

**ECONOMIC DEVELOPMENT, AGRICULTURE,
AND RECREATION COMMITTEE**

Council of the County of Maui

MINUTES

February 19, 2009

Council Chamber

CONVENE: 1:37 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Jo Anne Johnson, Chair
Councilmember Sol P. Kaho'ohalahala, Vice-Chair
Councilmember Gladys C. Baisa (Out 4:49 p.m.)
Councilmember Michael J. Molina
Councilmember Joseph Pontanilla

NON-VOTING MEMBERS:

Councilmember Michael P. Victorino (Out 2:45 p.m.)

STAFF: Lance Taguchi, Legislative Analyst
Tammy Frias, Committee Secretary

ADMIN.: Deidre Tegarden, Economic Development Coordinator, Office of Economic
Development, Office of the Mayor

OTHERS: Jacqueline Haraguchi, Executive Director, Maui Contractors Association
Carole Kooy, Chairperson of the Board of Directors, Maui Chamber of
Commerce
Susie Thieman, CEO, Business Development Corporation, Maui Economic
Opportunity, Inc.
Terryl Vencl, Executive Director, Maui Visitors Bureau
Stephen West, Division Representative, International Longshore and Warehouse
Union

Jon Tallman

Alexis Dascoulias, Maui Community Theater at the Iao Theater

Dr. Clyde Sakamoto, Chancellor, Maui Community College

Brian Thomas, SCORE - Maui Chapter

Cindy Biggers, Maui Vacation Rental Association

Paul "Pali" Laub

Yuki Lei Sugimura

Carol Reimann, Executive Director, Maui Hotel & Lodging Association

Adrianna Grace Levinson, Vibrant Life Center

Rita Barreras, Director, Aging with Aloha Coalition

Nancy Johnson, Allied Health Program, Maui Community College

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Donald Brown
Rosie Vierra, Maui Community College
Sandy Baz, Executive Director, Maui Economic Opportunity, Inc.
Perry O. Artates, Executive Director, Hawaii Operating Engineers Industry
Stabilization Fund
Vanessa A. Medeiros, Development Manager, Lokahi Pacific
Zandra Souza-Amaral
Additional attendees (20)

PRESS: Matthew Thayer, *The Maui News*
Akaku--Maui County Community Television, Inc.

ITEM NO. 8: ECONOMIC STABILIZATION (C.C. No. 09-31)

CHAIR JOHNSON: ...*(gavel)*... The meeting of February 19, 2009 Economic Development, Agriculture, and Recreation Committee will come to order. I want to thank the Members that are here today, thank the Administration. And today we have one item on the agenda, which is the economic stabilization.

Before I go into that, I will introduce the Members since this is the first Committee meeting of the term. I want to welcome the Members of the Committee and I believe today we have one Non-Voting Member, but I'll recognize Vice-Chair of the Committee, Sol Kaho'ohalahala, welcome.

VICE-CHAIR KAHO'OHALAHALA: Aloha.

CHAIR JOHNSON: We also have Member Michael Molina.

COUNCILMEMBER MOLINA: Good afternoon.

CHAIR JOHNSON: Welcome. Gladys Baisa.

COUNCILMEMBER BAISA: Good afternoon, Chair.

CHAIR JOHNSON: Aloha. Member Pontanilla. Thank you so much for attending. And if other Members wish to attend, they are certainly welcome to do so. At this point, I will recognize also those individuals who helped with this Committee work and who are helping with our Support Staff today, and our Committee Secretary is Tammy Frias; and our Committee Analyst is Lance Taguchi. So, I want to thank them for helping very much to set up this forum, this very important work that they've done and I thank them for that.

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Before I get into introduction of the panelists, I just want to let the members of the audience and those testifiers know how I would like to proceed today. The first thing that I would ask you to do is respectfully turn off your cell phones and pagers so that they don't disturb any of the testifiers and that they don't disrupt the meeting. Thank you. The second order of business is to let people know that they will have three minutes to testify and one minute to conclude. We have maybe a dozen members of the community that are signed up to testify at this point. I will ask that the first order of business would be to have the panelists give their thoughts to have their discussion and then respectfully ask that the testimony to be given by the members of the public take place after that. If you are unable due to time constraints or other commitments that you have you're unable to do that, then I would ask that you just be recognized, and I have only one person so far that has indicated they wish to give their testimony first prior to the panelists sharing their thoughts. And then following that, the public testimony, and any questions to any of the testifiers and then I would open it up to Members of the Committee for questioning of any of the panelists. Are there any questions that the Members have? Okay. I have one individual and I will recognize that individual, as long as there is no objections, who signed up to testify who cannot wait for the information that we're going to receive from our panel, and that individual is Adrianna Grace Levinson, if she could please come forward and give her testimony.

...BEGIN PUBLIC TESTIMONY...

MS. LEVINSON: Aloha.

CHAIR JOHNSON: Aloha.

MS. LEVINSON: And thank you. Aloha, all of you. I'm very happy to be here and I respectfully go before you all to just kind of say I'm an individual female that has been really affected by the downturn in the economy because of the vacation rentals and TVRs and the whole issue.

CHAIR JOHNSON: And can you please just give us your name?

MS. LEVINSON: My name is Adrianna Grace Levinson.

CHAIR JOHNSON: Thank you.

MS. LEVINSON: I've noticed such a change in my business. I've been a Maui resident for about 15 years and I love the island and it means a great deal for me to be here. And due to the loss income it's, you know, been quite a hardship on myself and many other people. I'm a holistic health professional, colon therapist, massage therapist. And it used to be people would come in and especially during high season I'd be so booked, but now very, very much less. And we do have a great new law for the B&Bs, I'm understanding, and I just wonder how to move the process along to get the permits in our hands. I have some very good friends that are in that permitted process and are just, just ready. And. . .can you please help?

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CHAIR JOHNSON: Thank you very much.

MS. LEVINSON: Thank you.

CHAIR JOHNSON: And, and we'll try to get those answers for you. Are there any questions of the testifier since she won't be able to stay? Okay. Seeing none, thank you very much and we will, at some point, try to get those answers for you.

MS. LEVINSON: Thank you very much.

CHAIR JOHNSON: Thank you, Members. Are there any other individuals in the audience who did not indicate but did sign up who are unable to stay for the presentation of the panelists? Are there any individuals . . .uh, Perry, you want to testify now?

MR. ARTATES: . . .*(inaudible)*. . .

CHAIR JOHNSON: Okay. Because this, this is. . .you can testify now, but this is only for individuals who cannot stay for the presentation of the panelists, because otherwise you'll be offered an opportunity to testify later. So, if you cannot stay, we'll welcome your testimony now. Okay. And please state your name for the record. . .

MR. ARTATES: Yeah.

CHAIR JOHNSON: . . .and then sign up later.

MR. ARTATES: Aloha, my name is Perry Artates and I represent the Hawaii Operating Engineers Industry Stabilization Fund. Just a quick message from, from our industry that we constantly receive every day, 187 times, because that's how much members are out of work in our industry right now from the Operating Engineers. And the same thing that we constantly hear and deal with every day is that has passed was, where was the work? But yet then now it's a point that they come forward to us and say, 187 times help, help, help. We know there's financing that's going to be coming our way. I mean everybody knows that. And it's how well we're going to spend it and how fast we're going to get this work out to our working families. And I know it's not going to be an easy task, but I just want to make sure that we are prepared to accept this and deal with this financial stimulus package here in this County. We've been doing our share of influencing decisions of policy makers in the legislation but, hopefully, that we, we are doing the same here that each agency and department is prepared to present a well-planned budget for each of their departments. I guess I can speak for the rest of the trades because we're not working, nobody else is going to start working. And the reason why I bring this to your attention because we are the first ones in to do infrastructure, grading, and then the vertical comes after that. And then the sub-crafts, which are the painters, plumbers, electrical, pipefitters, they come in after we, we break ground. So if we don't break ground anytime soon, it's going to take longer for them even to come on to a project. And once last point is that we see social effects on our

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families already, meaning that families are feeling the tension of being financially burden where they can't move nowhere. The children is experiencing the domestic violence. So if we don't do something now, we're more in a heavy crisis as far as social life than anything else that I can experience right now. Thank you.

CHAIR JOHNSON: Thank you very much, Perry. Any questions for the testifier? Since I see several of you, Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Good afternoon, Mr. Artates, and thank you for your comments, sobering as they were. You represent a very large entity of laborers and engineers and so forth. Can you tell us right now how hard your--I mean I know you've already touched upon the hardships your members are experiencing. Do you folks have any type of training program during this downtime for any of your Members or some type of financial assistance other than unemployment?

MR. ARTATES: Sure. We do have. . .and it's been in existence ever since Jump Street(?) at our. . .we have a Kahuku training facility. During this downtime those that who are out of work, they have an opportunity to further their skills. And the reason why they further their skills because some of them can run only one bulldozer or one excavator. But they go to our training facility in Kahuku that is a very high-technology facility that trains and cross-trains and educate them on GPS, because a lot of the older members they're not used to GPS technology today. But yet, then we have that educational part in our apprenticeship program. It's a very high-technology school that it finally got built out, I think, it's about a year and a half ago, and there was a lot of out-of-work members even from Maui that go there to further their training skills. As far as financial assistance, in our program we have a fund called the annuity fund. A lot of them already tapped into that annuity fund, and the reason why they tapped into the annuity fund is because they ran out of their unemployment already. So, it's sad to say, but at least that's some type of help we can give them as our organization is concerned. Yet then, they're tapping into something that they looked at allowing toward the future when they retire, but then that's the survival part they need to do and we can help them with that.

COUNCILMEMBER MOLINA: So they're tapping into it much sooner--

MR. ARTATES: Correct.

COUNCILMEMBER MOLINA: --than they expected. One last question, Madam Chair. From yourself and your organization's perspective, what can the County do in the immediate future to help your folks out and your indiv..., your members out?

MR. ARTATES: Well, what the County can do is expedite what I think was expressed earlier, not only for the vacation rentals, and the permit process need to be really put into place with projects that are being held up for a long time. And there were type of suggestions that we made aware to the Administrative part that could entertain in looking to, so I'm going to leave it as that.

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COUNCILMEMBER MOLINA: Okay. Thank you. Thank you, Madam Chair.

CHAIR JOHNSON: Thank you. Member Baisa, you had questions?

COUNCILMEMBER BAISA: Thank you, Chair, but Chair. . . Councilmember Molina asked my question. What I wanted to say, Perry, was thank you very much and I think all of us are beginning to understand the depth of this situation that we're in. And many of us I know have family members like I do who are affected, and so we're very painfully aware of it. But what I'd hope we would focus on this afternoon is, you know, how can we get out of it? How can we get prepared to deal with it? You know, we keep hearing that the President is going to be sending down a large amount of money to Maui. My fear is that when it comes, you know, we have to be ready to roll, otherwise it's going to sit in some process and we don't spend it, and then it's going to go back or somebody is going to take it. Have you any ideas about that?

MR. ARTATES: I'm quite aware to some degree in, in the State level, those monies are going to be watchdog that it goes to the right places. I think so we should do the same here, making sure that the funding that we're receiving in this County is overseen by someone or somebody that it gets pushed out because I think it's a 120-day frame and, you know, that's spooky. 'Cause if you don't do your homework in that 120 days, that money is going to move elsewhere. And I think so at this point in time not only Congressionally but Statewide and County level is. . . they're calling one spade one spade right now. If you're not ready, then too bad, and that's the responsibility for the Administration to make this thing one reality.

COUNCILMEMBER BAISA: Thank you very much and I'm sure that my colleagues and I stand ready to react and to help, you know, as quickly as we can whenever we're asked to do that. Thank you.

MR. ARTATES: Yeah. Thank you for letting me testify.

CHAIR JOHNSON: Member Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you, Chairman. Thank you, Perry, for being here this afternoon. Member Baisa brings up pretty good insights with regards to what we need to do. I was reading the newspaper this morning and the Mayor had indicated that if and when this stimulus package come down to Maui, comes down to Maui, I understand we have 85 projects identified with a price tag of 300 plus million dollars, that we identify the projects by priority, and the Council and the Administration need to be working together to turn around this thing as quickly as possible. Because of the process that we have today, you know, sometimes it takes a month to two months to get anything done. So, we'll be working with the Mayor to make sure that when we turn around this thing, it's a matter of couple of weeks at least so that when the stimulus package is brought forward that we're ready to go. And like you said, it's use it or lose it.

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MR. ARTATES: Yeah. I think some of the details, verbiage was if, if it's "shovel ready", yeah.

COUNCILMEMBER PONTANILLA: Yeah.

MR. ARTATES: And we need to be "shovel ready" 'cause our members from every industry right now are falling off the list too, and they're looking elsewhere to employment, and then it doesn't still make the financial burden that they suffer at home.

COUNCILMEMBER PONTANILLA: As the County, in general, in regards to our Capital Improvement Projects I know in the last several months, you know, we pushed through a lot of CIP projects and I think the Contractor's Association here on Maui has been looking at the approval process and the number of projects. So, you know, we're trying as fast as we can to get these things done. Thank you.

MR. ARTATES: We really appreciate that.

COUNCILMEMBER PONTANILLA: Thank you, Chairman.

CHAIR JOHNSON: Thank you. Any further questions of Mr. Artates? Thank you very much, Perry.

MR. ARTATES: You're welcome.

CHAIR JOHNSON: I really appreciate your attendance. Is there anyone else who needs to testify now, otherwise, what we're going to do is proceed with our panel.

...END OF PUBLIC TESTIMONY...

CHAIR JOHNSON: And I'll just give a brief preface. So if there's no one coming forward, I would like to first introduce the panelists who are kind enough to share their time and their information and, hopefully, enlighten us as well as members of the public about what is going on at present, what are the plans that are in effect to help us stabilize and get through this situation, and then what help is needed from the County or even support for State legislation so that we can do what we have to do to help be a part of this solution. So, Members, without further ado I will begin by introducing Mr. Stephen West who is the Division Representative of the International Longshore and Warehouse Union. Just raise your hand, Mr. West. ...*(chuckle)*... Thank you for attending. And next we have Ms. Susie Thieman, CEO of Business Development Corporation of Maui Economic Opportunity, Inc. Thank you for attending, Susie. We have next, Ms. Jacqueline Haraguchi who is Executive Director for the Maui Contractors Association. Thank you, Jackie. We have Ms. Terryl Vencl who is Executive Director for the Maui Visitors Bureau. Thank you, Terryl. We have Carole Kooy who is Chairperson of the Board of Directors for the Maui Chamber of Commerce. Thank you for attending, Carole. And last but certainly

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not least, we have our Economic Development Coordinator who is Ms. Deidre Tegarden from the Administration. So, I want to thank all the panelists.

I'm going to begin by just reading the transmittal because I think it will give you. . .cause, obviously, many of you don't know how these things come about and why we're actually here. Because I think that from all the Council Members that I've spoken with, from the community members, from the business people, to the people that are in foreclosure, people that are looking for work, education, people in every sector of this community, we have heard that we need to have at least some lines of communication open. So, I felt that it was really important since this seems to be a time when we need to prioritize things and especially given the circumstances that we're faced with that are beyond our control, I felt this was the single most important thing that I could do prior to Budget to basically set the stage for where we need to allocate both our financial resources, perhaps some of our human resources, and maybe even come up with legislative solutions. So, this was what generated the original item that is now before you.

I requested that the subject matter relating to the economic stabilization in Maui County be referred to the appropriate standing committee for further discussion. And I also provided some additional articles and whatnot that were attached to this. This will allow us the opportunity to discuss the different ways of broadening our economic base. I've attached several articles outlining the economic situation, not only in Maui County but all of Hawaii. Our Federal and State leaders have clearly stated that addressing the economic crisis is their top priority. Likewise, I believe that we, in County government, need to take prompt and decisive action to foster economic development throughout Lanai, Maui, and Molokai. Our focused attention to this matter will help to ensure that we take full advantage of the options that will be presented to us through the economic stimulus legislation pending in Congress and other initiatives. And I thanked everyone for their consideration. And that is the item that is before us.

