

**ECONOMIC DEVELOPMENT, ENERGY, AGRICULTURE,
AND RECREATION COMMITTEE**
Council of the County of Maui

MINUTES

Council Chamber

October 28, 2014

CONVENE: 1:32 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Don S. Guzman, Chair
Councilmember Robert Carroll, Vice-Chair
Councilmember Gladys C. Baisa (left at 3:46 p.m.)
Councilmember Elle Cochran
Councilmember Stacy Crivello (arrived at 1:34 p.m.)
Councilmember Michael P. Victorino

EXCUSED: Councilmember Mike White

STAFF: Sharon Brooks, Legislative Attorney
Mark Pigao, Legislative Analyst
Kit Zulueta, Communication Director
Pauline Martins, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via voice conference)
Denise Fernandez, Council Aide, Lanai Council Office (via voice conference)
Dawn Lono, Council Aide, Hana Council Office (via voice conference)

ADMIN.: Jerri Shepperd, Deputy Corporation Counsel, Department of the Corporation Counsel
Teena Rasmussen, Economic Development Coordinator, Office of the Mayor (Item 1(2))
Kimberly Haueisen, Business Development Specialist, Office of Economic Development, Office of the Mayor (Item 1(2))
Brienne Savage, Interim Director, Department of Parks and Recreation (Item 41)
Karla Peters, Capital Improvement Project Manager, Department of Parks and Recreation (Item 41)

OTHERS: Rosemary Robbins

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Pamela Tumpap, President, Maui Chamber of Commerce
Durwin Kiyabu, Architect, Nishikawa Architects Inc. (Item 41)
Tanner Morrin, Intern, Nishikawa Architects Inc. (Item 41)
Grant Chun, Vice President, Maui, A&B Properties, Inc. (Item 51)
David Arakawa, Executive Director, Land Use Research Foundation of
Hawaii (Item 51)
Dan Yasui, A&B Properties, Inc. (Item 51)
Paul Oshiro, A&B Properties, Inc. (Item 51)
Garret Hew, Vice President, HC&S (Item 51)
Plus (11) other people

PRESS: *Akaku Maui Community Television, Inc.*

CHAIR GUZMAN: . . . *(gavel)* . . . Welcome. The Economic Development, Energy and Agriculture and Recreation Committee shall now come to order. I'm Don Guzman, the Chair of the Committee. Before we begin, I'd like to ask anyone who has a cell phone to please turn it off or put it in silent mode. I would like to introduce our Members for today's Committee. Starting to my left, which will be Vice-Chair Bob Carroll. Thank you.

VICE-CHAIR CARROLL: Good afternoon, Chair.

CHAIR GUZMAN: Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha, Chair.

CHAIR GUZMAN: Chair Gladys Baisa.

COUNCILMEMBER BAISA: Good afternoon, Chair.

CHAIR GUZMAN: And Mike Victorino.

COUNCILMEMBER VICTORINO: Afternoon, Chair.

CHAIR GUZMAN: Thank you. And for their Staff today, we have our Legislative Attorney, Sharon Brooks, as well as Committee Secretary, Pauline Martins. For our...oh, wait, let me begin with some brief announcements. If you are interested to testify, please sign up at the lobby and the testimony will be limited to today's agenda. Pursuant to the Rules of the Council, you'll be allowed three minutes, with one minute to conclude. When you come to the podium, please address the Chair as well as present your name and present any organization which you represent. I'd like to also check in with our District Offices. Hana Office, are you there?

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MS. LONO: Good afternoon, Chair. This is Dawn Lono at the Hana Office.

CHAIR GUZMAN: Good afternoon, Ms. Lono. On, Lanai Office, are you there?

MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai.

CHAIR GUZMAN: Good afternoon, Ms. Fernandez. And on Molokai Office, are you there?

MS. ALCON: Good afternoon, Chair. This is Ella Alcon on Molokai.

CHAIR GUZMAN: Good afternoon, Ms. Alcon. Okay. Now we're going to go to our Chambers to see if we have anybody that has signed up for testimony.

MS. BROOKS: The first testifier is Rosemary Robbins.

... BEGIN PUBLIC TESTIMONY ...

MS. ROBBINS: Good afternoon, everybody. Indeed Rosemary Robbins. A real eager learner today, I live up in farm country. I know precious little about farming. I'm an enthusiastic eater. So I came down yesterday and I got ahold of the bill from 2005 and read through it and it made me even more aware of my ignorance of this topic. But I was part of the Upcountry Oversight and Advisory Committee required by the EPA when indeed we got a grant to be able to address the water contamination and its mal-effects that were happening Upcountry back in the beginning of the 2000s and that was an education, too. And when I came through this material and was going over it yesterday, I realized how often it spoke about water as being such a crucial element in anything that was going to be agricultural land, Important Agricultural Lands being the topic, I didn't even know there was a topic about that. But they're certainly related and I've been in a number of meetings and have watched a number of transitions go on over the years where ag land was converted and rezoned, and they were saying that now we'll be able to get housing up on that land since we don't need all of it. I was a little confused about the math on that as we were gaining greater and greater numbers of people to feed both people who are living here and people who come to visit. I thought, wow, just didn't make mathematical sense in that. But I've also come to realize that a number of those transitions, ag land, were for the sake, proposed stake, purpose of being able to have housing go up and including up in the area where I live, land was converted. Stuff that's going on in Puunene now with zoning being converted and I'm really eager to learn today how that all that fits in with what the purpose is on the EAR-51 today. So I'm most appreciative of this. I just would alert us that on the materials yesterday in the binder did not include maps and there were many references to maps. I'd love it if I knew where we could get a chance to see those. That would help me to understand more what's going on. So thank you for doing all of this.

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CHAIR GUZMAN: Thank you, Ms. Robbinson *[sic]*. Members, do you have any follow-up questions? Seeing none, thank you very much for your testimony.

MS. ROBBINS: You're welcome.

MS. BROOKS: There are no more testifiers in the Chamber.

CHAIR GUZMAN: Okay. I'll check in with our District Offices. On Lanai District Office, is there anyone wishing to testify?

MS. FERNANDEZ: There is no one waiting to testify on Lanai.

CHAIR GUZMAN: On Hana District Office, is there anyone wishing to testify?

MS. LONO: There's no one waiting to testify in Hana.

CHAIR GUZMAN: On Molokai District Office, is there anyone wishing to testify?

MS. ALCON: There is no one here on Molokai waiting to testify.

CHAIR GUZMAN: Thank you very much ladies.

... END OF PUBLIC TESTIMONY ...

