

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

January 14, 2022

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Authorize the Chairperson to Enter into Memorandum of Agreement Between The Office of Planning and Sustainable Development and the Department of Land and Natural Resources for the Use of Transit Oriented Development (TOD) CIP Funds for the East Kapolei TOD Conceptual Urban Design Plan.

BACKGROUND

Land Division is currently in the planning process of the Department's East Kapolei Transit Oriented Development (TOD) project. The Board previously authorized the Chairperson to enter into a Memorandum of Agreement between the Department and the Office of Planning, now the Office the Planning and Sustainable Development (OPSD) for the use of TOD CIP funds to support the project's strategic master development plan at its meeting on June 23, 2017 under agenda item D-4. Subsequently, at its meeting on October 23, 2020, the Board approved the completed draft strategic master development plan and authorized the Chairperson to execute a contract for an environmental impact statement for the development of the subject parcels in the project in accordance with the strategic master development plan. The Department has since awarded the contract and commenced the development of the EIS.

Additionally, Act 88, Session Laws of Hawaii 2021, appropriated funds to OPSD for plans, feasibility and cost studies, and coordination of TOD projects, TOD public infrastructure requirements, and related environmental review documents for TOD projects in the State TOD Strategic Plan, which includes the Department's East Kapolei TOD project. The Department submitted a proposal requesting funds for the preparation of an illustrative conceptual master plan to be integrated into the development of the EIS. OPSD selected the Department's proposal an award in the amount of \$300,000.00.

REMARKS

In order to receive and expend the funds, the Department is required to enter into a Memorandum of Agreement (MOA) with OPSD. The MOA scope of work requires the Department and its consultants to prepare a TOD Conceptual Urban Design Plan for two of the parcels closest to the Keone'ae rail station, TMKs (1) 9-1-017:097 and TMK (1) 9-1-018:014. A map of the project area and a draft of the MOA are attached as **Exhibits A and B** respectively.

The plan will entail the development of urban design alternatives to illustrate to both developers and the State Legislature the development potential of these two properties.

TMK (1) 9-1-017:097 is located adjacent to the East Kapolei rail station, and bordered by Kualakai Parkway on the west, Farrington Highway on the north, and the future entrance to Ho'opili on the south. As this parcel is adjacent to the rail station, this parcel likely has great potential for income generation for the Department. However, part of the parcel will be used for a 1000 stall park and ride facility to serve the rail station, as well as the rail guideway easement. The Department intends to use the parcel for a mixed-use development project including commercial, retail, office, and hotel uses, as well as 720 units of multi-story affordable rental housing. Aside from generating lease rent revenue, the development would serve as residential and employment center providing needed services to the surrounding community.


TMK (1) 9-1-018:014 is located directly mauka of TMK (1) 9-1-017:097, and is bordered by Kualakai Parkway, Farrington Highway and the H-1 freeway. Kalo Gulch runs through both TMK's (1) 9-1-017:097 & 9-1-018:014, requiring work to channelize or cover the ditch. The impact of the gulch on (1) 9-1-018:014 is greater, as it runs through close to the center of the parcel, essentially splitting the parcel in half. The objective is to pursue the more likely and cost-effective approach of developing the parcel while leaving the ditch in its current location. The intent is to develop the western portion of the parcel for light industrial use, which would provide much needed lease rent revenue to the Department to fund its programs, as well as support economic development and job creation in the region. The eastern portion of the parcel would be used for an additional 280 units of affordable housing to serve lower income residents.

Pursuant to the terms of the MOA, OPSD will serve on the project team for the conceptual urban design plan to monitor progress. OPSD will be afforded the opportunity to review and comment on the draft plan as it is developed, as well as providing guidance to the Department including facilitating meetings with other agencies or stakeholders to help ensure timely completion of the conceptual urban design plan. Given the potential long-term benefits to both the Department and the State from the development of the parcels, having the additional funding support and assistance from OPSD is critical to the successful planning for the East Kapolei TOD project. Therefore, the Board is requested to authorize the Chairperson to enter into the MOA with OPSD, as well as delegate to the Chairperson the authority to execute additional agreements, contracts and other instruments as may be necessary to complete the conceptual urban design plan.