What I have charged the panelists with doing is basically what I reiterated earlier, which is giving us information and communicating to the larger community and to all of us – where are we? Is this really as bad as we think? Are there some bright spots? Are there things that we can really do to help perhaps stimulate some of the different industries whether it's legislative or financial? What is it that we can do as a government entity and what can we do in partnership to really help things be a little bit better. So they're going to lay out for you where we are. They're going to lay out what plans they have to basically address some of the situations – if they have things that are ongoing, they're going to describe that to you, and then where our help is needed and other creative suggestions as to ways that we might actually be able to survive some of the, I guess, the economic crisis that's erupted on the mainland and basically now has spilled over into a global economic meltdown. The one thing that I think we have an opportunity to do here is set a tone, and that tone is one of positive thinking because out of every challenge that we receive there is an opportunity to be found. If we focus only on the negative, if we focus only on the things that are, I guess, not really are going to help us but just bemoan all the things that have beset us, it's not going to really help. What we need to do is really get beyond that, find out the accurate information so that we don't have to fear what is going on in our community, actually

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embrace some of the things that are happening because they may be providing opportunities for people who are either laid off or have permanently lost their positions in the visitor industry, hotel industry or other related businesses, that maybe now is the time to start that small business. Maybe now is the time to go back to school and get that additional education that you need in order to have a fallback position or to lay the groundwork for the future for your family. We also have some short-term fixes that we may be able to do, such as permit fees, accelerating permit application processes, communicating to our Administration and working with the Administration to address some of the very things that both the testifiers and the panelists will reveal to us today. But I believe if we approach this in a very proactive goal and solution orientated way, that we hold the key to the solutions that are going to enable us to help weather the storm. There are many things beyond our shores over which we have absolutely no control, but there are many things that we do have control over. And we need not fear change, we need not fear the things that may happen or we think are going to happen, but we need to just not go into a mode where we throw up our hands and say, oh, woe is me, I can't do anything about it. We, more than likely, are going to have to pull ourselves up by our own bootstraps and find the solutions because in this community we are one of the most resilient communities and we've weathered other storms, we've been through the peaks and valleys when other communities have not been through that. And so, I just ask all of you and those of you in the viewing audience to keep a positive attitude but also come to the table with your solutions, with your creative thoughts, and with any suggestions possible so that we can assist you because government does not always have all the solutions, but so that we will be able to better understand what the problems are to better assist you and really resolving many of these things. And it, it may not be an easy fix. I'm not thinking of this in a short-term, you know, tomorrow kind of fix way because I don't think that's possible. I think it's going to take incremental decision making and incremental planning to really find our way towards some kind of economic stabilization and broadening while we have this little downturn in our tourism, broadening our economic base so that we all have our individual Plan B.

So with that, Members, I'd like to begin with our first panelist, which is Mr. West and I'll give him, you know. . .do you have any idea, Mr. West, about how much time you're going to need?

MR. WEST: I'll try to make it very brief.

CHAIR JOHNSON: Well, you don't have to, but I, you know, just some where between--

MR. WEST: If you don't mind, I would like to be a gentleman and go last.

CHAIR JOHNSON: Oh, that's. . .if that's the case. . .

COUNCILMEMBER BAISA: Yes.

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CHAIR JOHNSON: Oh...well, you're going to be a gentleman then. So, Deidre, would you like...because you're our Economic Development Coordinator, I think she's always been very positive. We'd like to let Ms. Deidre Tegarden go for it then.

MS. TEGARDEN: Thank you very much, and thank you. And they said chivalry is dead.

ALL: ...*(chuckle)*...

MS. TEGARDEN: It's not here today. Good afternoon, Committee Chair Johnson and Members. Thank you for the invitation to share with you a little bit today about what our office is doing to help the economy, and the different types of resources that we offer. The mission of the Office of Economic Development is to promote and nurture sustainable economic development within Maui County consistent with the community's needs and priorities. 2008 ushered in economic challenges, the likes of which have not been seen for quite some time, both in Maui County and globally. Under the guidance of Mayor Tavares, we have responded to these challenges. The projects and programs that OED assists mirror the issues of the community, and this fiscal year alone we will be awarding over \$10 million worth of grants to organizations in the areas of culture, arts, and tourism to the tune of about \$4.8 million; workforce, business development, and technology at about \$2.5 million; environmental resource protection in the amount of \$1.7 million; agriculture at \$863,000; and renewal energy at \$70,000. With the current economic climate, we have seen an influx of individuals interested in starting their own businesses and increased request for business counseling. To accommodate this influx, our Maui County Business Resource Center has increased workshops and counseling sessions serving over 5,000 individuals since January of 2008. The Kuha`o Business Center over on Molokai has nearly doubled their workshops and counseling sessions serving over 1,800 individuals this fiscal year so far. The Maui County Business Resource Center in the Maui Mall gives residents and new businesses access to information, referrals, and counseling. Some of the things that we do down at the Resource Center, we have the Business Action Center onsite and they, they're with the State of Hawaii DCCA Business Registration, Filings, and General Excise Tax licensing. We have SCORE Counselors to America's Small Businesses is housed at the MCBRC offering workshops and free counseling. We have business-related workshops and seminars housed at this center and they're taught by industry experts and are all free. Classroom and counseling facilities are utilized by our service partners and their clients; assistance with the association, formation, and networking opportunities, computer-based training and resources for new and existing businesses. We also have a computer lab with links to online job applications, and the Kuha`o Business Center in Molokai offers similar services.

This year saw a number of challenges with the closure of Aloha and ATA Airlines, Molokai Ranch, and layoffs at Maui Land & Pine. Under our Workforce Investment Board Program, we were at the forefront of working with the dislocated workers from the closures through numerous job fairs. We continue to work with our State and Federal partners in job training, placement, and career shadowing. You're familiar with our Workforce Investment Act and the One-Stop Career Resource Center on Wells Street providing job seekers and employers access to a variety

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of resources and services, including job search assistance, individualized counseling, a resource room and access to higher net Hawaii, which is an Internet base system that is accessible from home, business or their career. . . *(Change tape to Side 1B)* . . .end of 2008, the Administration went out to various industries, nonprofit, ag, renew. . .energy high techs, small business to see what specific challenges those agencies were facing. While we heard many things, one of the common themes was the necessity for the industries themselves to cooperate more, but also to be able to reach across the lines and partner more with the other industries. We heard a lot from the agricultural community wanting to partner more with the visitor industry to increase ag tourism. Also, ag partnering with the nonprofit sector, and we were able to facilitate some of the farmers from up at the Kula Ag Park to give leftover or excess fruits and vegetables to the local Maui Food Bank; also ag partnering with renewable energy to consider new feedstocks and so on and so forth. We have been working with these groups to facilitate discussions and ensure that we are keeping the economy going.

Our goals for Fiscal Year '10 include continued funding through our partners; increased outreach efforts and business workshops; continuing our work in renewable energy, including the work through the energy alliance and the working groups with their recommendations coming out of the Energy Expo; continued focus on agriculture and ag awareness; diversification of our economy; acting as connectors between our partners to ensure everyone gets the biggest bang for their buck; grant management training seminars; increased communication through MVB with our Asian partners including Japan, China, and Korea; continuing keeping Maui top of mind with the film and television industry; and continuing our cultural programs because it's in times like these that arts feed the soul and it's our cultural programs that both delight and attract our visitors and our residents.

Although my statements here today are OED, Office of Economic Development specific, you had heard in the Mayor's State of the County, the Administration is focusing on CIP projects, transportation, environment, conservation, and is working diligently with our Congressional delegation to be ready to act on the Federal stimulus money where the Administration, as you heard, submitted over \$300 million worth of proposed projects. OED awards money, funding rather to organizations that create jobs, diversify our economy, and preserve our resources. By providing funding through our partners, we are ensuring that Maui County stays on top, and when the economy does take a ride back up and it will, we will be at the top. We look forward to working with the Council Members and appreciate the opportunity to be here today, as input certainly enhances output and keeps us focused on what our community needs. And I think working together is something that Maui County knows a lot about. So thank you for being able to be here today. Mahalo.

CHAIR JOHNSON: Thank you very much, Deidre. And following Deidre, we will have Ms. Carole Kooy who is from the Chamber of Commerce.

MS. KOOY: Thank you very much, Council. I really appreciate the Chamber of Commerce being invited to participate on this panel. While the Chair, myself, is a volunteer position, my other job

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as President of the Kilakila Employers Services, unlike the Chamber, our 155 clients and 800 work site employees are mostly small businesses facing the same challenges as the Chamber membership. So we do hear a lot about what is going on in our community. What are the businesses doing to survive and what are we hearing? Business owners are putting in more hours working in their businesses; vacant positions are going unfilled; hours and benefits are being reduced; and businesses are forced to lay off employees; expenses are reduced or hacked include needed marketing and advertising; operational space is being reduced, leaving vacant space. Companies are also sharing office space and services. Service areas are being expanded. Price rates are being dropped or slashed, which is very difficult to maintain as rates are keeping up with the cost of doing business. Planning forward must take interim measures by staying focused on the fact that we're in a cycle and the economy will get better. Communicate with employees' shared challenges, ask for their ideas, focus on customer service and customer retention; clearly define key markets and have a unique selling proposition; maintain a strong presence in the market; advertise network volunteer; access target and capitalize on market opportunities; work on your business; revise business plans; maintain reserves; prepare for an economic upswing.

What is the Chamber doing? Well, economic updates, three updates provided annually: Paul Brewbaker of Bank of Hawaii early in the legislative session, Dr. Carl Bonham of the University of Hawaii is in the Spring, and Drs. Leroy Laney and Jack Suyderhoud in the Fall. Just, we just held Paul Brewbaker's economic update on the 6th of February and Dr. Carl Bonham will present at the economic update in Maui SBA Awards on the 17th of April. Hearing the County and State's economic plans, Governor Lingle just spoke with the Chamber members on the 30th of January to share her Administration's economic recovery plans. Mayor Tavares will address members and share her plans on April 3rd. Periodic industry update events, such as last year's visitor industry and health industry updates; business education and training; very active in seminars and workshops to provide training and tools. The next offer, offering will be surviving and thriving in these economic times on the 25th of February, features nine Chamber members who will share what they are doing to survive these turbulent times in the areas of customer retention and expansion, cash flow management, and work flow management. A new training series is in the works to get back to basics and address the building blocks for a strong business foundation. Weekly business builder tips are in our eNews publication.

Networking and relationship building. Monthly business after hours events where it is acceptable to both socialize and do business. The average attendance is approximately 100 per event. Major luncheon events and quarterly new member socials. Reduce the cost of doing business – we have recently formed an alliance with Summerlin Health Insurance to offer group rates and help small companies to single member LLCs obtain health insurance. Member-to-member discount programs where Chamber members offer other Chamber members a discount that is better than any published discount. Membership payment options through PayPal, which will be monthly, quarterly or annually. We fight legislation that increases the cost of doing business or hampers business investment, currently addressing many bills at the State

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Legislature on Workers Comp., family leave, successor employer. We support bills that aid businesses – Small Business Bill of Rights, tax incentives and work comp. bills that exempt small businesses. Provide cost effective marketing avenues, Connection news letters, Chamber website, Weekly eNews and events sponsorships. We support small business issues, the TVRs and the B&Bs, home occupation, the shipping cost. We schedule membership meetings with Young Brothers regarding rate increases for the public to attend. We promote locally made products, the Made In Maui brand campaign running throughout this year on the Visitor Channel 7. Annual Made In Maui Trade Show, exploring cross-promotion opportunities; we address community issues important to businesses. We're currently assessing the Maui Island Plan in the IRC reports. We have many suggestions for the County. We like to see the streamlined permit processing and be ready for economic stimulus package.

What are the priorities? Form public and private partnerships to leverage resources, such as forums and events that the Chamber does so well, and we're ready to help do those; reasonable regulation to allow home occupation and TVRs; and recognize that resources are important to the industries; and work with the industries unreasonable and self-regulation, such as the wedding businesses, beach activities, and bike tour companies. And that's what, that's what the Chamber is currently working on. Thank you.

CHAIR JOHNSON: Thank you very much, Carole. Our next presenter will be Ms. Terryl Vencl from Maui Visitors Bureau.

MS. VENCL: Aloha, Chairwoman Johnson and Council Members. Let me, first, apologize for the voice today, and I hope I don't get a coughing spell. . . .*(chuckle)*. . . Thank you for inviting me to speak today. As you know, it's the mission of the Maui Visitors Bureau to market Maui Nui, the islands of Maui, Molokai and Lanai to the world. We target certain geographic areas and certain target markets guided by the State and County Tourism plans. For many years, MVB has kept Maui top of mind in the face of steep global competition. I have worked in this industry on Maui for 20 years in both an advocacy position as well as marketing. Through those years I have watched things such as the Gulf War, 911, SARS, Dengue Fever and other things caused declines in visitor numbers. There's always been a marketing message after each of those events taken out on the road, and that it was intended and successful in bringing back visitors sooner than later. What's different about this downturn is that it will probably last longer. It's one of which we have very little control, but the responsibility for MVB remains the same – to bring visitors to Maui. We must be out there ahead of or head-to-head with the competition with a message that resonates with the media, the travel agents, and the consumer.

For many years, MVB has been directed by the State and County tourism plans. We have been very successful in our marketing efforts. And what we have to do now is to stay fluid. We have to be able to change messages, change targets, change programs. We are nothing but fluid these days it seems. There are circumstances that have changed daily in this community and particularly in this industry since April 1st of last year.

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Where are we today? At the end of last year, we were down by 15 percent in visitor counts. Now, remember that's after a gain of 5 percent annually for the last four to five years and the addition of two cruise ships. Occupancy was down in the high 60's percentile. Per person, per day spending was down by 4 percent making total spending down by 12 percent. Looking at the first quarter, there seems to be a slight uptick in count and occupancy, but spending I predict will continue to be less than last year, but maybe not as deep the decreases as we saw in the last half of last year. If you listen to your favorite economist, whoever that may be, you know that '09 does not look like a great year, and recovery will move into 2010. So what about '09? I hope we'll see some of the bleeding slow down. That will help, that will of course depend somewhat on what the recovery package looks like and. . .but beyond what the Fed's do for us, consumers need to feel more confident in their daily lives. So, if any part of the economy stabilizes, (even if it's not by leaps and bounds) consumers will begin to know more about what they have to deal with. And at that point, they'll be better able to budget and spend accordingly. It may mean less spending, but it may also mean that more of them will begin to move, albeit with more caution and much pickier and looking for value. When the economy is good, people equate value with the experience. When the economy is bad, they tend to equate experience with bottom line dollar as well as the experience. So it's imperative that we keep the message fluid with the changing world economy, keep it different with different targets and stay out ahead of the competition.

Now looking forward, what do we do? First and foremost, we have to stay positive, as the Chair has mentioned, and stay ahead of the competition. We cannot lose "top of mind" status that has taken us years and years to build. Once we fall, we will spend years rebuilding and what's lost in the meantime is lost forever. When we let our guard down or fail to market, we will see serious repercussions. Thus, our community will feel the repercussions. Today's downturn in the economy is somewhat a first real or certainly one of the toughest tests that we've ever had. It's a test that's out of our controls, so we feel like we can't do anything. It's a test where a message of safety or status quo won't fix anything for the consumer. The real test right now is to stay "top of mind". The situation is putting our businesses to the real test. Do they have the product? Do they provide the experience for the visitor? Do they have a business plan and personnel training to weather the storm? Each time I speak in public, I ask each of them to examine those very things as does MVB regularly. We have to find new and different ways to make a difference to the consumer who has many, many choices. MVB continually strives to find more innovative ways to make a difference in the eyes of the consumer.

MVB has increased and shifted its efforts to meet the needs of the current downturn. We are on the road more than ever meeting with agents, media, and consumers constantly to reassure them that, frankly, there's not been a better time to come to Maui than right now. Airfares are dropping, hotels are offering special rates. It's cheaper to come here now than it has been in the last probably four years. We are providing more communication than ever to the media, to the agents and to the consumers about why this should be the choice for their vacation. Through research, we track airlift and target visitors in those geographic areas. The messages must be delivered or we'll lose, we'll be lost to the loudest voice of the competition.

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Without the dollars that come from the visitor tax and the real property tax differential rate, the community would not experience some of the services that it receives today. That's a message that's not always recognized in our community. Yes, visitors add impacts, but they also provide a lot of service and funding to our County coffers to assist our residents and community. We cannot simply wish away our dependents on tourism. It's our economic engine. It's the sector that provides the most jobs. It's what our residents depend on to pay their bills.