CHAIR GUZMAN: At this time, Members, without objections, I would like to close public testimony.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: Thank you.

**EAR-1(2) COMMITTEE'S PRIORITIES AND PROCEDURES; PRESENTATIONS FROM
COUNTY ADMINISTRATIVE AGENCIES (ORIENTATION WORKSHOP BY THE
OFFICE OF ECONOMIC DEVELOPMENT)**

CHAIR GUZMAN: Members, starting with our first item on the agenda, EAR-1 (2), Committee's Priorities and Procedures; Presentations From County Administration *[sic]* Agencies (Orientation Workshop By The Office Of Economic Development). Pursuant to Rule 7(B) of the Rules of the Council, the Committee has requested that the Mayor's Office of the Economic Development present an update on the new Made in Maui County Festival. This is, will be our first time that we ever had this Made in Maui County Festival and today, we're gonna receive a presentation of

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it. Members, we will hear from the Office of Economic Development about the upcoming Made in Maui County Festival scheduled to take place this coming November 7th through the 8th, at the Maui Arts and Cultural Center. It's expected to be a very popular event showcasing the products of Maui and drawing thousands of attendees. We are really looking forward to this event and as it goes, as it proceeds to enhance our economy here on Maui. So leading the charge will be our Director of the Economic Development is Teena Rasmussen and her assistant, Kimberly Hauelsen; and we also have today, Pamela Tumpap, who is the President of the Maui Chamber of Commerce. You may proceed. Go ahead.

... BEGIN PRESENTATION ...

MS. RASMUSSEN: Okay. Thank you so much, Chair Guzman and Members of the Committee. It's our pleasure to be here today. We wanted to give you some of the good news as we're coming rapidly on to event date. As you know this event got started from our success of going to the Made in Hawaii Festival back in 2013, we took 12 companies...18, 18 companies over to the Made in Hawaii Festival and out of their success and seeing how excited they were to showcase their products, we came home and we said, you know, it was a huge success, but it was also very expensive for the vendors to go to Honolulu. They had to fly. They had to get a room for four days. They had to ship their products. They had to rent a car. And so we wanted to bring it back and say, you know what, it's time we have this here. So that's what we have developed ever since that time. We've been planning and we have put together a, an amazing committee. We knew that we needed a partner in this and the logical partner was the Maui Chamber of Commerce. And we've got Pam Tumpap here today and we stand as co-presenters of this event. I also want to start by thanking the Council for boosting our small business promotion funds in this last budget cycle, because that's what's giving us the funding to pull off this first-ever event. So we're going to go through a PowerPoint we've prepared for you and we have some great...first of all, great partners we've brought together to be part of our Committee. We have hired Linn Nishikawa & Associates to be our marketing company, and all of these other companies have partnered with us to be on the committee and of course, the Chamber. We have five committees that have been working for months and that is the Marketing Committee, Budget Committee, a Vendor Committee, Logistics and our Buyers' Event. So this event is two days with the first half-a-day being a buyer-wholesaler event and then the second day is all open to the public.

MS. TUMPAP: We have, oops, sorry, excuse me. As you can see, we have a number of amazing sponsors that came in. We really have to thank Innovate Hawaii. They jumped in very early on with a contribution of \$10,000 and we have many other sponsors, as you can see, media partners, the Courtyard Marriott came in. We've got different banks and printing companies, Zippy's, Matson, others. People came in at a variety of levels of sponsorship that started at \$500 to \$10,000 and so we've been very blessed. Total sponsorships and paid sponsorships was 15,000. We have many in-kind sponsorships that equated an offset cost at a total of \$58,454 thus far; and

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in addition, we have many in-kind contributions that are still being made as we get down to the final details of the event, so several more thousand dollars is expected. And the good news is that all our vendors were paid very early on, so we collected \$32,300 in revenue from vendor booths and they were all paid weeks ago. They are so excited about this show that usually one of the things you're always struggling to do is collect the money. They're in and they don't want to lose their spot and we still have a waiting list. We had over 150 applicants for this amazing show.

MS. HAUEISEN: So just to give you a little layout of how it's gonna work, it's at the Maui Arts and Cultural Center. This is actually a little bit of an older map. We were able to increase the vendor size even larger than it was originally. So we went from 102 spaces to 130 spaces just for the vendors alone. And then we have food trucks out in the food court, and we've actually, the pointer doesn't want to work, but the, over in the, over in that pink section, over on the left-hand side is where all the food trucks will be. We have an overflow of vendors, so those will also be in 10X10 tents, but as you can see the tents in the picture, those are the style of tents that will be on the lawn. So we have vendors in the entire lawn, the central lawn. We have a collectors' corner up in the top right. We have a gallery along that walkway. In the pavilion there behind the stage, the stage will also be facing inside toward the pavilion and not take away from the vendors that are out on the lawn, and we'll have things going on on the stage that we'll talk about in a little bit; and then over on the left side, there's an artisan showcase. So we were able to bring in some of our really high-end local artists and jewelers and it's just so amazing when you see these products. You'll be so proud.

MS. TUMPAP: And the good news is that you actually can see some of the products. I know that you've got the marketing materials and we'll talk about that a little bit more in a minute, but this is a two-day event as Teena mentioned. We start with a buyers' event and we have buyers, wholesalers and distributors coming to see these 130-plus companies. Here's the exciting part. These companies were vetted. We had a volunteer committee who saw every application, first looking at the 51 percent valuation, then looking at the products themselves, their marketing, their packaging. We wanted to pick quality products. And again, we had over 150 applications, which is why we expanded the show. So we found a lot. The exciting thing is that they come in a wide variety of different products. So there's great diversity in this show and we found, I mean, obviously the Office of Economic Development and the Chamber of Commerce have been working with small businesses for years and years. There were companies even we didn't know that came out of the woodwork, which was real exciting to get to meet these companies and help them. And what we asked each of the companies participating is, you tell us who are the best buyers, wholesalers and distributors for your product. So they gave us names of people they wanted to invite. So hundreds have been invited to the VIP preview. When Teena and Kim went to the Made in Hawaii Festival, they talked to some of the buyers there, and one of the complaints with that show was for the buyers' event, it was a very limited amount of time to see everybody. So we expanded it. They have four hours to get to meet with these 130 vendors and connect with them and learn about their products, and then in that timeframe, from 2:00 to 6:00