RECOMMENDATION: That the Board:

1. Authorize the Chairperson to enter into the Memorandum of Agreement with the Office of Planning and Sustainable Development, subject to review and approval by the Department of the Attorney General; and
2. Delegate to the Chairperson the authority to execute additional agreements, contracts and other instruments as may be necessary to complete the conceptual urban design plan.

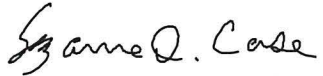
Respectfully Submitted,



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Ian Hirokawa  
Special Projects Coordinator

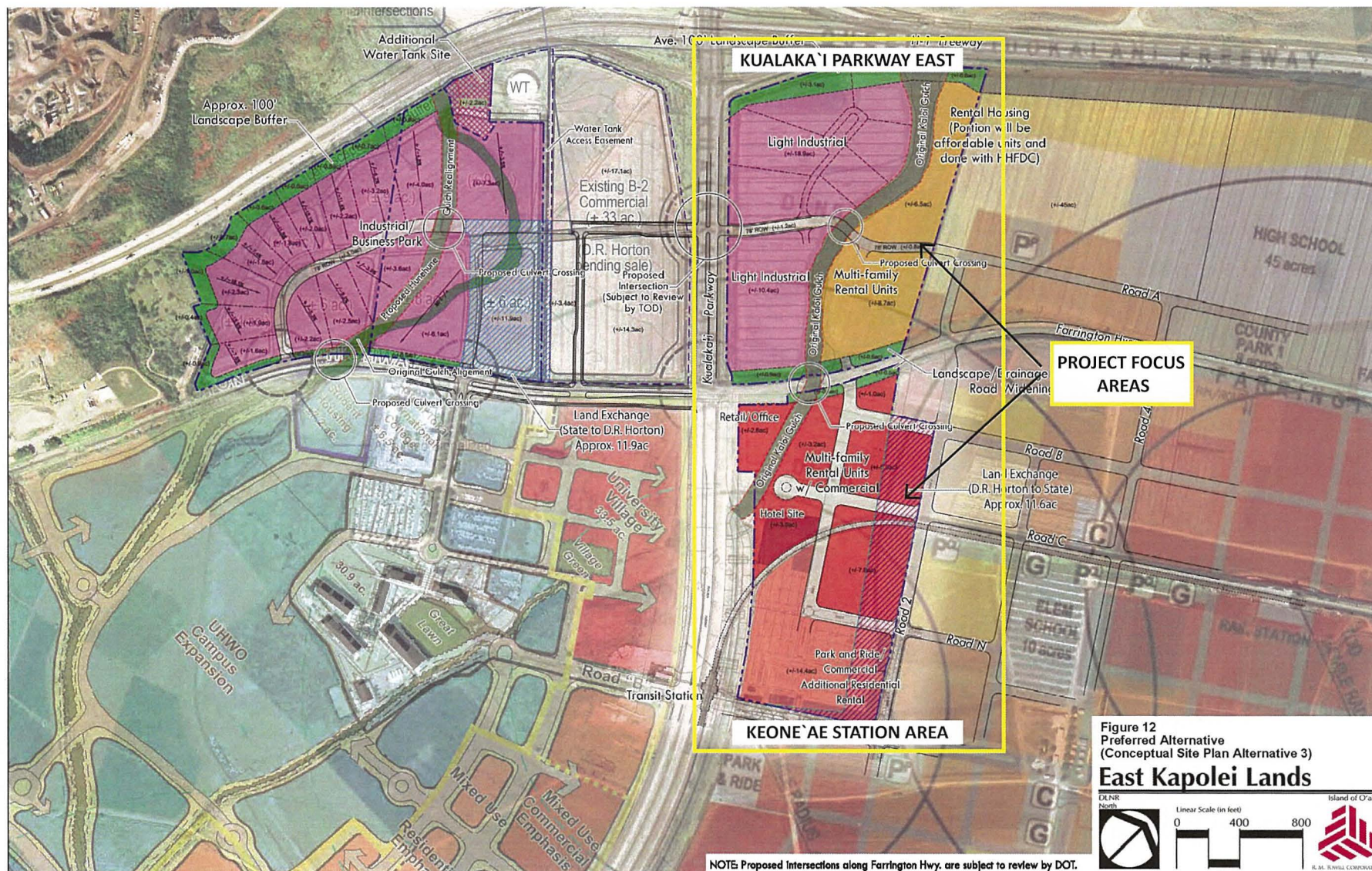
APPROVED FOR SUBMITTAL:



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Suzanne D. Case, Chairperson *RT*





**CONCEPTUAL PLAN**  
DLNR EAST KAPOLEI DEVELOPMENT  
ILLUSTRATIVE CONCEPTUAL MASTER PLAN

EXHIBIT A

**FIGURE**  
**2**

Image Source: RM Towill & PBR Hawaii



**MEMORANDUM OF AGREEMENT**  
BETWEEN THE OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT  
AND  
THE DEPARTMENT OF LAND AND NATURAL RESOURCES  
FOR THE USE OF TRANSIT-ORIENTED DEVELOPMENT (TOD) CIP FUNDS  
FOR THE EAST KAPOLEI TOD CONCEPTUAL URBAN DESIGN PLAN

This Memorandum of Agreement (“MOA”) is made and entered into, this \_\_\_\_ day of \_\_\_\_\_, 2022, by the Office of Planning and Sustainable Development, State of Hawai‘i, (“OPSD”), and the Department of Land and Natural Resources, State of Hawai‘i, (“DLNR”) for the purpose of promoting transit-oriented development on State lands. For the purposes of this MOA, “transit-oriented development” (“TOD”) is defined as a type of community development that includes a mix of land uses such as housing, office, retail, public services, and/or other amenities integrated into a walkable, moderate- to high-density neighborhood and located within designated TOD zones or within a one-half mile radius of public transportation nodes.

RECITALS

WHEREAS, Act 130, Session Laws of Hawai‘i (“SLH”) 2016, was enacted to:  
(1) maximize the benefits of redevelopment of State lands in areas served by public transportation statewide, including the revitalization of neighborhoods, increased affordable housing inventory, improvement in worker access to jobs, and reduction in fuel consumption; and (2) establish the Hawai‘i Interagency Council for Transit-Oriented Development (“TOD Council”) to advise the State in achieving this objective;

WHEREAS, the purpose of Act 130, SLH 2016, is to promote effective and efficient TOD planning and coordination among State agencies and counties statewide, and Act 130, SLH 2016, charges OPSD with coordinating and facilitating the maximum redevelopment potential for State lands around transportation nodes and in promoting smart growth;

WHEREAS, State agencies shall consider broader State TOD and smart growth objectives in site and facility planning and design in areas served by public transportation, in order for the State to achieve the long-term maximum development potential of these lands and State TOD objectives, including the following:

- Provision of affordable housing,
- Mixed-use development with revenue potential to State agencies,
- Incorporation of other State agency needs in project planning to achieve multi-agency benefits, such as shared infrastructure investments,
- Provision for social infrastructure, such as school capacity, and co-location of public services and amenities to promote efficient use of State resources and investments in facility development,
- Sustainable site and building design, including consideration of impacts of climate change on proposed projects; and

**EXHIBIT B**

- Incorporation of Complete Streets and multi-modal transportation systems to support walkability and greater use of public transportation, and reduce reliance on individual automobile use and reduce greenhouse gas emissions in the transportation sector;

WHEREAS, Act 88, SLH 2021, appropriated Capital Improvement Project (“CIP”) funds to Program ID BED 144, OPSD, Statewide Planning and Coordination (“TOD CIP funds”), for “[P]lans, feasibility and cost studies, and coordination of TOD projects, TOD public infrastructure requirements, and related environmental review documents for TOD projects in the State TOD Strategic Plan [*State Strategic Plan for Transit-Oriented Development*], Statewide”;

WHEREAS, the funds appropriated pursuant to Act 88, SLH 2021, have been allotted to Appropriation Account B-21-406, Fiscal Year 2022, established for the expenditure of TOD CIP funds by OPSD for the stated purpose above;