I'd like to go to something quickly that sometimes people are not aware of some of the things that MVB does in this community and the leadership role that we play in assisting with disaster preparedness, and unfortunate incidents that happen to visitors and some of those visitors are your visitors, your families and what have you. We are on-call, 24/7, 365 days a year no matter where in the world we are. And I can testify to that because I've been outside the country when we had earthquakes. And I've been outside the country when we had fires and I know what happens, and that's a service that we feel is important, not just to the visitors to give them information, but to our residents and keep them abreast of what it is. It's something that we do from our heart, it's our aloha, and no matter how difficult a situation a visitor finds themselves in while they're here, showing a little aloha goes a very long way. Additionally, the Maui Hotel & Lodging Association steps up in many ways to assist on the resident's side of our community.

So, in summary, we are the Bureau. Our job is to bring visitors to our islands of Maui Nui. We don't have all the answers. We're not perfect, but we do feel a necessary and vital economic sector in our community. We would be at loss without it. We do fill, fulfill a necessary function in our community as well, and our community would experience a loss without some of the things that come through the Bureau.

MVB will continue to market to North America, Europe, Oceania, Japan, Korea, and China. We will continue to share the aloha and the authentic host culture as we have always done. We will continue to provide jobs and opportunities and assistance in our community through the many programs that we provide. We've just finished a brand new DVD for our agents and wholesalers that is in four languages – English, Japanese, Korean, and Chinese. And those will be distributed very shortly. You will soon be receiving your Fiscal Year 2010 marketing plan for the Maui Visitors Bureau, and we look forward to continue partnership to make Maui Nui a place where visitors and residents alike are proud to call it No Ka Oi. I thank you very much for allowing me to be here today.

CHAIR JOHNSON: Thank you very much, Terry. Our next presenter will be Jacqueline Haraguchi who's Executive Director for the Maui Contractor's Association.

MS. HARAGUCHI: Thank you, all of you, for allowing us to participate in this panel. MCA was established in 1962. We strive to support local contractors, sub-contractors, suppliers, and associate members in implementing legislation for our industry, assist in community issues, provide educational opportunities, a scholarship program, and tries to create a place we can all

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have pride in calling home. Our membership consists of over 250 contractors, sub-contractors, suppliers, and associates; small, medium and large. Whether it's a company with no employees or a hundred employees, they all contribute to our community in their own way. Most members are born, raised and have chosen to come back to Maui to call their home. We are the voice of the building industry in Maui County. Our membership is saying business is down anywhere from 25 to 95 percent and has laid off approximately 500 employees. Our members have been cutting back on employees, reducing hours, reducing benefits, asking employees to take on more tasks and try to run their companies more efficiently to address these tough economic times. Our association has seen a change in the bidding process where Class AB contractors are in survivor mode and doing sub-contractor work on their own just to keep their employees employed. It has and will continue to turn into a social problem when workers don't have enough money to pay for food, clothes and shelter for their families. Families are utilizing all of their savings, maxing out their credit cards, inquiring about taking out 401K and pension plans to try and make ends meet during these tough economic times. It is time, I say it is time for industry and all entities of government, including Administration, department directors, staff, and Council Members to work together to address the current economic crisis by implementing positive change that will put workforce back to work.

Some of the ways the County of Maui can assist our industries are in CIP projects. Continue to fund CIP projects. We do realize that this is a tough time for County, but any and all CIPs will put people back to work - bridges, roads, schools, hospital, clinics, medical facilities, harbors, wastewater treatments and more. Having a tracking system for all CIPs so all monies allocated will be encumbered and not lapsed. Expedite the permitting process. There has been a drastic downturn in the amount of permits being turned in with an average building permit still takes 30 to 90 days to complete. Have all departments work together in approving permits rather than having one department approve the permit and the next department ask for the design to be redone because it doesn't match their criteria. Extend the life of an approved permit to eliminate cost to the contractor. And the Federal stimulus funds – be sure that Administration, departments, and staff have “shovel ready” projects ready to encumber all funds and expedite all permits so people can go back to work like the stimulus bill was created for. We can all say we will do something, but actions speak louder than words, and our organization asks for action and not just words.

CHAIR JOHNSON: Thank you very much, Jacqueline. I think you hit, hit several really good points. Our next presenter will be Ms. Susie Thieman who is the CEO for the Business Development Corporation of MEO.

MS. THIEMAN: Good afternoon. Thank you, Madam Chairman, Members of the Committee, and to the public that is here today. Just to give you a little information on what MEO Business Development Corporation is all about. We have a three-prong mission. First is to promote economic self-sufficiency and community-based job creation. Secondly, to provide loans to assist in entrepreneurs in starting and/or expanding small business. And third, to offer technical assistance and educational opportunities to enable entrepreneurs to manage and market their

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products and services more effectively and profitably. I've got to start out by saying, if you want to see optimism in this downtime, come to graduation next Tuesday night. Our Core Four Business Planning class will be having its first graduation of 2009. We will be graduating 44 people who have decided to take control of their lives. They're going to get themselves through these economic times, both this one and the next one that comes along in the next seven to ten years because that's the cycle. Those of us who have been in business recognize it. This one, as others have said is an extremely, more difficult one, but it's not something they can't get through, and I know that's two negatives and you're not supposed to do that.

COUNCIL MEMBERS: . . .*(chuckle)* . . .

MS. THIEMAN: But in my book, two negatives are always a positive and so that's where we're coming from. Did you know that 67 percent of the businesses in Maui County are not small businesses but micro-businesses--micro-businesses being one to four employees; many of them not having any employees, they being the sole person in their business. Those are the people we're trying to get started and we're trying to help them get out their with a business plan. It was mentioned by one of our, actually two, I think, of our panelists talked about business plans. Our business plan, we're talking about business plan A, business plan B, and business plan C, and each one of those includes cash flow projections for what's going to happen over the next 12 months versus the next 24 months. That's where we're coming from. Is it a bad time to start a business? Some people will say, hello, what could you start? Others say, of course it is. We have very low overhead. We know what we're getting into and as the economy turns around, we're going to turn around with it, we're going to rise with the tide, and that's what we're talking about in our classes. That's why we've got optimists sitting there. They started out as pessimist because they're there. Actually, they're there because they've had hours cut, they've had. . .they've lost one of their three jobs, you know, all the things that are happening to people around us. And they're sitting there saying, oh, gee, what do we do? No, they're not. That's not our people. That's the people who haven't come to the class, who haven't found something within themselves that they can do, that they can offer a product they make or a service they provide, and they think they can provide it better than those who are out there today. More efficiently, most cost effectively, yes, that's what we're talking about.

Loans – MEO Business Development Corp. gives loans. Banks today. . .have you tried to get one? Most bankers will tell a startup business, when you've been in business two years come back and see us. Well, how do they get that two years without some startup funds? That's where we come in. We have loans, we have money to lend out. We work with people on their credit issues. We work with them on their cash flow to make sure that they are going to be able to pay it back. Let me give you a statistic that I am so proud of our loan fund managers about, and that is at the end of this last year when everybody was talking about how bad their loans were and how poor the performance was, we had a 3 percent default rate. That, I think, is just outstanding and I thank them, I thank the loan fund managers for their efforts. Yes, some of it is hand holding; yes, a lot of it is technical assistance, a lot of it is listening to what's going on and, and taking it all in and then helping the people come up with their own conclusions how to fix the

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problem. That's where we are. We almost doubled the number of loans we gave last year. As a matter of fact, we've given out almost \$3 million in loans over the 10 years we've been in business.

Classes – last year our goal was to have 150 graduates. We had 234. Most of those were in the second half of the year and you know what was happening in the second half of last year. This was starting to really have an effect on our community. They did not sit around. They jumped up and said, I can do something. I'm going to do something about it. Two hundred and thirty-four graduates. On Molokai, when Molokai Ranch closed down, MEO was there. MEO Business Development Corp. opened an office on Molokai in the summer of 2006. Last year, when Molokai Ranch shut down, our teacher was there ready to teach our Core Four Business Planning class. Three months after the closure of Molokai Ranch, 13 percent of those people were back at work in their own businesses. That, to me, is an astounding fact for one person in a one-person office. We were there, we were ready, willing, and able, and we see that this year, more than even last year, our services are going to be needed. We're looking for more people to help with that training, help with that advice, that technical assistance, and we're going to be asking the Council to help us do that because we understand that the small, not the small business--I don't want to use that term--the micro-business, that's the 67 percent to 70 percent of our businesses, that's what's going to get us through and that's what's going to keep us on top of the game. Thank you very much.

CHAIR JOHNSON: Thank you very much, Susie. And our last panelist, but certainly not least, is Mr. Stephen West and he's the Division Representative of ILWU.

MR. WEST: Thank you, Jo Anne. First off, I just want to, I want to stay positive, but it's been very difficult given all the things that's going on within tourism and agriculture. I'll touch on a few brief things, and then I'm going to move on to what we think could possibly help. In the sugar cane industry, HC&S, they're continuing to keep our workers working, all the while they've lost about \$18.7 million last year and their forecast is to lose that and if not more this year. That's huge. We need to preserve agriculture on. . . *(Change tape to Side 2A)* . . . we need surface water for HC&S. That's the key. If they continue to be limited by surface water, that industry will die. It will go just like what happened on Kauai. We don't want that to happen. They employ 600 workers. I actually was able to spend a little bit of time with a bunch of them at the hall today. If you drove by our union hall today and we were. . . there was no room to park. Last night we had a meeting and I touched on some of the topics of why I'm going to be here, and a lot of people had a lot of really good suggestions. I submitted some testimony to you guys. I don't want to go through all of it because there is a good part of it that is negative. I think it's very important that we do stay positive. We have to find a solution. It's a key. We're working very hard and diligent to service our members, we have a social worker. Her name is Joanne Kealoha. She's dedicated to helping our workers here on Maui providing counseling, there's just a ton of social issues that we're facing just like the Operator Engineers, but on a massive scale. We're over 30 percent unemployed right now or reduced hours. We need to get through this and we need to get through it quickly. We need to provide monies to tourism to market this island.

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They're doing a great job, you guys are, and we just got to keep it up. We cannot have that money limited. We actually need, in my opinion, we need to spend more. We need to be more aggressive, and your help will be. . .I'll be grateful for your help.

MEO – I'm very fortunate to serve on the Board of MEO and you guys are just doing a phenomenal job because we've sent a lot of people, one of our members and their families to MEO, and, Sandy, I really thank you guys for all you're doing because, you know, rental assistance, Head Start, the families on this island are really being able to get some help out there, although I wish there was more. But there's. . .you know, you guys have limited amount of funds and whatnot. So, we're doing the best we can. We're sending our, you know, our workers to the Food Bank. We need to continue funding for the Food Bank and come up with more innovative ways to get food to the Food Bank from the hotels if, if that can be done. There's a lot of hungry kids out there, and we've got to help them.

Maui United Way – labor services. We, actually, the union puts aside money for Maui United Way and they're actually helping families with gift cards and food baskets and whatnot. But that's just a one-time deal. It would be great if we could do that once a week for a lot of the families that, that are out there unemployed.

Some of the solutions. . .again, I want to say surface water as key for sugar cane and pineapple. We need to keep what's sugar, sugar and pineapple, pineapple. We need to streamline the permitting process. It's crucial. We need to support that airport expansion. We need flights to be able to take off full instead of having to go to another island and pick up. Our flights are down and, you know, someone can correct me if I'm wrong, about 20 percent here on Maui. I'm wrong? Am I?

MS. VENCL: Yeah. Not quite that deep.

MR. WEST: Yeah, okay. But we're, we're, you know, it's in that range. But we need to take this process and streamline it. I know the Mayor is doing her very best and the department heads are, but now is the time that we take drastic measures. I mean, this is what's going to define us. We all need to work together. We are going to get through this. I'm totally confident. Our union is, is steadfast. We know that we can get through this. Myself, I'm on furlough. I'm taking a cut in pay, I'm working without pay and so, you know, I'm not totaling working without pay, but our, our pay has been reduced because of our membership's reductions. But, you know, we don't sleep a whole lot. I got off work last night about 11:30 and I still had calls to return. We need to really take the bull by the horns. Get this stimulus money and run with it. It's crucial. You know, it kind of amazed me today hearing that there are states out there that's going to turn this money down. You know, it's just. . .it's crazy. So, if they want to turn it down, let's take it and let's run with it because we need it. We need to make this island top notch, you know. There are so many things that we can do here. Our members are utilizing the transportation systems, you know, covered bus stops, you know. And there are a number of opportunities that don't really directly affect our members but directly affect the community. And when tourists come here,

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they see that. So let's turn it around. Let's do what we can. Let's take this and make this an opportunity instead of something negative. So, that's all I have to say. Thank you.

CHAIR JOHNSON: Thank you very much, Stephen. Members, it's been brought to my attention that because some of you in the audience came a little bit early, that to avoid getting a parking ticket and worsening our economy and your pocketbook, that we should take a little break. So, I'm going to give a ten-minute recess and then it will give you enough time to move your cars and if the Members need to refresh themselves. So, Members, I will see you back here promptly at five minutes to three. This meeting is in recess. . . .*(gavel)*. . .

RECESS: 2:45 p.m.

RECONVENE: 3:00 p.m.

CHAIR JOHNSON: . . .*(gavel)*. . . Members, we are now reconvened with our Committee of February 19, 2009, Economic Development, Agriculture, and Recreation Committee. And following the panelists presentation I would now begin public testimony, and the first individual who signed up to testify is Mr. John Tallman. So if he could please come forward. And I'm giving each individual three minutes with one minute to conclude, and then if there's any questions. And once again even though I've stated your name, if you could state your name for the record. Thank you.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. TALLMAN: Good afternoon, Maui, my name is John Tallman. And thank you for reminding me why I'm here. You said agriculture. It sounded like it was something else. But anyhow, I'm here to represent the concept of sustainability. We've been hearing about this everywhere, every paper. Tonight there's a program Mr. Dowling's been putting on for several months. Every paper – South Maui sustainability, North Maui sustainability, East Maui sustainability, it's everywhere. And I don't want to pop anybody's bubble, but I didn't hear a whole lot about sustainability. Now, we are no longer--you have to accept this, we're in Chapter 11. The world, the planet, possibly Chapter 7, they might be pulling the wool over our eyes. It appears we're in Chapter 11, reorganization, we admit we can't do it the way we were taught to do it, and so we are now in a carbon currency, like it or not. No longer paper currency. It doesn't work. Look at the price of gold today - 977. Last week – 877. I gotta give out a hundred more pieces of paper for the same thing? Okay, stop. Stop going with the traditional. . .we need money, we need projects if we're going to end up with the same problem. We need true concept, not ideas. The ideas of sustainability has been on the table for over a year. I've been watching it, going to some of the meetings, and I've got my own personal truth through my life experiences as a permaculturist, a seed banker, and farmer, dirt farmer. You can't dirt farm on Maui. Land is too valuable. But we could dirt farm over there on HC&S on some of their land that they're going to lose because they don't have, they're not going to be able to farm it. And if they don't use it, they're going to lose it 'cause of the water rights. You don't use your allocations up you're going

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to lose them. So a big fear factor there -- not only unemployment and emotional distress that the other braddah from the other union brought up. That's just a band-aid thing. We don't need engineers. We need operating engineers. Those engineers can build roads better than civil engineers. I know this, I've been in the construction business. They really don't need the piece of paper. It's all a lot of added, extra bureaucracy. It has to be approved, da da da. They built that bypass in Paia in a matter of *weeks*. Operating engineers, *not civil engineers*. Oh no, build the road, simple. It's not perfect, that's why they gates up over there, a lot of liability. . .kids on skateboards. Well, the gates were closed and he crashed and broke a leg. Well, he shouldn't have been there, so they put up the gates to limit their liabilities. We can't. . .the kid wants to skateboard, let him skateboard. Okay, let's just build 'em a skateboard park like we did in Paia. Now, then there's problems with that. Now there's hoods over there. There's all kinds of problems. Okay. Things are not perfect, but we're in a carbon economy now, meaning we can send all the tomatoes that Oahu needs and we can use our Superferry. It's got a very good, practical reason. It's not out there to kill whales. And it's the cart before the horse concept of, oh, it's for the military, oh, it's the pork and barrel thing from Linda Lingle.

MR. TAGUCHI: Three minutes.