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is when the buyers' event is, by invitation only and people can still sign up now if they're interested by calling the County Office of Economic Development, and I'll make a quick plug, 270-7710, for anybody watching on AKAKU, but you can still register if you're a buyer, wholesaler, distributor. But this event is gonna be great. We're gonna, at 4:50 that evening, we're going to have the taiko drummers call everybody's attention and have a networking reception, and then we want to engage these buyers, wholesalers and distributors in a little bit of a networking thing. We're gonna have some of our dignitaries speak that evening and then we want to circulate them back out amongst the vendors, but they've got four hours to connect with all of our vendors and learn more about them. And then on Saturday is the festival itself. And the festival is from 8:00 a.m. to 4:30 p.m. The first 2,000 people who come through the door are gonna receive a free event bag with that cute postage stamp logo. They're gonna get a free orange event bag to come in early. We think this is gonna be one of the draws, but there's gonna, the big draw is gonna be these companies. And those who come in early, we're ordering over 6,000 directories, so we're expecting a bigger crowd, but those who come in early will get the directory. This will be like the bible moving forward of where you find Made in Maui County products. All the companies are gonna be listed and you're gonna have links to them. In addition, there's going to be on-stage activities where all of our vendors were given an opportunity to do a demonstration. Some of them maybe don't have something to demonstrate, but those who did and were very interested in this opportunity, we have a whole lineup of demonstrations scheduled. Leah of the County Office of Economic Development, Santos, she has been, Leah Santos has been working on that. She has lined up cooking demonstrations, some story-telling, a fashion show, a host of really fabulous things all day, throughout the day. We also have Kathy Collins and Willie K's brother, Wilmont, who are gonna be our emcees throughout the day. Then we have over 70 prizes that are gonna be given away with prize drawings. So we're letting the public know that you don't have to be present to win. It did mean we couldn't include, we couldn't include in the prize drawings perishable items, some of the food items couldn't be given away because we don't want them sitting in the Maui County Business Resource Center for weeks and rotting, but all the other prizes are things that can be picked up later on and they have 'til November 17th to pick up their items if they win. So they can come, have a chance to win some great things. They get, also get to sample spirits that are going to be available in the pavilion, and we have Ulupalakua Tedeschi Winery, we've got Maui Brewing Company and we have Ocean Vodka that will be featured there.

MS. RASMUSSEN: Okay. And then moving on, and I just want to mention that every one of the prizes was, are, have been donated by the vendors that are at the show, so all of those have come from those vendors. So moving onto the marketing, okay, so what are we doing to market this event? Because we could put on the best event in the world, if we don't get people there, then it's not gonna work, so the vendors are gonna be very unhappy. So we're pulling out all stops to get the marketing done. We have been interfacing with the visitors' industry on this. We have received permission to put in banners at Kahului Airport, the week of the event. We're also going to be able to pass out rack cards at the airport. We have all kinds of media purchased, but we've also, besides what we've purchased, we've leveraged the media buys with an additional \$60,000

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worth of media that will be given to us on all avenues of print and radio. And Pam and I have done an interview already when the newspaper, when the station came to cover our Maui Fair. We got up at 5 o'clock in the morning and did a little segment. We will be going to Honolulu next week and we'll be on two stations on Monday morning. We have print advertising in all of these publications. We have rack cards that are being distributed to all kinds of businesses around the County. The Activities Association has published this event on all of their websites. The Visitor Bureau has published it. We have radio advertising and of course, all of our online social media advertising. And...

Note: Computer-generated presentations.

Here in Maui County, we have such an incredible pool of talent and products made by local people, local hands, and local _____. Please help to grow our island's businesses by joining us for the largest product show ever, the Made in Maui County Festival, on Saturday, November 8th, at the Maui Arts and Cultural Center. For more information, please visit MadeInMauiCountyFestival.com or call 270-7710. That's MadeInMauiCountyFestival.com or 270-7710. Hope to see you there.

MS. RASMUSSEN: Now we're gonna try to show you the little blurb that was on at the County Fair. We'll see if technology, how good we are today.

MS. LEE: It's so exciting out here in Maui because for the first time ever, you're gonna have the Made In Maui County event coming up in November; and today we have with us, Pam Tumpap, from the Maui Chamber of Commerce. Good morning to you.

MS. TUMPAP: Good morning. Nice to see you.

MS. LEE: And we also have Teena Rasmussen from the Office of Economic Development. So happy you're here.

MS. RASMUSSEN: Good morning, Grace. Thank you for coming to Maui.

MS. LEE: Oh, absolutely. I know you guys are so excited. You have what, how many vendors coming?

MS. RASMUSSEN: We have the first ever Made In Maui County Festival and we have 130 vendors. We are sold out and we have a waiting list.

MS. LEE: Oh, wow, and you guys, it's always been so difficult to find all these because they've been kind of spread out across the island, right?

MS. TUMPAP: They have; and for a long time, the County Office of Economic Development has been working with local vendors and the Maui Chamber of Commerce has the Made In Maui Trade Council, but as we've been putting on this fantastic event, we've met so many new companies

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that we were unaware of, and we're bringing new products to showcase to everybody because this is going to be a grand show and at the end, everybody's gonna included in a directory and now the public will know exactly where to find all these great and fine products.

MS. LEE: And for one day, you can find all these really cool products. You're telling me that these people are coming out of the woodwork. They never even knew they had these cool things. So why don't you point out a couple of things that you really like?

MS. TUMPAP: I would like to tell you a little bit about Maui Dog Treats. They're pumpkin peanut butter lei, so if anybody has dogs and is a great dog fan, this is so adorable. It's got cute little flowers in it and great little biscuits. We also have Sarai Stricklin. This is her men's tie. It is from the Wedding Kihei Collection, beautiful fine art batik and she also does this lovely women's scarf.

MS. LEE: Is that from Molokai?

MS. TUMPAP: Sarai is from Molokai, but she lives in Maui and she has been doing this phenomenal batik. She has taught students on Molokai how to do it and Sarai is an amazing artist, who has been featured at the Aulani Hotel.

MS. LEE: Okay. Awesome. Teena, show me a couple of things that you really love here.

MS. RASMUSSEN: Well, I just love this new product from...exfolifeet, it's called; and it's a little brush in the front that's attached to the soap and it's like a brush the surgeons use to brush their fingers...

MS. LEE: Clean their fingernails.

MS. RASMUSSEN: And it is fantastic. It's embedded in the soap. It's patented and she's just doing amazing things with this product. And then I want to call attention to Ocean, Maui Ocean Vodka. This company has recently opened up a wonderful tour Upcountry that you can go and you can do a full tour of their distillery. You can taste it. They have recipes. It is a fantastic experience. We're so proud of this company and we're so proud to be showcasing them at our event.

