained to help DAGS and the Stadium Authority go through the planning process. This group assisted in the development of a brand for the Stadium redevelopment that is being used to market the project: New Aloha Stadium Entertainment District (NASED).

Adam Shaw, Executive Vice-President of WT Partnership, explained the current planning process. A combined team of architects, cost estimators, engineers, and project managers is studying what is possible with the 100-acre parcel with the stadium being the catalytic project. Their review started with a site selection study was conducted, which looked at a number of alternate sites using various criteria such as existing infrastructure, access, and public transportation. The study results indicated it was best to keep it at the existing location.

Placement of the stadium on the 100 acres was the next analysis. The analysis had to consider maintenance of ongoing operations at the existing stadium during construction, having a rail stop as another anchor of the district, and the creation of a commercial zone between the two anchors. Three options have been prepared:

Option A – Placement of the new stadium in the same footprint featuring a lot of pedestrian-friendly open, residential, hospitality and commercial spaces.

Option B – Construction of the new stadium adjacent to the existing one, which allows operations to continue. When the existing stadium gets demolished, an outdoor amphitheater-like bowl would replace it. This provides a good mix of different asset types, providing a nice community environment with plazas, parking, and pedestrian-friendly walkways.

Option C – Construct the new stadium in a different area of the property and create more of conventional neighborhood block-type of community design to the north.

In all the options, construction would be in phases over time, rather than one single master developer building the entire 100 acres. Each option is being pushed forward on a programmatic level. The Request for Proposals (RFP) will not prescribe where the stadium has to go; it will, instead, define all of the constraints. For example, if the development proposal is to build the stadium at the existing spot, there is going to be an impact on revenue that needs to be replaced. The developers will need to resolve these kinds of issues in response to the RFP that will be issued for public-private partnerships.

The project is currently going through the Environment Impact Statement (EIS) process. It will not specify exactly what needs to be included. The master plan will be developed when the project goes out to RFP. The developers will need to respond to performance requirements that relate to everything that happens in the stadium, as well as criteria for initial phase one, which would include connecting back to the rail station with elements of commercial space. Right now, the consultant team is focused on getting a design-build-finance-maintain transaction to the market to safeguard the use of the stadium.

One of the key considerations about how the infrastructure is going to be phased is based on identifying how much value the State is going to capture now versus when the stadium is being built versus two years after the start of operation. The underlying value of the ground leases for the residential units are going to be more valuable once the stadium and initial investments are finished. There are lots of market precedents on how sporting and entertainment assets generate significant interest for places to work and live. Based on their market analysis, the consultant team is identifying the scale and phasing of different assets as to when the maximum value capture can be achieved.

Lin asked whether “maximum value capture” meant the new housing was going to be market or for affordable housing. Kinimaka responded saying this is being looked at over the entire district with its partners, adjacent parcel owners, and community to determine the right mix of housing markets and commercial development.

Hirai asked whether condominiums would be sold fee-simple or leasehold. Kinimaka answered that units would be leasehold with long-term leases. With the Hawaii Housing and Finance Development Corporation (HHFDC) tasked with looking into 99-year leasehold condos, Hirai suggested that State leases at Aloha Stadium be the same.

Sokugawa mentioned that the community is concerned about traffic and noise. Depending on the event, people living as far away as Aiea Heights are affected. The City is looking for compatible types of activities or industries, so that people will go to the area when it is not hosting games, concerts, or swap meets.

Shaw commented that in the site selection study, there was no change of use because of the existing stadium. The new stadium is going to be smaller than the current stadium and the density around it will be much higher. As a result, the noise transmission is going to be abated significantly. The consultant team has already done site surveys and acoustic studies as part of the EIS process. This information will be part of the analysis to determine the right mix of housing and commercial development.

Rue asked whether WT Partnership is considering more density and of the three options, do they have a rough estimate on how many more units are possible? Shaw said not at this time, they are relying on the market (responses to the RFP) to tell them this number.