MR. TALLMAN: Who cares. We can use it to transport our food over there. We can beat out COSTCO, we can beat out Safeway, we can beat out Foodland because we don't have the transportation costs of Matson and long-term ocean voyages. It's a no brainer. And we need executive orders immediately. We can't wait for committee upon committee. We have to get the Mayor to say, okay. . .(*inaudible*). . .we want you to donate a thousand acres as a test plot to see if we can get these sustainable farmer people to actually make it work. They don't have the money to go buy the land. Land is still too valuable here on Maui, you know, the regular residential ag zoned land. And here we go complying to State and franchise rules to regulate agricultural use. I don't agree with that. I say home rule, township rule. If I considered myself as the mayor of Haiku, you want to go farm over there, you want to go build a bunk house, fine. Do it and then we'll deal with the problems later.

MR. TAGUCHI: Four minutes.

MR. TALLMAN: Okay, thank you. That's all.

CHAIR JOHNSON: Thank you very much, Mr. Tallman. Are there any questions of Mr. Tallman? Thank you very much and I think your concept is very interesting. Thanks. Our next testifier is Alexis Dascoulias and she will be followed by Dr. Clyde Sakamoto. And I hope I didn't butcher your name.

MS. DASCOULIAS: No, you did great. Aloha. Thank you for the opportunity to speak today. I have the great honor of serving as the Executive Director for Maui Onstage at the Historic Iao Theater. And again, my name is Alexis Dascoulias. On behalf of the staff, the Board of Directors, the artists, the volunteers and the entire Maui community, I thank you for all you've done to support

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Maui Onstage in the Iao Theater and the arts in Maui community. I also urge you to continue to support the arts on Maui in every way and every way that you can. As you know from the current media regarding the arts and nonprofits, many theaters and nonprofit arts organizations are closing their doors around the country due to lack of funding and lack of support. We at Maui Onstage are thankful for the continued support that the County and the Office of Economic Development provides to the Iao Theater. Without your grants and budget support, we would not be able to keep the doors of the Iao Theater open. In 2008, almost 32,000 people utilized and used the Iao Theater by attending performances, concerts, comedy nights, our family friendly Halloween festivals, other events, as well as the people of Maui who actually perform in these events and productions. Maui Onstage's ticket sales and our minimal rental income make up only about 60 percent of our operating budget, which means that the other 40 percent has to come from grants, donations, sponsorships, Federal and local agencies and in-kind contributions. Currently, the Office of Economic Development assists us by providing opportunities to funding sources in three areas – general programming, which includes our Theater on the Isle program which benefits all the theater organizations on the island, not only Maui Onstage's; our Hawaiian cultural events; and of course, the most recognizable this year, the Iao Theater restoration and improvement projects. With the support of the County and the OED, the Iao Theater would be in a terrible state of disrepair. In the past year alone, we've been able to install air conditioning, restore. . .*(inaudible)*. . .on the exterior of the building and put them on a timer, which means on a nightly basis the lights go on which helps support safety on the street. We've been able to improve the electrical work backstage and in the dressing rooms which was a huge safety concern. We've been able to clean up and replace old carpeting, which was a health hazard. We've been able to restore the interior lighting fixtures and the drop ceiling panels, and we've been able to restore and improve the kitchen and concession areas, which were also health hazards. And we are now in the middle of restoring the tile work on the exterior façade of the building as well as replacing the doors with energy efficient and historically accurate doors.

In addition, the Office of Economic Development money has allowed us to provide family pack specials, which are discounted tickets for children who attend performances with their parents. County support has allowed us to provide affordable classes on a pay as you attend basis as opposed to having a pay for all of your classes upfront. And your support has allowed us to provide our community with professional quality productions as well as concerts and events that are accessible to all.

MR. TAGUCHI: Three minutes.

MS. DASCOULIAS: The economic impact the theater has in its community is immeasurable. With the arts we get a more vibrant community. Theater attracts local businesses to the area, improves the quality of life and lessens local crime. One of the features that young people look forward when moving to a city is the arts. This translates to business which translates to a high yield return. In addition, resident attendees spend an average of \$27 per person when attending an arts event, and tourists audience spend twice as much. Theater attendees stimulate the economy by spending money locally at restaurants, shops, hotels, and shopping, not to mention the residents who pay

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for babysitters. I want to thank you for your past support, for your current support, and your current support is assisting us with our current production of the Sound of Music which boasts a cast of over 30 people, all residents of Maui, ranging from the age of 70 to 70 plus--the oldest person wouldn't tell me how old they are. The County's support will allow the audience to enjoy the Sound of Music in the comfort and safety of air conditioning and the County's support also means that the performers are --

MR. TAGUCHI: Four minutes.

MS. DASCOULIAS: --in a healthy and safe environment. Thank you. In 1994, the Hawaii State Register of Historic Places listed the Iao Theater as the oldest theater in Hawaii. This is remarkable. So, thank you. Thank you for making sure that the oldest theater in Hawaii keeps our doors open. The Iao Theater turned 80 this year and I know that with the County's continued help and the community support, we will see her through another 80 years. Thank you.

CHAIR JOHNSON: Thank you very much. Are there any questions for the testifier? Seeing none, thank you very much. Dr. Clyde Sakamoto, followed by Brian Thomas.

MR. SAKAMOTO: Madam Chair, with your permission, I have two faculty members who've got teaching commitments this afternoon and with your permission and other testifiers, if I could prevail upon you folks to let them come up before?

CHAIR JOHNSON: If there are no objections, I certainly would allow them to come forward.

COUNCIL MEMBERS: No objections.

CHAIR JOHNSON: Thank you.

MR. SAKAMOTO: Thank you so much. Nancy and Rosie. And I can wait.

CHAIR JOHNSON: Thank you. Thank you, Nancy.

MS. JOHNSON: Thank you very much. My name is Nancy Johnson. I'm the Allied Health Department Chair at Maui Community College. And I'm here to give you some good news and then ask for your continued help. You've got these brochures, which are graduation programs from our latest graduation of practical nurses and registered nurses. This is the *big* picture right here of the practical nurses. All of these people became nurses only because of the support you gave us. We've got two graduating classes of practical nurses, one graduating class of registered nurses and the second, these students in this big picture, have now progressed and are now in the Associate Degree Registered Nursing Program who are graduating in December. And with your funding, we also took a risk and we admitted an additional class in January which will, we are funded through your funding through December of 2009. This is guaranteed jobs. These people are filling health care jobs on Maui, most of them. We had a couple that went to the mainland.

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They had opportunities in Las Vegas, \$10,000 to relocate. So, we're not only creating jobs for Maui, but we're creating opportunities for our Maui young people. So, I'm asking you to continue to support the Allied Health Department. I'm telling you about nursing and Rosie is going to tell you about the dental. Thank you.

CHAIR JOHNSON: Thank you.

MS. JOHNSON: I'll stand here if you have questions.

CHAIR JOHNSON: Okay. Thank you.

MS. VIERRA: Thank you.

CHAIR JOHNSON: Please state your name.

MS. VIERRA: I'm Rosie Vierra, Program Coordinator of the new Associate of Science Degree in Dental Hygiene at Maui Community College. I'm here to thank the Council Members for their support and to support Mayor Tavares. Without your help and support, the facility where the dental hygiene students will train would not have been possible. We would have not been granted initial accreditation for our program without the Maui Oral Health Center. So we really appreciate all you've done and ask you for continued, your continued support.

CHAIR JOHNSON: Thank you very much. Are there any questions for the testifier? Seeing none, thank you very much.

MS. VIERRA: Thank you.

CHAIR JOHNSON: And thank you for the work that you do. Dr. Sakamoto.

MR. SAKAMOTO: Clyde Sakamoto, Chancellor of Maui Community College. And I'm here to thank you, Council Members, Chair Johnson, for the tremendous support that we've received from the County of Maui for higher education. You supported our Allied Health programs, nursing, dental assisting and dental hygiene, and you've also supported a great partner, our Aging with Aloha Coalition and the whole Long-Term Care Development. We're very grateful for all this. Your investment actually helped us to leverage contributions from the State, two positions since you've begun. I know that the Council was very interested in how it was that the State would contribute to the kind of initiatives that the County had been taking. And let me reassure you that the State came forward with two positions, came forward with 1.2 million of nursing portable support and then \$25 million of support for our new science building. And so, these kinds of contributions reflect a relationship among the County of Maui, the State government, we even have Federal support as a result, and private sector involvement. And, frankly, I'm here to promote and encourage partnerships through economic stabilization. The partnerships that I think we would be able to design and create are crucial to the fabric of our community in Maui

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County. And so just in a breath, I'd like to encourage us to think more about the opportunities that could be created out of these kinds of relationships among businesses, nonprofit organizations, the college, the County, the State, and the Federal government, and we are standing ready to assist, facilitate and respond to the kinds of opportunities that we might be able to identify together. And so, thank you again. One final comment that I would like to leave you with is that our enrollment this year as a result of all of the collective, collaborative support that we've received represents a 17 percent spring to spring of enrollment, over 3,353 students as of last week. And so this is a record enrollment not only for Fall but for Spring. And so without your support, our community members in Maui County and some of them around the State would not have been able to access higher education. And all the kinds of programs that we provide are community-based and increasingly oriented to the kinds of comparative advantages that we're going to be exploring and further leveraging for our County community. So, thank you, again for your support.

CHAIR JOHNSON: Thank you very much, Dr. Sakamoto. Are there any questions? Yes, Member Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you, Member. . .Chairman Johnson. This is not a question, but just a comment. I just want to thank Dr. Sakamoto for working with the Maui Swap Meet folks and the venue at the MCC, you know, is great. So you see a lot of vendors out there, you know, trying to make some money as well as I see your students, you know, producing their wares. So, thank you, again for allowing the Maui Swap Meet at that location.

MR. SAKAMOTO: Another partnership among the County, private sector, and the college. We had at last count over 5,200 attendees, and so there are more attendees who are coming to the Swap Meet as well as vendors' students who are interested in creating new products, new services that would be test-marketed in that environment with a very low overhead. So, we're filling our commitment to create this environment with all of the kinds of relationships we have. And I want to thank you again for the help.

CHAIR JOHNSON: Thank you very much, Dr. Sakamoto. We have one other question from Member Molina.

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Good afternoon, Dr. Sakamoto, and thank you for your comments. Just in relation to the nursing and the dental programs, the demand continues for individuals in these professions?

MR. SAKAMOTO: They do. They do. If you look at the demographics of our County, State, country, the baby boomers around our country, in Hawaii especially, point to growing kinds of requirements for nurses and for the whole health care work force. And so we expect that they're going to continue to increase. As we all know, we are going to be challenged in terms of health care costs and they're going to challenge us with adjustments to how it is that we provide health

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care. But we're on the case and ready to partner with the County to address these kinds of challenges before us.

COUNCILMEMBER MOLINA: So in spite of the economic downturn, the demand is still there and I guess one of the unintended consequences is we're providing an excellent training program and then, you know, some other state requires our talent here but, you know, that's, I guess, part of the whole process.

MR. SAKAMOTO: Well, this is an excellent point. It's really an investment in our future. And so while things may look bleak in the moment, now is a tremendous time for young people, for others who are out of the work force to begin reexamining what kinds of opportunities may be appropriate for them for a future in a County community that we believe that the college is going to continue to flourish. And so, we think that Maui in the world has a bright future, and so we thank the County again for your leadership in taking us down that path.

COUNCILMEMBER MOLINA: Okay. Thank you, Dr. Sakamoto. Thank you, Madam Chair.

CHAIR JOHNSON: Thank you very much. Any further questions? Member Kaho'ohalahala?

VICE-CHAIR KAHO'OHALAHALA: Just one. One last question. Thank you, Chair. You know, just looking at education as an economic stimulus itself, I mean, you've covered a lot of basis on what you're providing to meet partnerships and. . .but as a community college, how do you envision the college itself to become the economic engine as part of our County?

MR. SAKAMOTO: Well, we would not profess to be *the* economic engine. . .

VICE-CHAIR KAHO'OHALAHALA: Not the, but. . .

MR. SAKAMOTO: . . .but part of an economic engine that would make a continuing and growing contribution. In 1997, UH Hilo with the budget of around 24 million or so did a study of the local economic impact. And at that time, in 1997, they estimated an impact of between 80 and 100 million. So say 90 million for a budget of 24 million. Today, our budget at MCC (State, County contributions) amounts to about 30 million, and this is without the Federal grants coming in. And so you can estimate the impact of being in excess of over that \$90 million amount if we look at the kinds of rough comparisons between ourselves and Hilo. Hilo has a lot, more going on in terms of research. But we believe that at the core of our Central Maui that there is an opportunity for the college to make a huge contribution. We're getting started with our housing. It's going through some rough spots in terms of bringing all of the students because of the economy into that environment, but we believe that that's going to result in a core population, it's going to make a contribution. We also believe that education must be a core component of our economic future, working with the private and public partners. So, absolutely, the economics of higher education and the investment from government and private partners will be crucial, we believe, to our future.

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VICE-CHAIR KAHO‘OHALAHALA: If you had to pick and choose a specific area to concentrate on that, is there one for Maui County?

MR. SAKAMOTO: Well, we’ve actually been looking at four areas. . .

VICE-CHAIR KAHO‘OHALAHALA: Right.

MR. SAKAMOTO: And let me, let me. . .health, health is a big area. We’ve just spoken to the Allied Health and nursing and dental assisting, and dental hygiene programs. We’re also doing a round of radiologic technologists. So that’s happening as well. We also have an EMT program on our campus. So there’s a range of things related to health. That’s going to continue to be a robust area for workforce development and the economic development opportunities, we believe. There are also comparative advantages relative to our environment and the environmental kinds of assets that Maui County has to offer, we believe, also would provide some very interesting kinds of opportunities. We are promoting a field school with the Moku`ula, Friends of Moku`ula as partners. They’ve invited the college to consider this relationship and we’ve gladly responded. You’ve all been very aware of our working towards accepting the Palauea parcel. We believe that these two sites might offer a very robust opportunity for field schools. We’re undertaking the development of a cultural and natural resource management program. So all of this relates to our natural assets. One of the prime natural assets that we’ve been exploring is our relationship with the summit, and what the summit, its connection with the Maui Research and Technology Center. And so, we along with the Maui Economic Development Board, the Institute for Astronomy, are looking at what those kinds of assets might yield in terms of opportunities to grow high technology on Maui. We’re working with the renewable energy environment and seeing what may be offered in that sector, and then looking at the ocean and exploring what an applied ocean science, bachelors of applied science might look like in terms of providing a conduit to teachers in the Department of Education who may be interested in filling the gap for math and science instructors that have plagued us in the State for years. So we’re looking at that as a possibility. So, these are the areas before us that we’re wanting to aggressively explore, but we also want to shore up all of the programs that we currently exist. So, and you know about them, all of the public safety, transportation, business-related kinds of efforts. They’re all in place and we want to strengthen and expand them.

VICE-CHAIR KAHO‘OHALAHALA: Thank you very much.

COUNCILMEMBER PONTANILLA: Chair.

CHAIR JOHNSON: Thank you very much. Member Pontanilla?

COUNCILMEMBER PONTANILLA: Dr. Sakamoto, do you have any. . .I guess curriculum in agriculture because when I look at Maui, you know, it’s basically agricultural-based. When I

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hear Mr. West talk about HC&S and the possibility of closing down, you know, that kind of scares me. Can you expound on agriculture and the college itself?

MR. SAKAMOTO: We do have an agricultural curriculum. Historically it's been more landscape than crop production oriented. We're looking into sustainable agriculture. We're looking into organic agriculture. CTAHR. . . *(Change tape to Side 2B)* . . . great partners and we're working with them to see what we might do together but, again, with private partners. There are huge challenges in ag. Water was mentioned. The land tenure kinds of complications I think would also need to be addressed. Access to land connects with that. But I believe, too, that agriculture on Maui has a future. It's going to require, again, a highly collaborative public, private effort in order to address the kinds of issues before us and everyone's got to help.

COUNCILMEMBER PONTANILLA: Thank you. Thank you, Chairman.

CHAIR JOHNSON: Thank you very much, Dr. Sakamoto. Any further questions? Seeing none, thank you very much for your participation.

MR. SAKAMOTO: Thank you.

CHAIR JOHNSON: The next testifier will be Mr. Brian Thomas and he'll be followed by Cindy Biggers.