MS. LEE: Okay. We can only do a couple, I mean, just the tip of the iceberg because there's so many things that are gonna be at this event; and these ladies, they've worked so hard to put this together. They've been talking my ear off. I actually want to go. And if you want to check it out, it's only \$3 to get in. They're telling me that there'll be food trucks there as well...as well as 130 vendors, so check it out at the MACC on November 8th. You can go there, it is from --

MS. RASMUSSEN: Eight.

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MS. LEE: --8:00 a.m. to 4:30, right?

MS. RASMUSSEN: And all-day-long product demonstrations, prize drawings.

MS. LEE: Fashion shows.

MS. TUMPAP: Fashion shows, food tasting, like ono chocolate and macnut fudge. Don't miss Maui Jelly Factory's fudge...great things...Maui Fruit Jewels. It's going to be a grand day and so many activities. People are going to want to stay all day; and for the first 2,000 people who come in, they get a free tote.

MS. LEE: Oh, well, there you go. Good reason to be...

MS. RASMUSSEN: And it's right before the holidays.

MS. LEE: Yeah, right before the holidays. Okay. We gotta go, ladies, but we want to say thank you to Teena and to Pam for coming in today to tell us about the Made In Maui County event that's coming up November 8th. We're going to be back in just a couple of minutes. It is Sunrise on the Road in Maui.

MS. RASMUSSEN: Go ahead and talk about that.

MS. TUMPAP: So, you know, it's funny when you do some of those things 'cause when we originally went there, we thought we were gonna get a little more time and they said it's a three-minute interview for the two of you and you each get to talk about two products. So we were trying to, you might notice at the end, we were trying to scoot more stuff in there 'cause we had a lot to talk about. So we got in what we could and it was cute because that morning, the hosts were saying, oh, we smell the waffle cones being cooked at such a great aroma, and we're looking around going, there's no waffle cones being made at this hour yet, but it was great. They did a wonderful promotion for Maui County and it was wonderful to have them here. And that was one of the great things that kicked us off, you know, along the way, we've tried every media opportunity that we could get and there's been great advertising plays. And we have to really say a huge mahalo to Linn Nishikawa & Associates. Linn Nishikawa and her daughter, Casey Nishikawa have done an outstanding job. And over time, they have plugged in more and more of our vendors' products. When we started out and we didn't have anybody apply or none of their pictures yet, we started out with stock photography. And each time a new ad was developed, more and more companies were featured in those ads to the point now, where we've gotten to the cover where everybody is being featured. So we've been in *The Maui News*. We've been in *Maui Concierge*. We've got *Molokai Dispatch*.

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MS. HAUEISEN: So in Molokai, we're just so excited. We wanted at least 10 vendors to show up from Molokai and to participate in the program and we got 12, so we're so grateful, so grateful to have Molokai part of this project and we're giving them each a stipend so that they can help, get over here so they have a fair playing ground with the rest of the vendors that are here.

MS. TUMPAP: So again, just some more of the press and the promotions. Kim's gonna show you the phenomenal website. When we started this, we knew right away we were gonna do a website. It's MadeInMauiCountyFestival.com. We're trying to keep it very simple and get us to that, but we also then created a Facebook page, a Twitter page, Instagram page, Pinterest. We're on Google+ and on YouTube.

MS. HAUEISEN: So, on our website here, if you need any more information on the event or you're trying to point people to the event, they can come here, and I just clicked on the vendor tab and down here, you can see all the vendors that are participating, their links to their website. If they have a Facebook page, you can see their Facebook page as well, so all the vendors are on here, including the food trucks. So there's a whole, another tab for the food trucks. So without going through every single one, I just wanted you to know that it's there. Over here, we also are on Pinterest, and Pinterest has become very popular with this group. So we have 14 different boards and we have 238 pins that are starting to get shared all over the place, but these are their pictures. These go to their sites, so every single picture that you see, you can drill down, click, click, click and see where you can either buy the product or where you can find these vendors. It's very exciting. And then Facebook, we are up to 1,023 likes on our Facebook page. So with all the prize drawings that we were collecting, we also did a Facebook promotion so people that liked the page could enter the drawing. So they've been randomly selected. At first, we were just gonna do 'em every Friday, but so many vendors gave us so much product that we're gonna be doing 'em almost every day until the event happens, just to help get this product out. And then whatever doesn't given, whatever's not given out on Facebook will be given out at the event itself, including the buyers' event. We're even gonna do a drawing at the buyer's event.

MS. RASMUSSEN: And just in case you didn't realize the power of Facebook, two weeks ago, we had 362 likes and then we started this contest on, of the drawings and we've gone over 1,000 in two weeks, so.

UNIDENTIFIED SPEAKER: The what?

UNIDENTIFIED SPEAKER: Show the vendor badge.

UNIDENTIFIED SPEAKER: The vendor?

UNIDENTIFIED SPEAKER: On the website.

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MS. TUMPAP: One, the other things, you know, some of these things have been dynamic and involving over time. You see that little vendor badge? Some companies don't yet have a logo and so Casey Nishikawa came up with this idea of creating this vendor badge and it's that circular badge that says they're approved and they're gonna be in the show. These companies are so proud of being approved and having this vendor badge, that they're putting their approved badge on, we have one woman who even printed special business cards with the badge, others are using it on their Facebook, their website, their social media pages. So this now has something that was just a nice value ad, it's now a nice placeholder for some companies who don't yet have a logo, but now it's taken on a life of its own.

MS. RASMUSSEN: So last we'd like to talk about the directory itself. We are, everyone that comes in is going to get this wonderful directory, and we've sold advertising in this directory to help offset the cost. This is the program cover, front and back. Every one of those photos comes from one of our vendors so and every vendor has a photo on the cover. So we thought...

UNIDENTIFIED SPEAKER: Including the food trucks.

MS. RASMUSSEN: Including the food trucks. So we thought that was really a clever way to do a program and we really have to hand it to our, again, Linn Nishikawa & Associates for coming up with that concept. Also, they've put a map that corresponds to their booth number or is that...?

UNIDENTIFIED SPEAKER: No.

MS. RASMUSSEN: The placement. Okay. So the placement on the cover to what company it is.

UNIDENTIFIED SPEAKER: And then they can go to their...

MS. RASMUSSEN: And then they can actually, and then they can go to their booth number. So we've actually got every which way and sideways you can find a booth. So everyone will get this directory when they come and they'll have a permanent directory that they can keep of all the Made in Maui County products if they wanted to order for the holidays more product. They can use it as a reference guide and plus it's a great tool for the vendors as well. So again, I want to thank you, and I see in our audience today, we have two people from A&B, HC&S and we really appreciate their sponsorship. They came to the table with a \$7,500 sponsorship and we really appreciate them doing that and all of our sponsors who have stepped up to this first program. So with that, our presentation's concluded, but if you have any questions and we really hope to see all of the Council members there and I know that Mr. Victorino, you're out of town, but we'll miss you. Okay. Thank you.