WHEREAS, in recognition that broader State TOD or smart growth objectives are often outside the scope of individual State agency project plans, TOD CIP funds appropriated to OPSD shall be awarded to State agencies to assist them in broadening the scope of their project or master plans to incorporate consideration of these broader objectives and to promote collaboration in project planning and development so that the project makes a meaningful contribution to the realization of TOD communities;

WHEREAS, DLNR is undertaking the preparation of an Environmental Impact Statement for the Department’s East Kapolei Transit-Oriented Development Master Plan, which project was approved by the TOD Council for inclusion in the *State Strategic Plan for Transit-Oriented Development*, and seeks funding for urban design studies to further develop conceptual plans for TOD Phases 1 and 2 (“Project”);

WHEREAS, DLNR submitted a proposal to OPSD requesting FY22 TOD CIP funds for the Project, and was selected by OPSD for an award of THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00) from Appropriation Account B-21-406 (“Award”) for the Project, as described in Exhibit A, Conceptual Scope of Work for the East Kapolei TOD Conceptual Urban Design Plan;

WHEREAS, OPSD proposes to delegate funds in the amount of the Award to DLNR and DLNR agrees to be the expending agency for the Award funds to pay for consulting services for the Project; and

WHEREAS, OPSD and DLNR acknowledge the need for this MOA to ensure that the Award funds are used to facilitate the achievement of State TOD objectives and the purpose for which they were appropriated, and to delineate control and responsibilities of each party in the use of funds in procurement and contract administration toward this end.

NOW, THEREFORE, in consideration of the mutual promises provided herein, the parties agree as follows:

1. The Award funds subject to this MOA shall be used solely for the reimbursement of payments for consultant services pursuant to an executed contract to conduct the Project as described in Exhibit A, Conceptual Scope of Work for the Department of Land and Natural Resource East Kapolei TOD Conceptual Urban Design Plan, attached hereto and made a part hereof (“Project Contract”).
2. Roles and Responsibilities of the Department of Land and Natural Resources
  - A. DLNR shall obtain approval of the delegation, release, and transfer of funds in said amount, and shall account for the Project in the DLNR CIP implementation plan, pursuant to procedures for the delegation of CIP funds set forth in Executive Memorandum 97-07, as amended.
  - B. DLNR shall be solely responsible for compliance with Hawai‘i Revised Statutes (“HRS”) Chapter 103D, contract administration, expenditure of funds, and any reporting on the use of the Award funds.
  - C. DLNR shall consult with OPSD in one or more scoping meetings with other agencies as needed, to ascertain how the Project scope of work will address broader State TOD objectives and other State issues and concerns specific to the Project site, and to verify the Project schedule and budget.
  - D. DLNR shall ensure that the proposed scope of work for the Project contract addresses the following: (i) State agency stakeholder interviews, as needed, to ascertain the TOD opportunities and needs of impacted State or county agencies or other private developer parties; (ii) research and analysis of best practices and options for incorporating State TOD objectives into Project designs or master plans; (iii) development of viable plan alternatives that optimize incorporation of State TOD objectives into Project or plan design; (iv) identification of the potential infrastructure needs to support the implementation of the conceptual master plan; and (v) recommendations for performance specifications to be included in future procurement or development solicitations to optimize TOD development potential.
  - E. DLNR shall submit a draft Project Contract for OPSD review and acceptance prior to finalizing the contract for contract execution. The Project Contract shall include a provision that requires five (5) percent of the funds awarded be retained until OPSD has reviewed and provided written acceptance of the final Project Contract deliverables.
  - F. DLNR shall establish a Project Team (“Project Team”), to include representatives of OPSD and other key State or County agencies to advise DLNR and its consultants in the conduct of the Project for the duration of any portion of the Project funded by the Award. DLNR shall establish in consultation with the Project Team, a schedule for regular Project Team



meetings. Project Team members shall have access to all communications and meetings related to the Project. Project Team member agreement, which shall not be unreasonably withheld, shall be required prior to DLNR undertaking any proposed activities or accepting any draft materials and documents as final.