MR. THOMAS: Aloha. Good afternoon all. My name is Brian Thomas and I'm here to talk you about a resource on Maui that you may have heard of, but not sure if you knew that it was on Maui, and it is SCORE. And many of you may know SCORE as Service Core of Retired Executives. That's the old name. It's actually Counselors to American Small Business. And our SCORE office is in the Maui County Business Resource Center, which is in the Maui Mall. If you walk out of IHOP, it's about 30 degrees across the way there. And there's 370 SCORE chapters across the country. SCORE. . . Maui has a SCORE chapter. We've got counselors – Richard Kehoe is our President; Susan Kim is a counselor and she has a small business radio show also; Steve Rose is a counselor; Roya Deyhim is a counselor, she's an attorney. On Molokai, we've got John Warden, and he's a patent expert, and myself for the last four or five years. But there's, there's a great resource available to small business people, and it's relevant and timely. And if you think about the small businessperson in Hawaii, in 15 years, I'm amazed at the burdens placed upon the small businessperson via taxes and knowing the laws, and employment laws, and they still have to know their marketplace and they still have to provide for employees and be efficient in their delivering of resources to their customers, but yet, they seem to always be taxed and seems to be. . . they're just the recipient of a burden. And there's not really any spokesperson for the small businessperson perhaps other than the Chamber of Commerce, which they represent the small businessperson. But the business people are too busy bringing money in the front door to really go testify at Congress or even myself to take off of my business and be here. But I have a great respect for the small businessperson. SCORE is a fantastic resource for them. I encourage you to tell your friends and small business people about SCORE. Again, it's free

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business counseling. SCORE.org is the website. There's even has an "Ask SCORE" place where you can submit questions online and get answers online. And seek out what SCORE has to offer, keep your small business thriving, keep Maui thriving. And we talked about the panelists did a great job, but Maui has some unique resources for this challenging time. . .is that we've got the love of our community, and love of our island, and we've got aloha and that's something the other communities don't have. So, it's great to be a part of it and Maui will come out of this thing shining like a star. So we look forward to that. Thank you.

CHAIR JOHNSON: Thank you very much for attending and for offering your information. Are there any questions? Member Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair, and thank you, Mr. Thomas, for being here. I know how hard it is to get away from your desk. But I really appreciate. I know what SCORE does. I was wondering if you have been paying any attention or even aware of the home occupation bill that we're working on here in Council?

MR. THOMAS: Frankly, no. I manage an investment firm and it's thriving, and I have plenty new business. I, I wish I could.

COUNCILMEMBER BAISA: I, I figured that, that was the case and that's the case with a lot of other people in our community who would be tremendous resources to us as we try to hammer out a piece of legislation to regulate and permit home occupation where we know a lot of this entrepreneurial activity begins. So, I hope that if you have any opportunity, you might take a look at the ordinance, and if you have any information or testimony you like to give, I, for one, and I know my colleagues also would appreciate your input as well as that of any of the experts that are here today because it's important that we encourage. I think Ms. Thieman earlier called it micro-business because, you know, most of these things are really tiny. But like even Mr. Sakamoto said, Dr. Sakamoto said, you know, those folks coming out to the swap meet, they're at the root of American business. Everything starts in the kitchen or in the garage or in the living room nowadays in front of a computer. And so I think it's really important and I'm wondering, you know, folks like you I think have a lot of insight and information, and I'd like to ask for your help.

MR. THOMAS: Okay. I, I. . .yeah, I mean I have strong feelings about it, you know. And we went to Molokai and did an entire day session of. . .after the challenges that Molokai went through. And it's. . .is like flying over to Molokai to talk about business, but yet I was very excited about the people of Molokai that we're out there and they're entrepreneurial and they wanted to set their own futures and not be in charge of someone else as an employee, and that was an awesome day. So, I mean, I have strong opinions in the fact that government needs to get out of the way of people making a living for themselves and providing for their families, and it's not to restrict them but to encourage them and, of course, bounce that out with the needs to not impact the neighborhood and not have cars parked everywhere. They have to accompany all those parties

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essentially, but yet the businesses are what employ people in this community, and so, there's no one to speak for the small businessperson other than the Chamber essentially.

COUNCILMEMBER BAISA: I thank you very much and it sounds to me like we might be on the same page. So if you've got a minute, if you look it up and, you know, give us an e-mail, we'd appreciate it.

MR. THOMAS: Okay. And we can get SCORE and Deidre and go from there.

COUNCILMEMBER BAISA: Thank you very much.

MR. THOMAS: Okay.

CHAIR JOHNSON: Thank you very much. Any questions? Seeing none, thank you, and I do appreciate your attendance. Cindy Biggers and she will be followed by Paul Laub.

MS. BIGGERS: Hi, everyone. Aloha kakou. My name is Cindy Biggers and I will try to be brief. I'm a working person. I'm not a property owner. I used to manage six TVRs and now they're all gone. One by one they dropped away as the pressure from the County encroached on their business and it seemed like it was going to be a very long time before they were going to be able to have permits. I have this beautiful breakdown made by a Maui County Property Manager, and I beg you this afternoon when you have your afternoon tea or wine that you take a minute and peruse this because it's phenomenal how much cash flow is generated by just one TVR. We were able to work on the B&B bill, which is allowing people to get back to business. We have a similar bill for these type of economic engines and we hope to get this bill, this TVR bill out of Council and to the Planning Commission so we can get this cash flowing again. This creates a lot of local business. Please don't let the government process block this economic engine that creates jobs for Maui people. We all need this. This isn't coming from on high. We're not waiting for a Federal grant. These are little entrepreneurs that found a way and saw a niche and wanted to bring something to the community. These aren't people that are trying to do damage to culture or community. These are real economic engines and we beg you to please take a look at this because I think you'll be surprised at the number of jobs, the amount of money, and the money stays on Maui and it supports a lot of families. We know we need to diversify. That's for sure. But this is something that has been in existence for several years without really creating the horrible problem that everybody thought. It's not like these are now all going to pop up. Most of them are gone. Let's try to salvage the ones that are still able to hang on and get this money flowing. We can do this very easily with your help. Thank you very much.

CHAIR JOHNSON: Thank you very much, Ms. Biggers. Are there any questions of the testifier? Seeing none, thank you for your testimony. Paul Laub and he will be followed by Yuki Lei Sugimura.

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MR. LAUB: Aloha mai kakou, Paul Laub, "Pali". . .*(inaudible)*. . .and I'm here to speak for the grassroots people. . .the guys with the calluses on the hands, you know, little dirt didn't come off, you know. I'm here to talk about the freedom to work for the small guy who may be losing his job or may be laid off part of the time who could do some work at his house. I have a hoaloha, a friend in Honokowai. He's losing his house on the 27th. You can go down and bid on it if you want. He was a construction worker, got hurt, would like to have worked at his house for. . .to make cabinetry, stuff like that, but `a`ole hiki, no can, you know, he can't do it. So in my case, a lot of you guys know me as the recycle bicycle guy. I've been shut down because I'm not pono, because I'm in a residential area, and I'm using too much space or whatever. So I'm shut down. So the guy who was working for me, he's on the street now. I mean, you know, we don't make a lot of money. I can't go rent a big building here. You know, on a 40 to \$50 bike, I don't make \$100. . .you know, it doesn't happen. So, if you want to have an actual stimulus, something happening right now--we're not looking for money. We're not looking for bail out. We're looking for the freedom to work, you know for the guys to get down there and do stuff. Used to be, used to be all guys used to be able to do stuff in their houses, right. You used to be able to, you know, fix electric things or sharpen lawn mower blades or something. What's happened? The government says, no. Now, even the National Organization of Planning has said, hey, lighten up, make these rules looser, and it needs to be done. Now, in garages, America has been famous for innovation. I mean Hewlett Packard in the garage, right. Hey, anyone know any famous bicycle guys? Like the Wright Brothers, you know, they made the airplane. That's not going to be happening in my garage because why, I'm shut down, `a`ole hiki. So, a man's home is his castle but not anymore, huh? It used to be a man's home was his castle. So, what should happen? We should have a new ordinance. The old ordinance made in I think 2003, not even that old, but not effective, not good, not doing anything, and if you look at it, no men fit into it. It's just kind of a woman-oriented ordinance. Nothing wrong with women, may God bless them, my mom was one even. But, you know, guys need to be able to, to be able to do things, to make things, and do stuff. So, let's, let's. . .as soon as we can, do a home occupation ordinance and then, you know, I'm an old guy so I remember before homogenized milk, let the cream rise to the top. Thank you.

CHAIR JOHNSON: Thank you very much, Paul. Are there any questions? Seeing none, thanks, Paul. Yuki Lei Sugimura will be next and she'll be followed by Carol Reimann.

MS. SUGIMURA: Good afternoon, everyone. My name is Yuki Lei Sugimura and I am one of the 60 percent of micro-businesses that are part of the fabric of Maui County. I feel very fortunate that I am able to have my own business and sometimes I have one other person helping me, my husband or two, my son, or other people that may know me. But I feel very fortunate to be part of this community. I would like to ask that the County continue doing what you have done so well through the Office of Economic Development in terms of the many support of festivals and events that you have supported throughout the years. I always say that I am very, very lucky because my job is to make people happy. My job that I live passionately is I create events. I partner with a community, I work with many, many Mom and Pops or small businesses, crafters, and we create many fun things. Over this--I'd like to make a special point to say that I got a

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great opportunity last year to work with the Maui Visitors Bureau and to work with them for an event that was called Aloha Festivals and we renamed it, gave it a new face, called Festivals of Aloha. And through your economic stimulization [*sic*] of the community, which you have done over the years, we helped create through Maui Visitors Bureau and the County, Maui County Islands, 29 events through your support, we partnered with other State monies, we made that money grow. We also got a lot of in-kind support, and through the months of September and October, we helped bring some economic stimulation to Maui County. And I think it's this kind of support that you do, that I just wanted to say I know that you're going to hear a lot about the Federal government and, you know, just those big dollars, but I just want you to know that every single cent that you give back to the community is really ten-fold back in terms of the number of people you've touched. And in behalf of the many, many communities that may not be able to stand here today, I want you to know that it's very much appreciated and we really appreciate all that you do. Thank you.

CHAIR JOHNSON: Thank you very much, Yuki Lei. Any questions? Member Baisa?

COUNCILMEMBER BAISA: Thank you for being here, Yuki Lei. And I just wanted to add to your discussion about having the festivals. You know, as we all know, the Maui Mall is struggling and we see a lot of vacant space there. And I had the opportunity the other day to be there for that Chinese festival and I was so pleased to see the mall so alive. It was crowded and there were people everywhere and families having a wonderful time, you know, looking at everything and watching the entertainment and eating. And that is just--those festivals are so good for our economy, I really think we ought to have one every month. I mean, we have enough ethnicities here that we can certainly have one a month. . .

MS. SUGIMURA: Truly.

COUNCILMEMBER BAISA: . . .and still have a few left over.

MS. SUGIMURA: . . .(*chuckle*) . . .

COUNCILMEMBER BAISA: But I did want to thank you for coordinating those and congratulate you. I think it's an excellent endeavor, and also thank our Office of Economic Development for the support of that. I think it's an excellent, also, even good for our tourists. They were all there enjoying all of the food and the unusual displays also, too. So, excellent idea. Thank you.

MS. SUGIMURA: Thank you.

CHAIR JOHNSON: Thank you very much. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. And I want to echo the sentiments that Member Baisa had expressed to you with your work in this area. Maybe at a later point if you could provide us some numbers in terms of, I guess, in some ways this is a mini economic

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stimulus if you will that helps promote a lot of these small adventures, if you could provide some numbers as to how much it contributes back into our community.

MS. SUGIMURA: Oh, gladly. Yeah. Appreciate it very much.

COUNCILMEMBER MOLINA: It'd be informative for us too as well. Thank you.

MS. SUGIMURA: Thank you.

COUNCILMEMBER MOLINA: Thank you, Madam Chair.

CHAIR JOHNSON: Thank you. Seeing no further questions, the next testifier will be Carol Reimann and followed by Sandy Baz.

MS. REIMANN: Good afternoon, Committee Chair Jo Anne Johnson and Members. I am Carol Reimann. I'm with the Maui Hotel & Lodging Association. We're a nonprofit entity formed in 1987 comprised of approximately 120 property and allied businesses. Our membership collectively employs over 10,000 Maui County residents. We represent and advocate for the industry and partner with various organizations to ensure information is disseminated to visitors and employees and residents in times of crisis. MHLA also supports HTA's workforce development initiatives via the Academy of Hospitality Program in many of our high schools. Giving back to the community is also one of MHLA's primary goals via the sponsorship of several key annual events. The visitor industry is our island's economic engine. We directly employ nearly 40 percent of Maui County residents. Indirectly these numbers increase considerably. Tourism contributes 75 percent of the County budget as stated by the Mayor in her State of the County Address. These funds are generated by TAT, real property taxes, et cetera. In addition, the Visitor Industry contributes considerable community support and the infusion of dollars to the economy via the following: the annual visitor industry charity walk raised \$331,000 benefitting over 60 Maui County organizations. Donations of hotel stays, F&B, golf merchandise for nonprofit fundraisers, these individual certificates in the past have totaled well over a million dollars in a given year. The financial contributions from the three nationally televised golf events supported by tourism-related businesses on Maui, the combined total raised is approximately \$380,000 for charitable dollars and their combined economic impact generated by visitor spending totals an impressive \$29 million. These valuable contributions and other visitor industry related philanthropic activities may be in jeopardy if the industry continues to decline. There is no doubt that our entire community and economy has taken a hard hit since the airline crisis early last year, and the subsequent economic downfall across the nation. While we all agree that diversifying the economy is essential, the visitor industry is currently the economic engine and, therefore, it is our responsibility now to care for the industry that supports so many of us today.

How can we stabilize the economy in the industry? Well, here are a few of our ideas. Continue funding of MVB is critical to our viability and in keeping us top of mind. We would like to

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partner with various organizations, County Council, County departments to help our businesses stay viable, encourage jobs for our residents. Along this line, we would like to encourage friendly permitting processes that encourage business. Industry-friendly planning and policies in areas such as the Island General Plan, outdoor irrigation, taxes, beaches, parks, et cetera. And as you consider policy changes, new ordinances, please communicate with us so that we can assist you in your research and decision making. We have resources that you're able to tap into via our membership.

In summary, we seek economic stabilization by maintaining our marketing dollars, working together to create opportunities and policies that help our businesses rather than hamper our ability to remain viable. We want to work together to make Maui an industry-friendly island which will help to stabilize our economy during these tough economic times and will ultimately encourage other industries to flourish. Thank you.

CHAIR JOHNSON: Thank you very much, Carol. Are there any questions?

COUNCILMEMBER PONTANILLA: I have one.

CHAIR JOHNSON: Member Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you, Chairman. Good afternoon, Carol. When I was reading the paper--nowadays I read *The Maui News* almost every morning--and there was an article in the Letters to the Editor in regards to when it was back in 9/11, you know, the tour industry was devastated. And what had happened was that they provided incentives for local families to travel within the State of Hawaii, take advantage of the properties, take advantage of the restaurants. Is there anything like that in the near horizon? Because imagine that most local people cannot afford 250 to, you know, upwards to \$300 per night, per room. So if, you know, we could entice local travel to, you know, to take advantage of all the wonderful properties that we have, maybe we can see some activities keep the dollar rolling.

MS. REIMANN: Absolutely. And many of our properties are offering special kama`aina rates. I just got an e-mail today that the Maui Prince was offering \$50 room rates. And I know they're out there, you know, there are many, many properties and even the airlines have discounted airline rates now, so they're out there, you know, it just maybe takes a little digging. Maybe we have been not so good about promoting that, which we should do and we will try to focus more on that.

COUNCILMEMBER PONTANILLA: Thank you. Fifty dollars a night, you know, that's. . .can't beat that rate. . .*(chuckle)*. . .so advertise that thing.

MS. REIMANN: I don't know the details of that promotion, but I just got the blast this morning.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

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COUNCILMEMBER BAISA: We're coming. . . .*(chuckle)*. . .

CHAIR JOHNSON: I'm sure your phone will be ringing off the hook by the time you reach your office. . . .at least that or the Maui Prince. . . .*(chuckle)*. . . Members? Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Good afternoon, Ms. Reimann. Thanks for your testimony and you offer some very good suggestions as to how, I guess, County government can help to sustain the visitor industry. One thing that sort of caught my ear and maybe I'm just aging with aloha maybe or something. . .

COUNCIL MEMBERS: . . .*(chuckle)*. . .

COUNCILMEMBER MOLINA: . . .I don't know if my hearing still is as good as it once was, but you mentioned taxes or some type of taxation as maybe a way of continuing to support the industry. Can you clarify that comment . . .the mention of the word taxes?