Yamasaki, responding to Lin's comments, said that the Stadium Authority's primary mission is to provide an entertainment and sports gathering place. They are wrestling with trying to serve their mission for the statewide community while building a better financial model to keep the stadium functioning and viable. Once rail is built, neighbor islanders will be able to get from the airport and to the stadium to watch a game or listen to a concert. The upcoming connectivity and access for the stadium are exciting.

Ryan Okahara made several observations. Ironically, Aloha Stadium was considered far away when it was first moved to Halawa. With respect to noise, people are going to complain anyway. He gets complaints from residents of Kakaako about airplane noise even though the airport was in place before residents. He believes the real concern about market value is the idea that the market will dictate the housing. Will it be market rate or affordable? These are two completely different models that need to be factored in.

Yamasaki said he is taking input from everyone, but the driving force for the Stadium Authority is how to create a venue and site that provides for their mission and service to the people of Hawaii using a financial model that will facilitate this. Yamasaki gave lots of credit to Scott Chan and his team for keeping the stadium operational. As the years go by, the ability to market the current stadium diminishes because the facilities are deteriorating. At the same time, the cost of maintenance keeps going up.

The Stadium Authority tasked the consultants to design a plan to build the stadium and surrounding area so that there is enough revenue generation and opportunities. He is hoping this will encourage a private firm to partner with them to build the necessary facilities, which will in turn create enough cashflow to run the operations and maintenance. The Stadium Authority does not want to go to the legislature asking for more funds to operate and maintain the stadium.

Kinimaka presented a video featuring renderings of what a future Aloha Stadium area might look like. House Bill 1586, which was signed by the Governor, provided funding to move the project forward. How does one achieve the vision that everyone is wanting? She credited the industry partners for helping them navigate the changes.

Shaw pointed out how different an entertainment district will be in terms of revenue generation. With the existing facility, naming rights, advertising concessions on a larger scale, sub-tenant or ground lease revenue from residential development, and financing infrastructure through power purchasing agreements were not possible. In the future, a range of commercial arrangements

will fold together to create economic vibrancy. The stadium could receive revenues from a multitude of sources and agreements to pay for debt service and other needs.

The State will need to move from focusing on a single asset to handling a more comprehensive district that has to manage 3 million square feet of real estate. Through leveraging the private sector's innovation around design as well as managing risk through construction and longer term involvement can have the potential to lower dependency on State funds. All of the improvements have the potential to bring in even more events per year, which will generate more revenues. The goal is not only to build it successfully, but to make sure it can be maintained.

In addition to the current EIS, the consultant team has gone through a market sizing process and will be doing further market engagement prior to a Request for Qualifications (RFQ). All of the feedback for early engagement has been very positive. Hopefully, the RFQ will allow them to narrow the interested parties down to 3 bidders. Then, they will go through the RFP process, which will result in hard bids for the stadium. In 2021, they plan to start construction and have the new stadium operational by the 2023 football season.

Hirai asked whether the Stadium is going to pay for its share of infrastructure or is the State expected to pay for that—and further, will there be a mechanism for paying for infrastructure that Puuwai Momi, a public housing project, needs for redevelopment. Shaw responded that the project team is looking at everything that needs to be brought into service for stadium redevelopment and finding a way to deal with that. The consultant team is still going through the initial infrastructure studies and Puuwai Momi has been included in the EIS.

Hirai noted the State should probably pay for its fair share of a public housing project like Puuwai Momi, but, the State would prefer not paying for an economic venture like the Stadium. Shaw stated that the intent is to make best use of the funds appropriated, which is a hard, fixed cap on the State's commitment to the project. The balance will need to be made up by the private sector.

Lin asked who would be benefitting if the State is paying for the bulk share of the infrastructure and only building market housing. Shaw replied that their market study is supposed to show what the site can handle in terms of commercial development. Then, they need to decide how best to recover infrastructure investment. The market study will help the team find the right balance of housing for the district.