... END OF PRESENTATION ...

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CHAIR GUZMAN: Thank you. So exciting to actually support our local businesses and what a first event and something to really kick off. Do we have any questions or comments from our Members?

COUNCILMEMBER BAISA: Good job.

CHAIR GUZMAN: Salutations?

COUNCILMEMBER VICTORINO: Just a great job. That's it.

CHAIR GUZMAN: Alright. Thank you.

MS. RASMUSSEN: If I may say one more thing I forgot. We are also tapping some community groups to help us on the day of. We've got Teens On Call are going to be doing, managing our parking lot, the grass parking lot at the college. We have two Boy Scout Troops that are coming in at the end of the day to help the vendors get their things out and clean up the MACC because a Amy Gilliom and Willie K concert is happening at 6 o'clock after our event.

MS. TUMPAP: No, 7:30.

MS. RASMUSSEN: Oh, 7:30, yeah. It happens at 7:30, but our vendors need to be out by 6:00. So we've gotta do a quick turnaround, but we can do that; and then we also have one of the high schools health, they have a health club that, it's like an occupational health club and that's at Maui High and they are gonna come and man our First Aid, Information and Lost and Found Booth ,so.

UNIDENTIFIED SPEAKER: And 100 volunteers.

MS. RASMUSSEN: And we have over 100 other volunteers from the community that have already signed up to help.

CHAIR GUZMAN: Thank you. Chair Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. I just want to congratulate the ladies on obviously what's gonna be a fantastic event. But just one thing I thought maybe you might want to mention because we are on camera and folks out there will watch this, is there an admission cost?

MS. RASMUSSEN: Good point. There is and it's very nominal. It's only \$3 a person. Children 12 and under are free and there is no charge for parking.

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COUNCILMEMBER BAISA: Very good. I, it's important 'cause people always don't want to be surprised when they get there.

MS. RASMUSSEN: Right.

COUNCILMEMBER BAISA: Thank you very much, sounds good.

MS. RASMUSSEN: Thank you.

UNIDENTIFIED SPEAKER: Thank you.

CHAIR GUZMAN: Thank you. Members, any other comments or follow-ups, questions? Okay. Thank you so much for the presentation. You guys always do a great job in any events that you put forward and this is really important in terms of focusing on our local economy and I think it's just the beginning and we look forward for this event and especially this directory. It's never been done before, so I think that's gonna really help us in terms of identifying our local businesses, products made in Maui. So I had one question before you take off. The 51 percent valuation, so 49 percent of it, of the product can be from outside of Maui or how does that work?

MS. RASMUSSEN: Right. So it's...

CHAIR GUZMAN: So 51 percent has to be made of the product...

MS. RASMUSSEN: Yeah. Well, we actually use the same valuation formula that the Made in Hawaii uses. So it's 51 percent value added in Hawaii, but their headquarters has to be located in Maui County. And we didn't want to make the box any smaller than it already is. Hawaii is very small as it is, so we didn't want to make that box tighter than it already was, but they do have to be located within Maui County. And what that means is like if you have, if you had to buy your packaging, in other words, from outside, you know, then clearly that package came from someplace else. So we understand that not all 100 percent of your product can be manufactured here, but the idea is that the value came, you know, from this place, this 51 percent, so.

CHAIR GUZMAN: Okay. Thank you.

MS. RASMUSSEN: Okay.

CHAIR GUZMAN: And thank you for the presentation and I encourage everyone in our County to attend. This is a nice little info commercial, but I do encourage our, everybody to attend and support our local businesses. Thank you.

MS. RASMUSSEN: Thank you so much, Chair.

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CHAIR GUZMAN: I'm going to take a two-minute recess so I can allow the Parks Department to come up and set up. Thank you. . . .(gavel). . .

RECESS: 2:07 p.m.

RECONVENE: 2:09 p.m.

CHAIR GUZMAN: . . .(gavel). . . We shall now reconvene.

**EAR-41 POTENTIAL REDESIGN OF THE SOUTH MAUI GYMNASIUM IN KIHEI TO A
MULTI-PURPOSE CENTER**

CHAIR GUZMAN: Members, the next item on the agenda is EAR-41, Potential Redesign of the South Maui Gymnasium in Kihei to a Multi-Purpose Center...dash, 13. Okay. The Committee is in receipt of Miscellaneous Communication, dated May 28, 2014, from the Deputy County Clerk, relating to the matter of a potential redesign of the South Maui gymnasium in Kihei to a multi-purpose center. The need for a gym in Kihei was identified over ten years ago in South Maui Region Parks and Open Space Master Plan. In 2007, an environmental assessment was completed on a proposed South Maui community park to consist of 44 acres, sporting and recreation complex developed in three phases. The purpose of the gym was for indoor basketball games, volleyball games, various spectator sports, performances, community gatherings and special events. The site chosen based on the need for a proximity to adjacent schools. It is located on Piilani Highway, adjacent to Lokelani Intermediate School on part of the 69 acres tract purchased by the County in 2001. The gym construction was estimated to cost 8 million. Over the next seven years, the Council appropriated 16.6 million for Phase 1 of the project, which as outlined in the Environmental Assessment, included a gym, soccer field, softball fields, 317 parking stalls, accessory building storage area for maintenance equipment. The EA anticipated the Phase 1 would require approximately one year to complete. The subsequent two phase, Phase 2 would add several more playing fields, restrooms, parking, pavilions and amphitheater. Over the same period of time, the County spent 11.8 million and built some baseball fields and parking. By 2014, the Mayor had expanded the scope of the gym from 1,096 seats, to 2,300 seats. For FY 2015, the County appropriated additional 16.6 million for the gym, 600,000 for the design, 16 million for the construction, for a total of 28.4 million to date. The FY 2015 appropriation will lapse after December, 2015. In April of this year, based on the recommendations of the Budget and Finance Committee, the Council referred to this Committee the matter relating to redesign of the gym. The intention of the Budget and Finance Committee was to examine the feasibility of expanding the project to create a facility capable of hosting secure conferences, sporting tournaments and other events that can generate economic activity for the County. Chair White noted that this Committee should provide a cost benefit analysis for a redesign by evaluating the potential facility usage, cost differences and project timelines to determine whether changing the goal and design of the sporting complex into a multi-purpose

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center is the right direction for the County. The Council withheld bond authorization for 16 million of the South Maui Community Park Project allocation pending evaluation of a possible redesign of the facility from a gymnasium to a multi-purpose center. At this time, I want to introduce our Interim Director, Brienne Savage, of the Department of Parks and Recreation and she's going to give us a presentation on the subject matter and the issues presented and what are the statuses that their Department is working on.