MS. REIMANN: What I mentioned in regards to taxes was that Maui. . .the tourism industry contributes 70 percent to the County's budget, and these funds are generated by TAT and real property taxes.

COUNCILMEMBER MOLINA: Oh, okay. I thought for a minute--

MS. REIMANN: Not increases.

COUNCILMEMBER MOLINA: Yeah, okay, or create, the creation of some new form of taxation. So. . .okay, all right. And also. . .the. . .you mentioned the continued funding of MVB. Do you see a need to increase the funding? I know this would be a difficult session to increase funding, but I have been, I submitted a proposal to the Mayor back in November about the possibility of using the Emergency Fund in some ways to maybe help sustain the visitor industry through funding, for example, an MVB or any type of entity related to the visitor industry. Can I get your comments on that?

MS. REIMANN: Well, we recognize that it is a tough year coming up and, you know, your dollars are stretched and MVB is requesting, you know, status quo dollars from last year to this year, you know, knowing that you guys are faced with some challenges up ahead. But they could always use more certainly to market, you know, the island as a destination and keep us top of mind as they've done so well in the past.

COUNCILMEMBER MOLINA: Thank you. I know the thought of using that fund for the visitor industry raised a few eyebrows. But, you know, in times of crisis, Madam Chair, we gotta come up with all kinds of ideas and sometimes ideas that may seem a little outrageous at first might get catalyst to maybe promote better ideas to, I guess, promote economic stabilization and get us

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back, get our feet back on the ground, I guess, so to speak. So, anyway, thank you. Thank you, Madam Chair.

CHAIR JOHNSON: Thank you. Seeing no further questions, thank you, Carol. Sandy Baz, but I don't see him in the audience. Is there anyone--he had to leave? All right. Sandy, we'll catch you next time. . . .*(chuckle)*. . . And our last person who has testified or has signed up to testify is Vanessa Medeiros. And if there's any one else. . . I believe, Rita, I don't have your paper here but. . .

MS. MEDEIROS: Aloha and thank you for the opportunity to address this Committee. My name is Vanessa Medeiros and I'm with Lokahi Pacific as a Development Manager. While Lokahi Pacific is more widely known for developing affordable housing, it also has roots in economic development. As an affordable housing developer, we work with businesses in our community, architects, engineers, consultants, contractors, suppliers. In other words, we buy local. Though we are a small nonprofit, our housing developments infuse millions of dollars into our local economy. At present, we have been waiting for the County to release more than \$2 million that have been awarded over the past several years. Timely release of those funds would provide an immediate stimulus to the many small businesses we deal with. Lokahi Pacific is also a small business lender. Since the 1980s we have loaned more than \$8.5 million to over 100 small businesses to help them get started and expand. These include such well-known local businesses as Valley Isle Marine Center and Maui Office Machines. Lokahi Pacific is also a business incubator. Our business center at 62 Market Street is geared towards upstart at small businesses and includes physical office space, commercial kitchens for rent, large and small meeting space, and a retail section occupied by Café Ole. We also offer a virtual office programs for businesses that do not need office space, but a place to meet clients and conduct business outside of their home office. Our eight office bays our fully occupied and our commercial kitchens are well used. Over the past year, we have noticed an increase in inquiries for office space as well as a virtual office program. We have yet to lose an incubator business or regular commercial kitchen user due to the economic slump. As the economic downturn deepens, we can expect more families to look at creating their own small businesses as a means to stabilize their own household incomes in the face of layoffs and pay cuts. The economic stabilization for Maui County certainly needs to look at ways to bolster our large industries like the visitor industry as well as establish local businesses and agriculture. What it'll also need to consider support for the continued development of the upstarts. Lokahi Pacific welcomes the opportunity to collaborate with the County in utilizing and expanding our business incubation center and related programs to stimulate economic development opportunities in our community.

CHAIR JOHNSON: Thank you very much, Vanessa. Are there any questions? Seeing one, thank you. I apologize because there were three people that got out of order. For some reason, I had put them in the pile of people that already testified. So I missed three people – Rita Barreras, Donald Brown, and Rosie Vierra. So, if Ms. Barreras could please come forward and she'll be followed by Donald Brown.

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MS. BARRERAS: Aloha.

CHAIR JOHNSON: Aloha.

MS. BARRERAS: Thank you very much, Madam Chair, Members of the Council, and also members of this panel. I think it's very helpful to get sort of a perspective of what's happening in our community. And I also appreciate Jo Anne's, Madam Chair's comments about taking a positive perspective as we go forward with this economic downturn. I'm a person who really believes in taking the high road and I'm the Director. My name is Rita Barreras and I'm the Director of the Aging with Aloha Coalition, and that's how I try to manage I think this initiative and I think we're doing some good things for the community. I wanted to update you on a few things in terms of our initiative, and thanks to Deidre Tegarden and the Office of Economic Development for supporting us in our efforts to move forward. In this document, you will find a story about the Maui Long Term Care Partnership and it is an initiative, set of initiatives that the County of Maui has supported since 2003, maybe even before I came on board. But in the back of the book there is a mahalo to all of our funders, I wanted to thank you. And then starting on Page 80 is our goals, and then 81 to 89 I think you will find impressive in terms of the number of people involved in our community in this coalition who are also trying to take the high road and find solutions in long-term care. We started out as an effort to develop a strategic plan for long-term care for Maui County. We did that. We received five and a half years of funding from the Robert Wood Johnson Foundation to help us move along. In a transition, we made a decision to change our name to the "Aging with Aloha Coalition". And so that's why you see Aging with Aloha on the top of the book, and we hope that you start becoming ambassadors to share what Aging with Aloha means.

But let me share with you in terms of the economic downturn. We are concerned about what's happening with the at-risk elders in the community. So we are working through our Policy and Advocacy Committee to implement a survey, we're administering a survey where we are asking seniors, people with disabilities and providers about how they are being impacted by the economic downturn. So that's something that we will be able to share with the Council in the future.

Specifically with regard to workforce, we appreciate the Maui Community Care Core Grant that you have supported and Nancy spoke, Johnson spoke earlier about the workforce nursing program that she spoke about. But we have another one that's called the Long Term Care Curriculum Pilot Project in which we took a theory and said what if we asked people. . . (*Change Tape to tape Side 3A*) . . . don't want to necessarily be an LPN or an RN, but they want a good paying job in the community, they want to be respected for what they do in caregiving, and we'll provide them with tuition and they can go through these classes that Nancy Johnson's school provides. Well, we've been successful. We've had one personal care attendant class of 10 people; 7 nurse aide classes of 10 people as well. So those 80 students. . .we figure that about 90 percent of those students have graduated from the program.

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MR. TAGUCHI: Three minutes.

MS. BARRERAS: So we are now supplementing the workforce. The other thing is, some other highlights and some initiatives we're trying to think ahead and think of solutions is one that Dr. Sakamoto is very involved with us and he's chairing a committee called the Center of Excellence on Aging with Aloha. We are trying to redefine what "aging" means. And how, what we knew as aging, maybe what our parents and their parents knew what was aging is very different today. So we are taking steps to redefine that. We have produced a resource directory for the community, for older people, people with disabilities and caregivers--I think I gave all of you a copy, the Council Members of that--we're going to enhance it and keep it up-to-date. We also have a website: www.agingwithaloha.org. Please visit it and get to know what kind of services we do have on Maui. It's the...for the first time a service that's offered to our community so that --

MR. TAGUCHI: Four minutes.

MS. BARRERAS: --in an economic downturn they know what to do. The last thing, I guess, I would just say is we are beginning to share what Aging with Aloha is with the mainland and with our other partners around the globe. Two other persons and myself will be speaking at an Aging in America conference. We have a panel presentation on Aging with Aloha, and I think that this is the time when we need to look at ourselves in terms of what are our community assets? And one of the major assets I think we have is the aloha spirit and I think we are going to, through this concept of a center, start building on that and marketing it. So, I'll leave these here.

CHAIR JOHNSON: Thank you very much, Rita. Are there any questions? I just want to thank you personally, Rita, for your vigilance and for your attention to the seniors because I, personally, through my participation and with your assistance and also the resource directory received many calls because right now our seniors are at risk because some there...of them, through no fault of their own, are moving into foreclosure. They're taking in children now that have gone already into foreclosure or other situations where they've lost jobs, and they can no longer pay rent. So, any assistance that you can give and particularly to the most vulnerable in our community is much appreciated.

MS. BARRERAS: Well, we appreciate you stating that because just yesterday I was in a meeting with some of our volunteers involved with the coalition and many are seniors who are saying they're beginning to see slight increases in things like how much it cost to do a load of clothing, but it all starts adding up, you know, a quarter here, fifty cents or a dollar here. And so there's great concern and they have great concern about...they have a fear of spending right now. That's what I'm being told.

CHAIR JOHNSON: And I really appreciate your help. Thank you very much, Rita.

MS. BARRERAS: Thank you very much.

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CHAIR JOHNSON: Our next testifier will be Mr. Donald Brown. He'll be followed by Rosie Vierra.

MR. BROWN: Aloha. My name is Donald Brown from Haiku. I'm an organic grower. Before I was an organic grower I was a dioxin researcher in New Zealand. We have a situation, an undeclared silent war basically going on between tourism and agriculture. And the threat from agriculture that poses to tourism is very real, and we have a situation where the tourists is becoming more and more aware. And when tourists from other places, they have a choice of 50 tropical islands, and as the Maui Visitor's Bureau pointed out, their competition is going to be stiff. Other people are going to start pointing out our faults, and I'm talking about the 800 chemical gorilla in the room called Monsanto growing experimental vaccines in corn and pharmaceuticals across the island. As well. . .I'd like to bring to your attention also on January 1, 2009, the state of Queensland in Australia--that's the size of two Texas'--banned the use of herbicides forever. They've chased up against all efforts of these chemical companies traced back to the damage that's killing the reef, it wasn't sewage or road runoff, it's herbicides. They're sprayed on crops, they're sprayed willy-nilly all over the place and a bit of rain and they wind up killing the reef. If that's our base for tourism, agriculture is the number one threat. This island uses just short of an Olympic swimming pool size of Roundup every month. Now, in 1998, U. S. Marshalls and FBI agents raided Craven Laboratories in Portland, Oregon and arrested the scientists who falsified the safety data on Roundup. These men were fired so that the world can go on spraying this whacko glyphosate herbicide all over the place, the very men who would uphold the law and protect us from mad scientists got thrown off their job. I constantly hear how people want to protect the environment and people become more and more aware of pesticides all the time, but yet nobody stands up and passes any legislation saying no more. Townships, shires, provinces all around Canada and the states have banned the use of all these chemicals that are killing us. We lead the world, next to New Zealand, in cancer rates. Now, in New Zealand, people might think it's a clean, green place to go, but let me tell you, I'm from New Plymouth, New Zealand and I'm a former U. S. Army vet. Underneath my home next door to the Dow Chemical company of the United States is 80,000 drums of agent orange leftover from your Vietnam War. I'm trying to get you to come clean up your mess, saw my friends murdered, and me deported back here against my will. They have sold relabeled agent orange to dairy farmers and sheep farmers across New Zealand for 50 years. So tourism basically there is dead. You go there, you're taking your life in your hands. It is the highest cancer rates in the world. We follow it, followed by Hungary, Israel, and then Kazakhstan. But basically we have two or three large conglomerate corporations practicing agriculture in the. . .and it's not agriculture, it's agribusiness. And what kind of behaviors they have gotten up to is. . .in South Dakota, North Dakota and Nebraska passed a law saying, no more corporate farming in our state. Only families can farm lands in those three states.

MR. TAGUCHI: Three minutes.

MR. BROWN: Anyway, that's enough.

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CHAIR JOHNSON: Thank you very much, Mr. Brown. In some of the subject matter that you bring up, we have other issues too in other. . .I believe we have another Committee item in another venue that you may be able to address specifically. But I appreciate you relating it back to, I guess, the sustainability and also relating it to the stabilization. Thank you.

MR. BROWN: It's very difficult to profess you're growing things organically and you've got genetically modified organisms growing willy-nilly all over the island. It's major . . .(*inaudible*). . .you can't, we can't do both. We're either gonna have to do sustainable, human user-friendly organic agriculture or we're gonna have to do tourism. We can't do Monsanto lab rat and test tube business and--because the public is. . .they're too smart any more. They're going to find out about it and we're going to lose it all.

CHAIR JOHNSON: Thank you very much. Are there any questions? Seeing none, thank you, Mr. Brown. I appreciate your attendance. The last testifier we have is not Ms. Vierra. She already testified earlier. I did not realize that, but it's the same person, but that was with Mr. Sakamoto and with Nancy Johnson. So the last testifier we have is Zandra Amaral. Is there anyone else in the audience that wishes to sign up who has not testified? Seeing none, Ms. Amaral will be our last testifier. Thank you.

MS. SOUZA-AMARAL: You're welcome. Aloha ahiahi ko`u mau, hoaloha. Zandra Souza-Amaral, ko`u inoa. I said, good afternoon, my friends, my name is Zandra Souza-Amaral. And I'd like to, first of all, say that I am a product of several of your people there and a wonderful man over here. As a graduate from MCC 2001, Mr. Clyde Sakamoto was there and he helped me very much. SCORE as a small business owner helped me a lot. Susie helped me a lot, put together my business plan, and I'm going to call on her to help me again because the need goes on. I am one of that 60 percent, that micro-business that Susie speaks about. I'm a real estate broker, I have a firm and I do it all on my own. And it's very difficult to do it without partners like Susie or Dr. Sakamoto and his wonderful staff that I continually can call on even as a past graduate of MCC and the University of Hawaii. And without your funds, they could not do it. I would like to also say that, as a real estate broker, I specialize in putting young families in homes. Basically, that is all I do in real estate. It's low end, it's my passion putting my children's friends into homes. Unfortunately. . .and it's a really good time they say in our industry to buy real estate because the prices are coming down and the interest rates are lower than they've been in a long, long time. Unfortunately, what saddens me is most of my clients who were able to buy are not able to buy simply because they lost their jobs. And many of them upon counseling with them--and generally I work with my clients anywhere from a year to five years. The last one I put into a home, I spent five years with them just putting together plans for them. It's a long process, but it's gratifying and I love it. I wouldn't have it any other way. But upon counseling with them what I have found is that most of them either came from three industries. They either came from first, the most, from the construction industry. The second was the tourism industry, travel industry, hotels predominantly, food and beverage was a big one. The next one was agriculture from small farms Upcountry. And as I listen to President Obama and one of his delegates for the State level, I'm very proud to say, and listening to his stimulus plan on sending

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money down to the counties and the states, I believe that getting involved in CIP programs, Capital Improvement Programs is something that you can start right away. And like our sister there said, deal with construction projects that have already been approved, but they're ready to take their shovel and their hoe and start as soon as you guys get the money and distribute it. Because if you do that, if you create jobs immediately, it's your children, your grandchildren, my children, my grandchildren, my nieces and nephews, all of ours that we're putting back to work. And not only that, we can put them in their own homes. And what-for-not are we doing all this if not for the young men and women in our community who is giving birth and raising our grandchildren. So, I humbly ask that you continue to do as you have done. And all of you, I want to say I thank you so very much because all--

MR. TAGUCHI: Three minutes.

MS. SOUZA-AMARAL: --of you Council people and Madam Chair, I've known you for a long time and I know you are as passionate as I am about this local community, and I know that you'll do what it takes to get our children back working, especially those in the travel industry, in construction, and in our agriculture. I humbly ask you. . .thereby if you take care of the young, the young will take care of us, the elderly. Mahalo. A hui ho. Malama.

CHAIR JOHNSON: Thank you, Zandra. Any questions? Thank you, Zandra. Members, that was our last testifier. Is there anyone else in the audience wishing to testify? If not, with no objection, the Chair will close public testimony.

COUNCIL MEMBERS: No objections.

...END OF PUBLIC TESTIMONY...

CHAIR JOHNSON: Thank you. We've also received quite a bit of information in writing, so with no objections, we'll always receive that into the Committee record.

COUNCIL MEMBERS: No objection.

CHAIR JOHNSON: Thank you, Members. Members, I know that our panelists, poor things, have been sitting here for quite some time, that I think it's kind of a learning experience for all of us. So it's your opportunity now to ask questions of the panelists. And what I do is, for however long we, you know, can continue where the panelists can stay, I'd like to just at least open it up to you as Members, ask one question each and then if we need to do second round, that's fine. Vice-Chair Molina. . .oh, actually, Vice-Chair of the Council, but it's my Vice-Chair, Member Kaho'ohalahala, so I apologize. So I'll start with you, Mr. Molina.