- G. DLNR shall obtain the written concurrence of OPSD for all significant changes to the initially agreed-upon scope or schedule for the Project.
- H. DLNR shall submit progress reports, which may be consultant progress reports, to OPSD on a quarterly basis. The progress report shall describe activities conducted during the reporting period, progress to date with respect to the Project schedule, activities planned for the next quarter, conditions or factors that have hindered progress, and steps to be taken to ensure the Project will be completed on schedule and within budget.
- I. DLNR shall require the consultant retained to undertake the Project to:
  - i. Provide at least one Project presentation to the TOD Council to be made following OPSD acceptance of the final Project deliverables;
  - ii. Submit a summary report of the Project, to include an expenditure table that summarizes expenses by tasks and/or deliverables for work performed for the Project;
  - iii. Annotate all public documents completed as part of the consultant contract, other than documents exclusively for internal use by the consultant, with the following statement, on the back of the front cover or the title page (or in the case of maps, in the title block).

“This project was funded through an appropriation for transit-oriented development planning by the Hawai‘i State Legislature in Act 88, Session Laws of Hawai‘i 2021.”; and
  - iv. Provide OPSD with two print copies of the final plan documents and materials, and electronic document files in PDF and native file formats on a USB storage device for all documents and materials produced with the Award funds.

3. Roles and Responsibilities of the Office of Planning and Sustainable Development

- A. OPSD shall provide DLNR with guidance and support in a timely manner, including facilitating interaction required with other agencies or stakeholders, to facilitate timely completion of all required work tasks.



- B. OPSD shall review draft materials and provide written comments to DLNR in a timely manner, with comments due no later than two (2) weeks from receipt of materials and a written request for comments from DLNR.
- C. OPSD shall participate as a member of the Project Team for the purposes of monitoring project progress in accordance with the Project schedule.

4. Scope of Work and Deliverables for Funds Expended

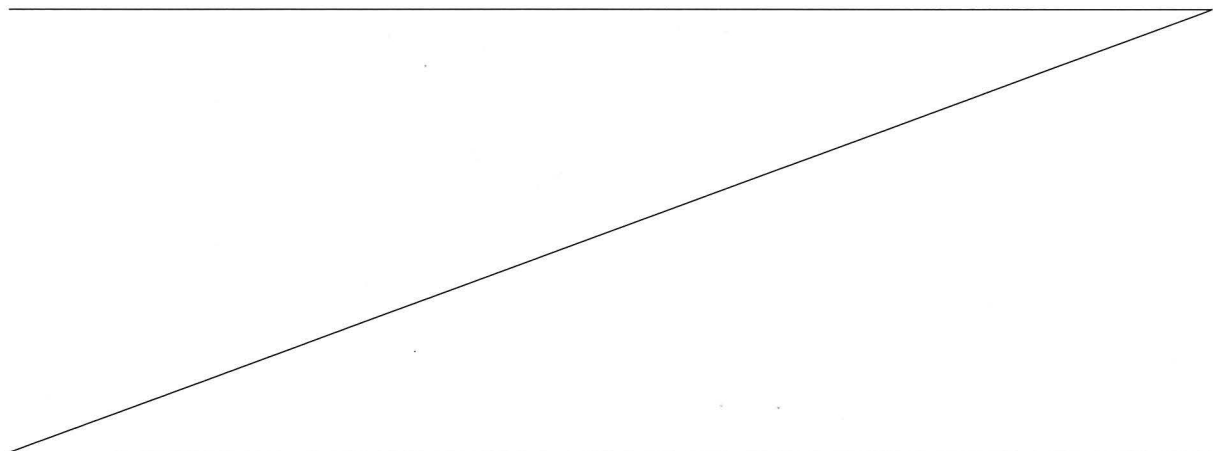
- A. The final scope of work, deliverables, Project schedule, and budget shall be incorporated herein, when DLNR has finalized the scope of work with the consultant(s) retained for the Project.
- B. The proposed timeframe for Project completion is eighteen (18) months from the date of the DLNR letter providing notice to its consultant(s) to proceed.
- C. The final deliverables are anticipated to include alternative TOD urban design plans for DLNR TOD Phases 1 and 2.

5. Term and Termination

Unless otherwise extended pursuant to Paragraph 6, this MOA shall terminate on the date upon which the Project Contract is terminated or the date of OPSD written acceptance of the final Project report and deliverables, whichever is later.