Hirai mentioned that there is going to be affordable housing there due to HHFDC's development that was just approved and the Puuwai Momi redevelopment. Rue added it's up to the State as a policy or individual developer putting in the projects to develop the right housing mix. From the City perspective, research shows that each building does not need a mix of housing types, but each neighborhood needs a good mix.

Referring back to naming rights and advertising to generate revenue, Rue pointed out that the State and City has regulations against billboards. The push back from flashing electronic signs is going to be more severe than noise.

Senator Stanley Chang commented that the message he is taking away today is that the Stadium Authority's mission is to provide entertainment to the people of Hawaii using a self-sustaining model. Last month, UH said its mission is not to house the people of Hawaii, but to provide

opportunities in higher education. Everyone should know how acute the housing shortage is in Hawaii. If every agency is saying they have a specific mission, but no one is saying “also to house the people of Hawaii,” this prime opportunity for redevelopment is going to end up with no meaningful effect on the housing shortage. On his recent trip to Asia, he saw a housing development at about 581 units per acre. If the planners are projecting 2,000 units, then there is only going to be 20 units per acre. With 100 acres, 10 years of housing demand could be wiped out. Making an impact is compatible with the mission of the Stadium Authority to provide an entertainment district that is more self-sustaining and help provide housing.

Representative Nadine Nakamura asked what is guiding the affordable housing policies for this redevelopment district? Is it HCDA or the City? Aedward Los Banos stated neither is. HCDA is new to the game since the bill got signed in July. However, there could be an inclusionary zone.

Nakamura said it seems like this policy should be clarified sooner than later if the Stadium Authority is asking private developers to respond to a RFP.

Rue commented that policies are established for the City’s Plan in zoning and infrastructure district. With investments in Puuwai Momi, the State would probably meet the basic requirements, but he agreed with Chang’s statements that they could be more affordable housing.

Sokugawa added that the City has an affordable housing requirement and inclusionary housing ordinance that applies island wide. There are also specific provisions for TOD areas. As the landowner, the State could impose a higher percentage in their RFP.

Lin remarked that in Kakaako, the State is playing catch up with public perception of the area. Affordable housing projects have been going up and there are successful mixed-use entertainment, walkability in the area. In terms of messaging, everything should be considered upfront, so that State does not open itself up to this type of misconception about what the stadium area is trying to become. Is the State including enough affordable housing, what is the mix, how is it going to be funded, etc.? The beneficiaries of the infrastructure investment should not just be the P3 people.

Edwards noted Nakamura’s comments on how to maximize affordable housing when looking at proposed land uses. There is no clear guidance for what level of affordable housing should be sought through State TOD and how it would impact project feasible, and how much State subsidy that would add to any developer proposal or P3 effort.

c. ***Regional Support for Projects: Update on Act 268 (HB 1586 CD1).***

Aedward Los Banos, HCDA Executive Director, said that he grew up in the area and has strong attachments to the district. He sees this opportunity to bring the Halawa district together. He agreed that the stadium is going to be a large public works project. However, he cautioned that everyone needs to temper their expectations of a catalytic project.

The \$350 million appropriated is what it will cost to build the stadium alone. In sitting through the testimony for HB 1586, one question that came up was how would the Authority create a self-sustaining stadium. This is a difficult programming task because the Hawaii economy cannot support a “Bruno Mars Concert” every week. Ala Moana Shopping Center has multi-million, unique shopper visits each year because of what they offer. It would be very hard to create a similar venue with the new entertainment district. Having said that, the Aloha Stadium Swap Meet has provided a good amount of revenues to support ongoing operations.

Next session, Los Banos said that they will be asking the legislature for clarification to Act 268 (HB1586 CD1) on several issues. For example, the law transfers the land to the Stadium Authority when they do not have the authority to own the land.