COUNCILMEMBER MOLINA: Okay. Thank you, Madam Chair. And I realize that you're under some time constraints. You have a very important meeting in Lahaina.

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CHAIR JOHNSON: I think that that meeting will more than likely be canceled, Mr. Molina. . .

COUNCILMEMBER MOLINA: Oh, okay.

CHAIR JOHNSON: . . .because the road was closed for quite some time due to an accident on the Pali. So, I am unlikely to make the meeting and the meeting may not occur. . . .*(chuckle)*. . .

COUNCILMEMBER MOLINA: Oh, okay. All right, well, I've got about 50 questions--no, I'm just teasing.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

CHAIR JOHNSON: I'll limit you to one.

COUNCILMEMBER MOLINA: . . .*(laughter)*. . . Okay. Thank you. My first question is for Mr. West from the ILWU. Thank you for your comments with regards to the situation of employees over with HC&S as well as our hotel employees are facing the challenges that they have. You did mention about the assistance that MEO is providing with regards to the affordable housing program. But I do want to also add that these funds that were appropriated by the County Council working in partnership with MEO to administer, so the Council is doing their part as well to address this crisis that many of the employees are facing. Can you tell us at this point then, how bad is this right now? Is it getting worse everyday from your perspective? And do you see a need to possibly have the Council consider increasing that appropriation if the trend continues with regards to the layoffs and so forth?

MR. WEST: I don't want to talk about some of the layoffs that are going to happen because there are, that we have members that don't even know what's going to come down, what's going to come down within the next month or so. Actually, we're looking. . .and March is a very bad month for us. We've had. . .you know, I, I could see within the next month at least another 100 people being without jobs, just within the next month. Those are people without, you know, they have kids. So, the tough part is, you know, figuring out will any of those people qualify for the rental assistance. Some of those people have homes, they won't qualify. So, you know, it's really tough. I mean, right now we have basically families shacking up, there are, you know, three, four families to a house. There is a need for affordable rentals out there. It's very, very difficult. I guess, you know, the best way to describe it is fluid, you know. And as you know on MEO, we kind of see things as they're progressing, sometimes, you know, you get these big jumps. So, I think, yes, if we could, if you could increase the funding, it would be great. You know, what you guys did in around 9/11 with the electricity, you know, electric bill help and whatnot, any help out there would be, would be extremely wonderful, not only for our members but for the community because it's not just about our members. It's, it's about the community and that's, that's where I'm at.

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COUNCILMEMBER MOLINA: Okay, thank you. And, Madam Chair, I ask this question, I know we're trying to stay positive but again part of the impetus I would think is for us to come up with possible solutions. And although increasing, considering increasing of the fund may be considered a band-aid, it may be what we have to consider because I know the Administration is banking a lot on the economic stimulus from President Obama. But the question is, when will these monies arrive and what do we do in the meantime? And this is where I think the Council has an opportunity to step up to the plate and provide solutions for the interim until we get all of these monies, however much it may be, because we are looking at a crisis with people getting laid off and helping our families in need. So, that is why I asked that question. And one more question, if I could, maybe for anyone that would like to answer it, maybe, I guess, Ms. Tegarden from the Office of Economic Development. And thank you for your efforts with regards to what you're trying to do for our County, not only with the Mayor but also our other entities.. I know there was a push for the. . .working along with the visitor industry to promote Maui to China and other places in the Asian sector of our, our. . .the world. Prior to what is being proposed from the stimulus package, what is happening in the interim to help address some of the concerns that, you know, with regards to some of the people that have been laid off in the visitor and agricultural industry that the Administration is doing now that we're seeing some results?

MS. TEGARDEN: Thank you for that question. And I think our top priority is making sure that the grants that we do offer get out the door. We are making sure that we're walking through the grants, getting them through the process as quickly as possible because as I had stated before the, the organizations that we fund are the ones that are creating the jobs, providing new opportunities. Maui Visitors Bureau is consistently out there, they, they are our economic engine. The visitor industry is our economic engine. And I know we talk a lot about diversification which is also extremely important, and we are working on those lines as well. But to be realistic, there isn't another industry that can step up to the plate right now and provide the jobs that the visitor industry can. I know that their efforts have increased reaching out to the different areas that are traveling, you know, reaching out to the West Coast more. But, in general, it's just our main goal to get the grants out the door to Maui Economic Development Board, to the Maui County Farm Bureau to make sure that all of the things that we, we talk about wanting to support, we truly are with the dollars behind us.

COUNCILMEMBER MOLINA: Okay. And I would like to just ask you--I know you're the Administration's representative here today--but if you can relay some of the suggestions that, for example, Ms. Haraguchi from the Contractor's Association expressed about expediting the permit process to get the "shovel ready" CIP projects on the move so we can get people out in these industries back to work prior to waiting for the stimulus package monies to come.

MS. TEGARDEN: Exactly. When the Mayor and her Administration went out to talk to the different industries, we also spoke with the Contractor's Association. And all of the industries said the same thing, you know, permits definitely it would be very helpful if they were streamlined, we'd be able to get people back to work right away. So, I know that Mayor Tavares is looking hard at making some changes to ensure that the permit process is streamlined so that we can get people

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back to work now and not have to wait for the Federal, for the Federal dollars. And even when those dollars come down, we need to have everything in place that we can truly be “shovel ready” within 90 to 120 days.

COUNCILMEMBER MOLINA: Okay, thank you. And, Madam Chair, under your signature for your consideration if we can get a written response from the Administration as to, you know, how we’re going to expedite this permit process and just to give us--well, I guess, I know Ms. Tegarden gave us basically a 90- to 120-day period, window. But I think for the public’s purpose and our purpose, those who were unable to be here for this meeting, we can get something in writing more definitive to help us, give us a clearer picture of when these projects could get going.

CHAIR JOHNSON: And I would be happy to pose in a letter some of the questions that I’m sure you have asked and perhaps some of the testifiers too, and maybe even some of the suggestions. So, I’ll work with Staff to see that we do communicate. And, obviously, the Administration is watching what’s going on too because I think that the sharing of the information and kind of knowing where we are right now and what the concerns are in the community is very helpful.

COUNCILMEMBER MOLINA: Right.

CHAIR JOHNSON: So thank you, Member Molina.

COUNCILMEMBER MOLINA: And, and thank you for having this meeting. I think it’s real important to show that, you know, it’s a time where the Administration needs to work with the Council and vice versa to, you know, address the serious problem that we have here in the County. So, thank you.

CHAIR JOHNSON: Thank you very much. Member Baisa?

COUNCILMEMBER BAISA: Thank you very much, Jo Anne. And I, too, would like to say thank you for focusing the limelight on this issue that is. . .you know, it’s the 800 lb. gorilla sitting in everybody’s living room right now because we’re all scared not knowing how many relatives will be living with us shortly because, you know, this is that kind of a community. If you lose your home, you’re not going to have your family on the street. You’re probably going to try to bring them home. So, I think the sooner we all work together to try to come up with answers, the better. And I did want to ask a specific question of Mr. West and possibly Ms. Haraguchi, but before I do that, I just wanted to say that I was very involved with the HELP program, which is the program that the County came up with right after 9/11. And the Council, it was an amazing thing. Within 30 days they had approved an emergency appropriation of \$1.5 million and that money leveraged other money, which was wonderful because the State kicked in, private foundations kicked in, private donors kicked in, and it kind of leveraged money. And MEO, with the help of many other nonprofits, were able to provide County-wide coverage and have people come in for emergency needs, which consisted of many, many things but they were income

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eligible. They had to prove that they had a significant reduction in income and help with things like mortgages and help with things like car payments and insurance payments, and emergency medical needs.

The question I wanted to ask Mr. West and also Ms. Haraguchi, because I'm sure she knows working with a lot of contractors, is what happens to these laid off members when they have no medical? I know there's COBRA, but COBRA tends to be very expensive and most people on unemployment cannot afford COBRA. You know, if you're a construction worker that's been earning \$90,000 a year and your income is reduced to \$400 every week, I don't know how you, you know, it's a tremendous adjustment. Mr. West, could you start?

MR. WEST: Yeah, thank you, Gladys. Well, first thing that usually happens is we sit down with the company and we go into in effect bargaining type situation. We always ask initially to . . .for the company to provide some kind of medical coverage going out. And of course, you want to cover the person as long as you can. The reality is the reason the company is doing this is because, you know, they have to and I've got to admit, you know, I know a lot of these hotels are really holding on to employees as long as they possibly can, and that's the difficult part, you know. So, the glimmer of light I guess you could say would be in the Obama's, President Obama's package, he's put together a 65 percent. . .they're going to be covering 65 percent of the COBRA payment up to nine months and that was. . .we found that out yesterday. We sat with Mazie Hirono and she kind of rolled everything out as quickly as she possibly could. But, yeah, even that, you know, you have some employers that, you know, they're looking at \$900 a month for medical coverage. Even if you're paying for 35 percent of that and you're out of employment, you know, it's tough especially if you have a family. So it's very difficult and, you know, again, we try to look at the things the most positive as we can, but the reality is we're going to have people out there without medical.

COUNCILMEMBER BAISA: Thank you very much. I'm familiar with a couple of cases where people have been, you know, lost their employment, and these are members of their family who are diabetics or who have serious mental and physical issues and their prescription drugs are very expensive. And, you know, they just cannot afford to pay for the things they need. Ms. Haraguchi, any comments in this area?

MS. HARAGUCHI: Yeah, you know, for the contractors it's basically the same thing. They don't supply medical. COBRA is their only option. We know that unemployment is limited and it runs out very quick. So they will be going for assistance and they have gone for assistance. And I was with. . .in the meeting yesterday with Mazie, so we do know that there is going to be funding to assist with that. But realistically for the employer to carry the cost is really burdensome because most of our members are small to medium size numbers and they just can't hold the cost.

COUNCILMEMBER BAISA: Thank you very much. You know, it's beginning to sound more and more to me, Chair, like the County could possibly consider again some kind of a short-term

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emergency program to bridge what is going on now and between the time that the new Federal funds are actually here. Because, you know, the disaster of somebody not being able to take care of their medical needs, emergency medical needs or necessary medical needs, you know, I don't know if that's a good thing to have going on in our community. Thank you.

CHAIR JOHNSON: I appreciate that and I get the same calls, too. And having been in the insurance business, I know exactly what's going on. Member Kaho'ohalahala?

VICE-CHAIR KAHO'OHALAHALA: Thank you. You know, in just listening to all, all of your presentations today, I know that it's, it's often difficult to talk about the, the problems and the real tough issues, and I was just wondering if at the same time that you're in discussions about what they are, the realities of those, are you also in discussions about what some of the alternatives might be? Because it would be helpful for us here at the County to understand how we might assist in supporting alternatives that might be viable to help alleviate some of these kinds of issues and realities. And I feel what you're saying and at the same time we are tasked with the challenge of finding answers, and I'm just wondering if you have the most intimate kinds of relationships and discussions perhaps within your industries and for your memberships. Surely you must have some opportunity to talk about what some of those solutions might be that could be presented to us. So it's something that we can take and we can work and we can figure out how to manage them and if it's possible for us to implement, then we have at least a chance to, to move it as quickly as possible. At this point, we're going to be almost all starting from scratch. So if I took all of your comments today, it still means that I need to now start from scratch. So I would encourage you to try and help us in this process so that we can be as supportive and effective as government can be to respond as quickly as government can. So that's just a comment that I would like to at least put out there and then have you take a stab at it as well as for the Council to take a stab at it as well. Okay. So, I appreciate your consideration of that.

I have a question in terms of we've been talking about the "shovel ready" projects that could help to immediately, you know, help the economy, but I'm going ask you, Deidre. In the, in the list I think you mentioned of over 300 potential "shovel ready" projects, is there a list and is there a prioritization of that list so that we all know what they might be? There were concerns that were raised about how these. . . *(Change tape to Side 3B)* . . . what gets to go first and stuff like that so as a means of trying to be transparent. So my question is, is there some priority in the 300 projects that you, you mentioned?

MS. TEGARDEN: Thank you for the question. Because I'm not necessarily in charge of that area, we can get something to you. Of course, I think a lot of it depends on what kind of funding comes down to the County and where, where they're telling us, you know, we're giving you "x" number of dollars for the Community Development Block Grant for infrastructure, this much for energy. So, I think it's a little bit of wait and see; however, we did look at the overall list and there is a prioritization to those. Again, I can get something to you. I don't want to give you. . . *(inaudible)*. . .

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VICE-CHAIR KAHO‘OHALAHALA: Yeah. And I understand that because even I’m wondering, you know, what that interprets to at the very end when it reaches us. But is there a mechanism by which the industries themselves that may be impacted by this kind of “shovel ready” might also be included in some advisory kind of capacity to help you to make a decision that’s, that’s transparent?

MS. TEGARDEN: Yes, and I think they, they have to be because we can’t just make these decisions, you know, in a vacuum and we do need to include all of the, the partners to make sure that what we, we think is the right thing to do is actually doable and truly “shovel ready”. So, yes.

MS. HARAGUCHI: Can I make a comment?

VICE-CHAIR KAHO‘OHALAHALA: Go ahead.

MS. HARAGUCHI: Our organization has already began meeting with directors already because we got the list. We’ve seen the Mayor’s conference list. We know that there is going to be block grant money. We know there’s going to be transportation money. We know that the State will get the bulk of that and I’ve already met with one Director and I plan to meet with the CDBG Director next week because realistically I’m going to be honest and tell you, I don’t know that it will be turned around. We want it to be. So this County really needs to take everybody into consideration when planning, when assigning a specific person either from the County or hiring a liaison to be in charge of it so it does not get lost. I know a lot of the money is going to go through block grants, and I am going to go over their list to see what is so called project-ready. Project-ready means it’s ready to go today, not tomorrow. It can’t go through design, it can’t go through any of it. To my knowledge, a lot of the stimulus money will be design built from the State and also from the County. If that’s what it takes, then that’s what needs to be done. But I highly encourage this Administration, this Director and all the Council Members to work with the industry to assign one person to handle it all, not only for the stimulus but also for the CIPs to put people back to work. Because I have been having the meetings. . . I just hope we’re prepared. I’m trying to be as positive as possible and I’m more than willing to meet with any of you individually to let you know what I’ve discussed in the meetings and what Council can do to step in. But I really, really ask all of you to step in so we can put people back to work.

VICE-CHAIR KAHO‘OHALAHALA: Okay. Just clarify your comment about you’re not seeing it turning around? Just clarify that.

MS. HARAGUCHI: Excuse me?

VICE-CHAIR KAHO‘OHALAHALA: You said--

MS. HARAGUCHI: Because encumbering the funds, to my knowledge, it’s anywhere from a 90- to 120-day window, and if they’re looking at a list of what they want to do compared to projects

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that have bid and the bids came in over, then maybe those projects can go ahead. . .this projects that have already been designed -- projects that could not be done because of funding, because of a lack of funding. Maybe those projects need to be considered.

VICE-CHAIR KAHO‘OHALAHALA: Okay. And then have you, since you have been in meetings with the Administration and have you raised all of those concerns?

MS. HARAGUCHI: I’ve only met with the Director of Public Works and I will meet with the next Director. I have not met with the Mayor yet. MCA has tried to work with the Administration to expedite the permitting process, and I just hope within this period we can do something.

VICE-CHAIR KAHO‘OHALAHALA: Okay. Thank you, Madam Chair. Yeah.

CHAIR JOHNSON: Thank you, Vice-Chair Kaho‘ohalahala. And I know you’re sitting out there. . .poor Mr. Pontanilla. . .*(chuckle)*. . . Do you have questions?

COUNCILMEMBER PONTANILLA: Maybe Jackie should work for us.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

COUNCILMEMBER PONTANILLA: No what is. . .you know, what Jackie mentioned is so true that whenever the stimulus package comes through, even for the CIPs that we have today, you know, we need a focal to keep track of the CIPs as well as the spending that we do for every individual project. When we say that we’re going to do a project, you know, for the County of Maui, we need timelines, true timelines where, you know, we know when we’re going to start, we know when we’re going to complete, we know how much we’re going to spend, all of those things. And, you know, I, I went to the Maui Contractor’s Association Installation night and I’ve heard the Governor talk that night in regards to the State creating a tracking mechanism. And, you know, we’ve talked about a tracking mechanism over here in the County, and, you know, I have had discussion with the Budget Director with regards to capital improvement being tracked. So, I understand that the Administration is now looking at the tracking mechanism for our capital improvement projects. The other thing that we need to do is that, you know, like I said earlier, when we say we’re going to do a project and we do it, don’t encumber the money. If you’re going to encumber the money, what’s the possibility of substituting another project that is already ready to utilize that particular money that has been set aside? So we got to be creative ourselves. You know, for the County of Maui, yeah, that’s one way we can stimulate this economy.