... BEGIN PRESENTATION ...

MS. SAVAGE: Thank you, Chair, and good afternoon, Members. I'm going to give a brief introduction and then will jump into, kind of just going through the history again of the project in a little more detail. I would just like to verify we're not here to answer all of those questions that necessarily came up in the intro. We have actually scheduled for this evening a community meeting out in Kihei. We'd like to get the community's input on some of these or on just the concept in general and just get some feedback and make sure that what we're presenting and the direction we're moving is, moving in is still indeed in alignment with the best option that's still going to meet the needs and wants of the community. And so as Committee Chair mentioned, you know, it came up in the Budget hearings this last time around that there was interest in seeing more of a larger type of a facility, a civic center, that could potentially host some conferences and some larger things. We were able to partner with the Managing Director's Office with one of the other projects and master-planning that was kind of already taking place, to try to identify if we could partner for a feasibility and a market study analysis. Again, to be able to specifically look at the type and scope of a larger facility because it's a different business model than what we would normally do in Parks and Recreation. And we were able to move forward with that feasibility study. Again, the intent of this presentation was not to fully review and go over that, but we do want to let you know that that was completed, and the information overall that came back from that was that there is not the market base that supports that type, that large type of a facility in that area. And again, I think when it gets to that point, we definitely would like to be able to finalize that document and share that information with everyone here as well, but with that in mind, that kind of drove the Parks Department to look at, okay, what are the next steps then or the next options, do we go back to, you know, a little over a 2,000-seat traditional gymnasium or are there other options that maybe haven't been explored, yet that would be a better fit based on what the community needs were. And so that's kind of what has led us to this design that we would like to propose to the community as well as to yourselves to get some feedback on; and it's really is just trying to again fall back into alignment with what were the initial needs and wants for this type of facility. And I think it's one thing because Maui County doesn't have recreation centers in the same context that recreation centers exist on the mainland. What they consider a community center is more of a multi-purpose type of facility that oftentimes has recreational components, maybe indoor-outdoor court space, sometimes workout centers, fitness areas, different types of rooms that can be rented out or utilized for different practice or again, recreational programming space. And so that's something we've been starting to explore in

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saying, you know, that investing monies in that type of a multi-purpose facility may be more beneficial when we're looking at again spending tax funds and trying to identify how they can be used and benefited the most people possible within the community with different types of uses. So that's kind of the driving kind of thought process behind where we're at right now, and so again, we just wanna kinda share the presentation that we'll be also sharing with the community this evening; and then based upon kinda the input and feedback we get along the way, we'll be looking to come back again and be able to maybe have some more numbers and specific information that we can analyze in trying to move forward with the funding decisions. So with that, we'll have Karla Peters, is gonna come up, our, one of our Capital Improvement Project Managers and she's gonna run us through the PowerPoint that we have here.

COUNCILMEMBER VICTORINO: Mr. Chair, wouldn't it be easier for Karla to be here?

CHAIR GUZMAN: I think they have other presenters, so I think it'll be okay if she's right there.

MS. PETERS: Sure. Move there.

CHAIR GUZMAN: You're okay right there, yeah?

MS. PETERS: Uh huh.

CHAIR GUZMAN: Okay. Hi. Good afternoon, Chair Guzman and Council Committee. My name is Karla Peters and I am the CIP Coordinator for the Department of Parks and Recreation. I'll be providing you with background information for the South Maui Community Park Recreation Center. In 1992, the Public, Maui Public Facilities Assessment recommended that more non-beach parks were needed. The study specifically noted that Kihei Parks were lacking in many facilities. To address this need, the County purchased land in 2001 to be developed into the South Maui Community Park. In 2003, Chris Hart & Partners prepared the South Maui Region Parks and Open Space Master Plan and conceptual plans for the development of the South Maui Community Park. This study identified a need for additional facilities including a gymnasium for South Maui to accommodate demand to the year 2010. Funding was then appropriated in Fiscal Year 2005 for the master plan and design of the South Maui Community Park. This included the processing of the required permits which were submitted in 2006. The Master Plan of the 44.83 acre park site included a gymnasium, 3 soccer fields, 2 softball fields, 5 multi-purpose courts, a pavilion and amphitheater, 3 tot lots, 3 comfort stations and infrastructural improvements as shown on the next slide. During the design process, numerous community meetings were held. These meetings reflected enthusiasm and consensus of the proposed Master Plan as well as an overall concern to have the entire park completed at one time. Other requests listed were incorporated into the Master Plan. The final plan was approved by the Maui Planning Commission in 2007. Construction of Phase 1 of the South Maui Community Park was funded in Fiscal Years 2008, 2009 and 2010. The funding available provided for construction of intersection and underground utility improvements, 1 soccer field

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with lights, 1 softball field with lights, 2 restrooms, 1 scorekeepers booth and concession area, a paved jogging path, irrigation, grassing, landscaping, picnic tables and benches, BBQs and required parking. The playground was designed and constructed by the Grand Wailea Resort as a condition of SMA. This is an aerial photo of the park taken in April of 2011 with Phase 1 improvements on the left of the park site. Phase 1A of the South Maui Community Park broke ground in December of 2009 and opened on July 29, 2011. Phase 1B of the South Maui Community Park consists of the design and construction of the recreation center. Funding was appropriated for this phase in Fiscal Year 2013, and the Department contracted Nishikawa Architects, Inc. as the primary design consultant. This photo shows a closer view of the site of the proposed recreation center, which is at the northerly end of the park. At this time, I'd like to introduce Durwin Kiyabu, Architect with Nishikawa Architects, who will be presenting for you the preliminary design of the South Maui Community Park Recreation Center.