Without policy changes, Puuwai Momi may have to pay for its share of infrastructure upgrades.

He had some preliminary discussions with the Navy. They see it as a great opportunity because a lot of personnel live in the surrounding areas. Most family and friends visiting them stay in Waikiki right now; they are hoping to be able to enjoy activities in the area.

Referring to maps from the City's Halawa TOD Plan, he believes that the statute requires any development to follow the City plans. Much of the area is designated for mixed use, so it is very functional.

Other items Los Banos wanted the group to consider are:

1. Better distribution of traffic coming out of the stadium to prevent bottlenecks.
2. Branding of the rail stop while making sure that the stadium is front and center.
3. Honoring the past that made Aloha Stadium.

d. ***Addressing Critical Infrastructure Needs: Honouliuli/Waipahu/Pearl City Wastewater Conveyance Facilities.***

Edwards introduced the next presentation topic as being very critical to the ancillary development being proposed for around the Stadium, that is, wastewater system improvement needs.

Tim Houghton, ENV Deputy Director, explained its mission is to provide wastewater services to the people of the City and County of Honolulu. They are totally funded by the ratepayers. Whenever ENV needs to expand, they charge a facility charge to connect on to the system. For good things like affordable housing project, fees will be waived and current rate payers will need cover the cost.

At one time, the preexisting system was not being maintained because the funding structure was not set up adequately. ENV was taken to court a couple of times, and they are currently under a global consent decree. Upgrades to the existing system were required over a period of 25 years. They are 10 years into the decree meeting all of the deadlines. This is a \$5.2 billion program in 2010 dollars.

When ENV works on projects, they always look for other projects coming up in the future or something going on that need to be considered in designing upgrades like upsize the pipes or increase the capacity of the pump station. It is much more efficient to do it this way. Some of the consent decree projects will simultaneously benefit TOD and housing development.

The Honouliuli Treatment Plant serves broad range of areas whether the sewage comes from Mililani, Halawa, or Koolina. Looking at the Honouliuli Basin Project, ENV is doing a number of projects along the major transmission lines. The biggest one is the Honouliuli Treatment Plant that needs to be upgraded to a full secondary treatment plant as part of the consent decree. It has been a half secondary treatment facility for the last 20 years. The upgrades also include capacity. The plant was initially built in anticipation of a lot of development, so it has not been

a problem. The project is ongoing and will cost about \$400 million. The new plant should be completed in 2024.

The Waipahu Pump Station sends sewage under Pearl Harbor and back into a gravity system. This feeds into the treatment plant. ENV has a project to put in another force main under Pearl Harbor, which requires coordination with the Navy. This one is key to making sure there is system capacity for everything flowing from Halawa. The new force main should be done by 2026 at a cost of about \$60 million. After this is completed, the old force main will be rehabilitated adding another \$40 million. Then, they will build another pump station to accommodate the additional flow coming from Halawa to Pearl City and to Waipahu. This is another \$170 million worth of work based on potential flow.

It is easier to build larger capacity pump station and force mains in anticipation of increased flow. The issue is gravity sewage. It cannot be built too big, too early. It creates odors and corrode because the flow does not occur. As a result, they have to replace or rehabilitate them earlier than expected. Rue added that this is the kind of complaints they had in Kakaako.

When they are running their models, they look at the ultimate build out based on the zoning today. However, the difficulty is the timing because, again, the pipes cannot be built too large, too soon.