But I have a question for maybe all of you because you represent a lot of workers and I know a lot of workers have homes that, you know, mortgage needs to be paid. Have any of you worked with the banks in regards to rather than a family being foreclosing on a home, talk to the banks about creative financing so that, you know, those families can still remain in the house, pay whatever agreement that they have with the bank because, you know, once a person goes into

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foreclosure he loses the house, the banks lose income as well as the stockholders. You have any comments in regards to that or have any of you through your organization worked with the banks in trying to create creative financing for families that are, you know, near foreclosure?

CHAIR JOHNSON: Deidre?

MS. TEGARDEN: I think that that's a fantastic idea. One of the workshops that we recently had was on mortgage counseling, foreclosure counseling, and we worked closely with a number of the banks. While we haven't taken it as far as you are suggesting, I think that that would be a very good idea for us to pursue whether it's through a workshop down at our center with a number of the banks, but I think that that's a conversation that we should definitely have.

COUNCILMEMBER PONTANILLA: Thank you.

MS. HARAGUCHI: Yeah. I, myself, have not met with any of the local banks. What I did call if . . .and see if any of them were trying to get out the bailout money to actually try to help homeowners that are facing foreclosure. That's . . .was MCA's main concern and it still is because I was trying, MCA was trying to find a way to actually help these people. I know that mainland banks you can renegotiate, extend the life of your loan which lower your payment. I have not, like I said, met with any local banks to actually do that yet.

COUNCILMEMBER PONTANILLA: Thank you. And the reason why I bring it up is that I went to a conference last week Friday and, basically, it was Paul Brewbaker and a person from Harvard University and a part of the discussion was thinking about different ideas to keep families in their homes, you know, and that's the reason why for the question. Because when they presented a solution, creative solution, you know, nobody loses. So, hopefully, you can go back and, you know, approach the banks and help your membership. So, thank you, Chairman.

CHAIR JOHNSON: Yes. Other questions? I believe Member Kaho'ohalahala had his hand up first and then Ms. Baisa, and did you have another question too, Mr. Molina?

COUNCILMEMBER MOLINA: I do. Yes.

CHAIR JOHNSON: Okay. So we'll go back the other direction.

VICE-CHAIR KAHO'OHALAHALA: Thank you. I, I just wanted to add to Member Pontanilla's question. Yesterday, we had a meeting with CDBG and some of the funding that's coming down to CDBG as was shared and presented to us is to be used, to acquire homes that are already in the foreclosure process. It does not address the family itself. But there is, as was shared also with us, that in the stimulus monies that are coming down a program or several programs that are intended to assist the family in a foreclosure situation. So, at least, you know, for, for what was presented to us that the homes that are currently in foreclosure, that they will be held or purchased for continuing affordability so that they would be aligned to provide affordable

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housing to those who are qualified under, I believe, was it 80 or 60 to, to 100 percent of median income, somewhere along that. But the more important question I think that you've asked is how do you assess the family, and that program as it comes down is something that we should be on top of immediately so we can take a look at the families currently that are in foreclosure to assist them so that they don't have to lose their homes. So . . .

CHAIR JOHNSON: I thank you, Member Kaho'ohalahala. And one of the things that I think I've spoken with other Members and members of the community, too, we really have a serious problem in the individuals who are being foreclosed on not having access to all the information because they're already in a bad financial situation. Some of them cannot afford attorneys. They've gone to Legal Aid, but Legal Aid does not provide that type of assistance. So they're all in this mode of repeating the same calls to the same agencies, and my thought, and I'll just throw this into the mix, is that the County create a clearinghouse for this kind of questioning, and even access through computer link or whatever, even if it's an Ombudsman that takes these calls that helps pair people with the individuals that they need assistance for. And I was able to find out that there is a Volunteer Legal Services of Hawaii, and I believe that in some situations they may be able to assist the individuals who are facing foreclosure to at least understand what their rights are. Even for filing bankruptcy there are some pitfalls, but it may enable the person to actually stay in their home. But I'm not the attorney, but we need to assist people because they're feeling very frustrated and as many of you know, when it goes to a company that is basically a liquidation agency or acting as a collection agency, mortgage electronic registration system, a lot of these other banks, they sell this paper to these entities and there was no one individual that these people, there's not a human that they can really go to. They're just totally, totally disenfranchised because their original lender is now not even a face at the bank. So this is very troublesome and you cannot stabilize an economy if you have people that are searching for a place to live. You can't even apply for a job if you don't have a place where people can contact you, a phone number, something. And I feel very sorry for the children who are impacted in these families as was spoken about earlier by one of the testifiers. Domestic violence is extremely troublesome because the frustrations are often taken out on family members who are very vulnerable. And our whole goal and objective is to help stabilize not only the economy but stabilize our citizens so that they don't fear all of these things that are going to happen to them. And if we don't provide that safety net and if the Administration can work with us to help provide that kind of a venue, then I think we're really doing something meaningful. So, I'm hoping that we can do this because it really is key to helping restore the faith and confidence not only in government but just in the business community and, and really in society because many of these people are feeling that they are totally abandoned. And I'm sure each one of you have gotten the calls, you know someone, or you, you even have your own family members who now are facing this very, very dire situation. So, I just want to offer that and I'm more than willing and if the Chamber or any of the members here too who are participating in this panel or even people that are watching have computer links where we can pair up people, maybe there's somebody that has a room or they're going to be gone for three months for some medical purpose or they have somebody who's going to be losing a home and they're willing to provide,

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we all need to pull together. We're, we're in the same canoe and we just need to do that. So, I didn't mean to interrupt. But Ms., Member Baisa you had a question.

COUNCILMEMBER BAISA: Not so much a question, it's just one more comment on this situation and recalling the HELP program. One of the areas that we didn't think about and we ran into very quickly was the issue of maintaining car insurance. You know, car insurance is a very expensive item and immediately people were, those who pay monthly were beginning to lose their car insurance, and, you know, that's a requirement to drive a car on the road these days in Hawaii and also for licensing and all those kinds of things. So that could be another major issue very quickly if we have a lot of people--we already do--but there would be a higher, a much higher percentage going around without car insurance. So, something to think about as we think about the needs that will arise.

CHAIR JOHNSON: Thank you.

COUNCILMEMBER BAISA: Thank you.

CHAIR JOHNSON: And that's also. . .you made a very good plug for what we're continuing to do, which is provide transportation as an alternative through not only Maui Economic Opportunity but the Maui Bus. And as a frequent user for the Maui Paratrans [*sic*] for my husband and myself, I really, really cannot say enough and how grateful I am to all of you for doing this. And I'll come back to you, Member Pontanilla, but Member Molina.

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Just a question for Ms. Kooy from the Chambers. You know, in your comments earlier, Madam Chair, you mentioned, I guess, something along the lines of consumer confidence and spending to reenergize our economy. If I could get your feedback, Ms. Kooy, on in terms of what can the County do to sort of restore consumer spending, which is sort of the catalyst and the key to getting the economy going and the confidence that business needs to continue to invest or spend in our local economy. What else can we, would you suggest that we can do as a County government and the Council?

MS. KOOY: Well, I think one of the points that we would like to see is that some of these issues with the different industries on County property and on the beach property, that they could, we could come to a solution for that for the wedding business, number one, that, that brings a lot of money to our economy, and the beach activities. Like tourists. . .if they could, if we could come to a solution for them to, as an industry, to be. . .have reasonable regulations and where they could self-regulate this would get money flowing, because we do have a lot of tourism here now. I've noticed that Upcountry. There's a lot of people walking around in Makawao town and they don't come here just to lie on the beach. They come here to see the activities, to see the communities. So getting, getting those things passed though so that, so that the wedding industry can do their weddings on the beaches and not have to go through a lengthy process to have that happen. The TVRs, of course, is a big issue that we keep hearing about at the Chamber. So there are more

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things that we would like to speak to when Pam will be returning next week. So we can give you some more feedback on that at that time.

COUNCILMEMBER MOLINA: Sure and we, we look forward to the interaction, if you will. And, you know, you mentioned the beach activities, I guess trying to find that balance between regulation and respecting the needs of our residents who make use of the beaches for recreational purposes because especially when you have an economic downturn and people don't have that residual income to spend on other activities, well, go to the beach, you know, that's one of the biggest things that doesn't cost you anything, but yet you still can have a good time without having to spend a lot of money. But if you have say, for example, an entity that's using that beach for commercial purposes, there could be that animosity between the resident's, I guess, right to use the beach for recreational purposes versus the need for commercial entities to operate and, you know, stimulate our economy by providing jobs and so forth. So it's a delicate issue but, you know, and continuing to work with both sides on this issue, I think, will be healthy and I think we all have to look forward to a compromise on that particular issue. But thank you very much for your input on that.

MS. KOOY: You're welcome.

COUNCILMEMBER MOLINA: Thank you, Madam Chair.

CHAIR JOHNSON: Thank you. Yes. And, and I just wanted to inject one thing. Our Parks Director has been very open to listening to some of the comments that I was able to pass through from some of the people that are ocean rec. permit holders. Because I know that for some of them with some of the changes in the proposed fees and how the fees were going to be applied, it may have caused them substantially more to actually continue to do similar business to what they did before. So, and I can't speak for the Administration, but I know that they're open to the suggestions for having us hold the line on those fees and just not add to any financial woes that are already out there. So we are doing that and the Administration has been very, very cooperative in that respect. Member Pontanilla, you had a question?

COUNCILMEMBER PONTANILLA: Thank you, Chairman. Question for maybe Terry and. . .as well as Stephen because both of you work, you know, in similar industry. Stephen represents the workers through ILWU and, Terry, you're the one that trying to bring in all these tourists to Maui. You guys talk story? In other words, do you communicate with the workers or the representatives of the workers to keep them abreast of what's happening in regards to what you're trying to do to increase tourism here in Maui County?

MS. VENCL: I have, I have not had the opportunity to meet with workers or, frankly, even with ILWU with Stephen and/or Willie or any of those folks. The issue of the workers is a little closer to the MH&LA mission than mine is; however, I'm certainly well aware that if the visitors aren't coming and we're not getting them here, that's, that's what's going to happen. I would love to be able to talk to people. You know that often I'm asked to go out and speak to different types of

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groups, and I would love an opportunity to speak to the workers or whomever they would choose and, and decide what's appropriate to share with them exactly what we do and why we do it and what we're doing to try to make sure that their jobs are coming back to them. I would welcome that opportunity and that's a great suggestion. I thank you for that.

COUNCILMEMBER PONTANILLA: Thank you. Stephen?

MR. WEST: And we've come out and we've testified on behalf because we understand really what's at stake. But yes, I think it's only going to benefit if we have a conversation and we work together because it's only going to make us better. And I have no problem.

MS. VENCL: If I can add one comment. Madam Chair, just one further comment. . .you know, kind of goes along the same line, but, but it's about how the whole world is reacting to this situation. The more knowledge they have, the better suited they are to deal with things. You know, it's the fear of the unknown that drags us all down. And I really welcome that suggestion and I'm happy to do that and that's why I go out and speak to other groups who ask me to come along and come their way because I think it is helpful to share information and you don't feel like you're in the boat all by yourself and it's sinking faster than you can, you know, shovel the water out. So, I really want to thank you, Member Pontanilla, for that suggestion. I think it's a great one.

COUNCILMEMBER PONTANILLA: Thank you. Even for the construction industry.

MS. VENCL: I would talk to anyone.

COUNCILMEMBER PONTANILLA: No, no. . .not you, you know.

MS. VENCL: You know me. . . *(chuckle)* . . .

COUNCILMEMBER PONTANILLA: I'm looking directly at Jacqueline here, you know, that the industry, the people that own the construction business --

MS. HARAGUCHI: Uh-huh.

COUNCILMEMBER PONTANILLA: --or your organization, you know, talk to the other unions.

MS. HARAGUCHI: We do. We, actually we partner--

COUNCILMEMBER PONTANILLA: Yeah. I, I know you guys try to communicate, yeah. Thank you.

MS. HARAGUCHI: Yeah. Thank you.

COUNCILMEMBER PONTANILLA: Thank you, Chairman.

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CHAIR JOHNSON: Thank you very much. I know we're going to have to wrap it up, and I want to thank the panelists today and I want to thank the Members too because individually each one of you have expressed your individual concerns, and many of the things that we can do in government are limited because, you know, we have, we're coming into Budget, that's one way that we can make an impact. Even legislative fixes if it's something that's not within our purview, because I know in the wedding industry some of the issues have to do with State permits. So it may be that some components are not within our control. But if we understand what it is and we identify as best we can what the greatest areas of need are, what the problems are, what some of the challenges are, I think that when we enter Budget and when we look at some of the fee structures or legislative fixes and working with the Administration prioritizing, that is where I think we can make a difference. So, I wanted to provide this, this first venue to kind of identify on a more global scale and on a broader base what some of the issues are that we're facing. But I intend to repeat this type of panel format on March 5th with different panel members, but coming at it from maybe a more narrow perspective. And in the interim, I'm going to look for solutions and creative suggestions from everyone who is within earshot or video shot, and I realize the people in Haiku are complaining that they've lost their, you know, video transmission with the changeover to digital, but anyone who has any creative suggestions within our government entity, in private industry, just from our community. I want those suggestions because it's only through that collaboration and, as was mentioned by Member Pontanilla, through communication and mutual sharing of this information that we're going to be able to get through this. So, I really welcome that and particularly from the Members. I know Member Kaho'ohalahala and I have identified a specific, little area that we're working on, you know, I know he's done a lot of legwork. But it's... sometimes these small things that you find it's a barrier and if you can remove that one barrier to allow somebody to do gainful employment and not be shutdown and not be totally disenfranchised and out on the street with their family living in a car, anything that we can do to prevent that, I think we need to do that.

And so, I thank the Members for their participation. I especially want to thank the panelists for sharing their mana'o and particularly for Susie here, our cheerleader, you know, I was about ready to say where are the pom-poms, you know... *(chuckle)*... because, you know, there's always this bright side and there's somebody that always looks at the glass not being half empty but half full, and if there's a cloud looming, where's that silver lining. And I think that these are the bright things that we have to look forward to, these are the inspiring things, and I've received some inspiring stories to about how some people have helped other people through difficulties. It might just be buying a bag of dog food because somebody can't afford to keep their pet and they want, and they don't want to turn it in, you know, because it will be euthanized or they don't want to let it loose on the street, or the kids needs some books for school. So all these things are really important, but we will pool together and we will make it through this. So, I want to thank the Administration, too, and we're open to working with everyone.

So this item, Members, will be deferred. We will take this up again. I can't say right now who all the participants will be in the next panel. But we're going to look towards solutions and if

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you, as panelists, have any solutions, please, we welcome them. And I want to thank Staff for helping set this up. So, Members, this item will be deferred with no objections.

COUNCIL MEMBERS: No objections.

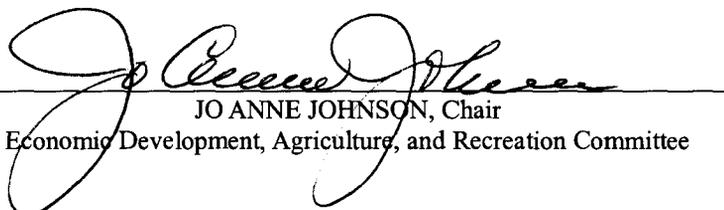
COUNCIL MEMBERS VOICED NO OBJECTIONS (excused: GB).

ACTION: DEFER pending further discussion.

CHAIR JOHNSON: Okay. And the meeting of Economic Development, Agriculture, and Recreation Committee of February 19, 2009 is hereby adjourned. . . .(gavel). . .

ADJOURN: 4:55 p.m.

APPROVED:



JO ANNE JOHNSON, Chair
Economic Development, Agriculture, and Recreation Committee

ear:min:090219

Transcribed by: Jo-Ann Sato