6. Amendment

Any changes or modifications to this MOA shall be made only by written amendment to the MOA, signed by all parties.



IN WITNESS WHEREOF, the parties have duly executed this MOA on the day and year first above written.

OFFICE OF PLANNING AND  
SUSTAINABLE DEVELOPMENT

DEPARTMENT OF LAND AND NATURAL  
RESOURCES

By: \_\_\_\_\_  
MARY ALICE EVANS  
Director

By: \_\_\_\_\_  
SUZANNE CASE  
Chairperson

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Attorney General for  
Office of Planning and Sustainable  
Development

\_\_\_\_\_  
Deputy Attorney General for  
Department of Land and Natural Resources



**EXHIBIT A**  
**Conceptual Scope of Work for**  
**the Department of Land and Natural Resource**  
**East Kapolei TOD Conceptual Urban Design Plan**

**A. Project Purpose and Description**

The Department of Land and Natural Resources (“DLNR”) is preparing an Environmental Impact Statement (“EIS”) for the Department’s East Kapolei Transit-Oriented Development Master Plan issued in 2020. The Master Plan project area consists of four (4) Tax Map Key (“TMK”) parcels in Kapolei: (1) 9-1-016: 008, 9-1-017: 097, 9-1-018: 008 and 014, approximately 168.11 acres in the vicinity of the Keone‘ae Rail Station on Kualaka‘i Parkway. The Master Plan envisions the development of the parcels as a mixed-use commercial, office, hotel, light industrial, and residential workforce housing community, which is intended to generate revenue for DLNR programs. Refinement of the Master Plan and a market study update are being undertaken in conjunction with the EIS preparation.

DLNR will prepare a TOD Conceptual Urban Design Plan for two of the parcels closest to the rail station: Keone‘ae Station Area, TMK 9-1-017: 097 and Kualaka‘i Parkway East, TMK 9-1-018: 014, planned as Phase 1 and Phase 2 respectively, of the Master Plan implementation. The East Kapolei TOD Conceptual Urban Design Plan (“Project”) will entail the development of urban design alternatives to illustrate to both developers and the State Legislature the development potential of these two properties. The Project deliverables will be incorporated in a Request for Proposals package for the solicitation of developers to be issued by DLNR when the broader EIS project is completed.

**B. Conceptual Scope of Work**

DLNR will procure and contract for urban design services for further development of conceptual urban design plans for Phases 1 and 2 of DLNR’s East Kapolei Transit-Oriented Development Master Plan, to include the following services and deliverables:

1. Project team coordination with DLNR EIS consultant team and market study consultants;
2. Preparation of conceptual urban design plans for Phase 1 and Phase 2 parcels, to include:
  - a. A minimum of three (3) alternative site plan layouts for the subject parcels that optimize affordable housing delivery while maximizing income generation for DLNR, to include building footprints, roadways, sidewalks, open space, and parking;
  - b. Circulation plans incorporating multi-modal mobility features;
  - c. Massing diagrams and site sections; and

- d. Renderings of the alternative urban designs and key facilities within the site;
- 3. Preparation of conceptual architectural/design themes and guidelines to describe minimum standards for selected developers to employ to achieve consistency with the conceptual plans;
- 4. Community outreach in conjunction with DLNR and its EIS lead consultant to solicit feedback on proposed alternatives and incorporate relevant comments into the final conceptual plans. Outreach activities to include one (1) public meeting and up to three (3) small group meetings; and
- 5. A portion of the funds will be used to support project management for the larger East Kapolei Transit-Oriented Development Master Plan project, of which the urban design plan is a component, as well as community outreach related to site plan alternatives and master plan refinement for the larger project.

**C. Project Budget and Timeframe**

DLNR may award a contract for a larger sum. However, the amount of funds that DLNR may use for compensation of consulting services, inclusive of all taxes, under this MOA shall not exceed \$300,000.00.

Unless otherwise extended by mutual written agreement, the Project timeframe shall not exceed eighteen (18) months from the issuance of the DLNR notice to proceed to the consultant retained for the Project.