MR. KIYABU: Good afternoon, Chair, Committee members. I'm, my name is Durwin Kiyabu. I'm here with Tanner Morrin, who is actually assisting me with the computer down there and we're from Nishikawa Architects. As Karla mentioned, the gym is located on the north corner of the park and is in the original Master Plan location. We tried to utilize the original footprint and although we went through several iterations of the design, we realized that the rec center is a more appropriate design and more fitting into that location that was the Master Plan for. On the floor plans and elevations, briefly, we tried to create the similar look from the previous design. It is incorporated into one structure as opposed to several different structures. That is to increase this multi-purpose use of the facility. On the large floor plan, you will see that from the previous, actually started at 1,100-seat design, went up to 2,000 seat, currently we're at 950-seat design. In the center, we have the court areas, which we actually enlarged. One side we have the retractable seating and the other side, we have more of an open court to be more flexible use area, more conducive to community-based use. On there you'll see there's 2 main courts and 4 cross courts. And the 4 cross courts can be used simultaneously with the use of divider curtains that can drop down in between the space, the courts themselves. On the ends, we have built in the support facilities, meeting rooms, kitchens, restrooms, storage rooms. We created several perspectives of design. Here you can see the conceptual front elevation here. The center section being, the larger section being the courts themselves; the front, housing the kitchen, meeting rooms and restroom facilities; towards the rear, similar look to it, again, the larger space is for the courts themselves, and the rear area, we have some office space, storage and restrooms again. And then on the interior, basically, it gives you a better idea on what we're looking at. It is a space that can handle up to 4 courts. The bleachers are retractable, so the entire gymnasium can be utilized with the 4 courts or you can actually divide it up and have an event with seatings on one side, while the opposite side can be open for multi-purpose use. Okay. Next. What we've done over here is, I'll have Tanner do a quick walk-through of the facility. Okay. Give you a better feel on what it looks like. So this is the front of the facility. Moving over to the side, it will be a steel-frame structure. We have some allowance, some large columns. We're looking at having it air-conditioned, but it's still providing lots of windows for natural light. On the north side, as you can tell, because of the open space without any bleachers, you know, we're...we

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have the opportunity to add more doors on that end. And as you come around here, I'll have him go inside...so you can take a look. Overall, it's, you know, it's, it is a large space that can be divided up, and what we want to try to do is create, create a space that can be used simultaneously by different users. You know, have volleyball games going on the same time as basketball games. We're looking at running 4 courts at once for basketball games or volleyball games. And when you have events that need more seating capacity, it has that ability to do that also. I'll have him turn a little back so you can see the space from the top of the bleachers, oop, too high, okay.

COUNCILMEMBER VICTORINO: Right at the ceiling, eh.

MR. KIYABU: There you go.

COUNCILMEMBER BAISA: All that space up there.

MR. KIYABU: Okay. Thank you.

CHAIR GUZMAN: That's so cool.

MS. SAVAGE: So that's the completion of the presentation. If there's any questions, we can answer.

... END OF PRESENTATION ...

CHAIR GUZMAN: Okay. Thank you. So yeah, Members, I know that the Department will be having a public meeting, an outreach for the public. And I believe, Ms. Savage, that's just for our public viewing, what time will that be and where is the location?

MS. SAVAGE: It's at 5:30 at the Kenolio cafeteria room.

CHAIR GUZMAN: Okay. So --

COUNCILMEMBER VICTORINO: Chair?

CHAIR GUZMAN: --yeah, just a moment, Mr. Victorino. I just want to let the Members know that we're just starting the process in, that was charged to us as a Committee to see whether it was feasible to expand this project to a more convention-type multi-purpose center, so that's why it's in our Committee 'cause it was referred to by the Finance and Budget Committee. So Mr. Victorino, do you have any questions for the Department?

COUNCILMEMBER VICTORINO: Thank you, no. Very good presentation. Thank you very much. I was hoping Mr. Couch would be here this afternoon, but I guess he'll be at the community...

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CHAIR GUZMAN: Yes, yes. I just wanted to mention that as well. Mr. Couch will be at the public meeting as well.

COUNCILMEMBER VICTORINO: What I wanted to say is I'm very thankful that we're getting closer because again, although I agree with a convention/multi-use facility, I want to make sure the gym goes in first. Those people in that area, which is one of the larger areas in this County has no gym from Maalaea to Makena, the only area in this entire County that does not have a gym, no indoor gym for our, their children to play basketball, soccer and whatever else. Okay. And if, you know, although I agree that we can, with a multi-purpose facility we can generate revenue and all that and bring in, you know, people, I don't want something like that built for the purpose of everybody else using it and our kids still don't end up using the floor for basketball and volleyball and whatever other events, yeah. So...very, very important that that stays as -- and I think the community has said that, time in and time out, they want the gym. They want a gym. They've waited long enough and I see no reason why we should make major changes. If you want to add some meeting rooms, I have no qualms with that, but let's not make it a convention center or quote, multi-purpose use, for which then that becomes over, overdrawn or overused by outside forces and not by our community who is in dire need of it, especially the South Maui community. And I think tonight you'll find that more and more people will be saying the same thing. So other than that, I like the overall concept, I like the idea of the expansion, I like the idea that you can run a number of tournaments or a number of games simultaneously. I think that's fabulous. So Mr. Chair, I'll wait to see what happens with the community meeting and how we progress with all of this. Thank you, Mr. Chair.

CHAIR GUZMAN: Thank you. Very good. Any other questions from the Members? Yeah, Ms., Chair Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. And not so much a question as sharing some experience. You know, I was watching the design and it looks like it's all on one level, yeah. I think that might work better 'cause you know, I'm familiar with a couple of facilities we have and I'm sure they can build things a lot better today than they did then, but when you have multi-stories and you have people playing basketball and running on the top and you're trying to have a meeting underneath or a social event, it's a nightmare because you cannot somehow keep that noise from coming down and I think both sides suffer 'cause the people upstairs can hear the noise and the people downstairs can hear the noise, so it's a factor that Mr. Victorino brings up that I think is really important that we have to build it so that we can all use it without, you know, a whole lot of irritation on both sides, so design becomes very important. Thank you.

CHAIR GUZMAN: Thank you. Members...Ms. Cochran.

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COUNCILMEMBER COCHRAN: Thank you, Chair. And yeah, it looks...wonderful idea and the only fear for me is that maybe the Maui Classic might see this as a better venue for them and bigger, new and all that, so hopefully they choose to still be in Lahaina even if this is built. Thank you.