Some of the other improvements include:

1. In Pearl City, ENV needs to work on the force main process. They have already done some work costing about \$15 million to upgrade the Pearl City Pump Station. Also, they are changing the flow from Pearl City to Waipahu by using a gravity tunnel similar to what they did in Kailua. The tunnel is another \$80 million project.
2. Internally, ENV has improvements to the area sewers programmed in 2031, which would cost about \$50 million. Once this is done, the Pearl City Pump Station needs to be demolished because it is located in the flood area.
3. They also need to do upgrades in Waiawa and Pearl Highlands in anticipation of future development. No cost estimates are available yet.
4. Upgrades in the Waimalu Pump Station and area sewer system are also planned.
5. A force main will need to be installed coming out of the Halawa Pump Station, but the question is the size. They do not have enough information on the new correctional facility and Aloha Stadium Redevelopment. Someone mentioned that the stadium might be completed around 2023. It should be fine if it does not change the capacity needs. It might work for the stadium, but anything around it that increases the capacity could be a challenge.

The total cost of the projects is about \$1 billion. These are projects that they were going to do anyway. ENV needs to determine how all of the upgrades are going to be paid for because it is coming out of the rate payers. If they are adding capacity for new development, ENV needs to make sure they are paying for their fair share to get in.

In addition to Honouliuli, they also have the Sand Island Basin Projects. Rue wanted to highlight the Awa Street Pump Station Project because it affects Mayor Wright Housing and Iwilei area. They successfully dealt with this in phasing to get the first phase of Mayor Wright completed by shifting the flow before the major investment. ENV was able to do this because they knew the schedule of delivery. If they have this information, they can find ways to make it happen. Sometimes, developers can start building before their lines are in place.

Hirai added that he initially thought this was the case, but he is finding out that sequencing follows financing sequencing. Like ENV, HHFDC cannot do everything at once.

Houghton agreed that the parties need to have discussions frequently to establish timing and financing to make things happen together. Rue mentioned that they had conversations six years ago spending a number of sub-cabinet meetings over the course of three months having stakeholders lay out their current plans in Iwilei to make best use of City funds.

The question is “Can you do something faster?” A single project generally takes about 6-8 years. However, needs have to be communicated to ENV. The earlier a developer comes in with their ideas, the faster they can put it in their planning or even accelerate a project.

Hirai commented that the Stadium parcels will be let out to the developers over time and Puuwai Momi is about 10 years out. The various groups need to get together and lay out the timing of the project for ENV. It sounds like the stadium can be built, but the question is how much more. Rue suggested building a pathway from the station to the stadium with retail outlets in between. Also, it could be built for future towers in mind, which would have the greater impact for ENV.

Mary Alice Evans asked whether there was ever discussion about Halawa connecting to Sand Island and wondering whether this would be a faster way to provide additional capacity? Houghton replied that ENV would probably need to provide a new pump station, so probably it wouldn't be faster. The system has some level of capacity that can make it work. The issue is how much comes on line and when.

Hirai reiterated that things need to be sequenced. If the stadium and TOD are completed, it might not be that far off from the existing schedule.

Related to this comment, Edwards stated that the Permitted Interaction Groups (PIGs) for the Oahu TOD priority areas will be convened in October to look at infrastructure requirements, costs, and timing based on anticipated land uses identified in the first phase of the State TOD Implementation Project. OP will be submitting the project data for the three priority areas to ENV for modeling. October is the first time the groups will see everything put together in terms of regional infrastructure needs and sequencing. David Taussig and Associates will be at the October PIG meetings to review financing tools and options being considered for paying for infrastructure improvements.

Funakoshi thanked all of the presenters.

5. Next Steps - Future Agenda Topics

- a. Tuesday, September 10, 2019- TOD Council Meeting
 - Presentation by Jeff Speck on Walkable Cities and Transit-Oriented Development, courtesy of the Department of Health.

- TOD Project Updates by State and County Agencies

6. Announcements

- a. The Hawaii Congress of Planning Officials Conference is going to be held September 11-13, on Maui. Jeff Speck will be the keynote speaker.

7. Adjournment

There being no further business, the meeting was adjourned at 11:41 a.m.

Note: All meeting materials are posted at <http://planning.hawaii.gov/lud/state-tod/hawaii-interagency-council-for-transit-oriented-development-meeting-materials/>.