CHAIR GUZMAN: Any other questions or comments from the Members? Seeing none, I just have a few questions, but I know they won't be answered and this is just the beginning, but I wanted to pose it for our Members and so that they could take notes or the Department could ask these questions tonight and come up with the, some type of status or when they come, when we have the Department come back, have that type, these answers, questions...answers to these questions. So Number 1 would be, can the present site accommodate an expanded facility in terms of parking, building size, additional playing fields, utilities and other important criteria? And would a larger facility be more appropriately placed on a different lot such as the County land mauka of Piilani Highway? And Number 3 is, is it beneficial for the County to change the goal of the facility at this point from a sporting complex to a convention-type, multi-purpose center? And which goal is more needed in the County? And these are questions that we need to, I guess, contemplate on, Members. What are the benefits of the expanding facility versus the original project? And how much more would an expanded facility cost, and how much time would it take to complete? And the sixth and final issue that we need to address in this Committee is, would a new Environmental Assessment be required for the expanded facility and how long would that take and how much would it cost? So these are issues that we will be dealing with, Members, and this is just the beginning, and as the Department goes forth and does their public meetings, we'll get more input from the public and we can vet those issues out. So at this time, I'm going to take a two-minute recess. Without objections, I'm going to defer this matter?

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER.

CHAIR GUZMAN: Thank you. We'll take a two-minute recess so the next agenda item can be set up. Thank you. . . .(gavel). . .

RECESS: 2:33 p.m.

RECONVENE: 2:37 p.m.

CHAIR GUZMAN: The EAR Committee shall now reconvene.

EAR-51 ACT 183, SLH 2005, RELATING TO IMPORTANT AGRICULTURAL LANDS

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CHAIR GUZMAN: Members, the next item on the agenda is EAR-51. That's Act 183, SLH 2005, Relating to Important Agricultural Lands. The Committee is in receipt of County Communication 14-225, from me, relating to Act 183, SLH 2005 – relating to Important Agricultural Lands. Today, we are very fortunate to have two experts to educate and inform this Committee about the new State law regarding Important Agricultural Lands and how it can benefit the County of Maui. Mr. David Arakawa, Executive Director of the Land Use Research Foundation of Hawaii, LURF, and Mr. Grant Chun, Vice-President of Alexander and Baldwin, Inc. are here today. LURF is a Statewide, private, nonprofit research and trade association whose members include major Hawaii landowners, developers and utility companies. Mr. Arakawa has over 30 years of legal experience with land use, government at all levels and a broad-based legal practice. He has served on many advisory committees and as a Corporation Counsel for the City of Honolulu. He is also a past Senior Vice-President and General Counsel for Hawaiian Airlines. One of the important aspects of this subject matter is that I know that the State has mandated the County to identify Important Agricultural Lands, and so we will be dealing with this as soon as we have the appropriations from the State to fund the project to go forward and identify these Important Agricultural Lands, but on the other hand, we have private owners that have gone forth and have identified Important Agricultural Lands and gone through the process, and I would like to have the, our Committee know what the benefits and disadvantages and what is Important Agricultural Lands to be identified or at least explained to our general public. I do realize that on the ballot, there is a section in there talking about Important Agricultural Lands and I've received many calls from constituents asking what this is all about. So this is something that is informative and would also help our general public understand what the Important Agricultural Lands are. So Mr. Arakawa, thank you very much for appearing and taking that flight over. The floor is yours.

... BEGIN PRESENTATION ...

MR. ARAKAWA: Okay. Thank you, Committee Chair Guzman and members of the Council Committee. You know, before I start, what I wanted to do is I wanted to ask the Council, many times I give this presentation or people give presentations and the people are listening, wait the whole time to get their question answered. So I can go across the room, I can go down the line, if any of you have questions regarding Important Ag Lands, I'll write it down and I'll be sure to cover it in my presentation. I think Committee Chair Guzman talked about the Special Purpose Revenue Bonds and the reference to IAL, so I can talk about that and explain that. So that's the first question that I'll cover in the presentation. I'll make sure it's covered. Councilmember Victorino, do you have any...

CHAIR GUZMAN: Mr. Arakawa, I'll ask the Members.

MR. ARAKAWA: You have to. Okay.

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CHAIR GUZMAN: Members, do you have any, and I'm going down the line so we can.

COUNCILMEMBER VICTORINO: ...*(Inaudible)*...

CHAIR GUZMAN: Okay. Mr. Carroll, do you have any preliminary questions and as we go through the presentation, Mr. Arakawa will point out the answers to those questions.

VICE-CHAIR CARROLL: Actually, I appreciate your concern and willingness to take questions at this time, but I've just been going through the presentation and I'd rather hear what you have to say first before I ask you any questions.

MR. ARAKAWA: Okay. Fine.

CHAIR GUZMAN: Very good. Ms. Crivello, do you have any questions, preliminary questions?

COUNCILMEMBER CRIVELLO: At this time, perhaps, and it probably will come out of your presentations, you know, what criteria are required to, I guess, to identify or designate the IALs?

MR. ARAKAWA: Excellent question. Excellent question.

CHAIR GUZMAN: Okay. Ms. Cochran, do you have any preliminary questions?

COUNCILMEMBER COCHRAN: Not at this time.

CHAIR GUZMAN: Okay. Thank you. Chair Baisa, do you have any preliminary questions at this time?

COUNCILMEMBER BAISA: No, thank you.

CHAIR GUZMAN: Thank you. Mr. Victorino, any preliminary questions?

COUNCILMEMBER VICTORINO: Number one question, what will water have to do to make land, especially Ag Land, palatable because that's the issue?

MR. ARAKAWA: Okay. Okay. No water, no ag.

COUNCILMEMBER BAISA: Amen.

COUNCILMEMBER VICTORINO: Amen.

MR. ARAKAWA: Simple. Okay. That one I can answer upfront.

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COUNCILMEMBER VICTORINO: Good.

MR. ARAKAWA: Okay. Alright. Okay, let's get started. The Important Ag Lands law, of course, is a government program and so you folks are involved with government and so you folks know that the government's here to help us. Hi, we're from the government and we're here to help. So the Important Ag Lands law is...took over 30 years to come to fruition from the Constitutional Convention of 1978 and we're glad that it was finally passed. And these are some things at the very beginning, eight things to remember, hopefully we can remember at the end of this presentation. And I first gave this presentation at the HCPO Conference a month ago or so, and Willie K performed the night before this presentation, so he had a big impact on the crowd, big impact on the conference and his message was Use "Aloha". We need to use more aloha. There are a lot of controversial issues going here on Maui, especially relating to agriculture and I think Willie K sensed it, he said Use "Aloha".

CHAIR GUZMAN: Mr. Arakawa, can you back off the mike. I guess we're getting some feedback.

MR. ARAKAWA: Okay. Okay. And so --

CHAIR GUZMAN: Technical side.

MR. ARAKAWA: --on this IAL law is a prime example of both sides, farmers and landowners using aloha. The second issue is "No Buy the Shibai". "No Buy the Shibai" and many of us know shibai are things that may not be true, but are presented as true and so we're gonna go through this presentation and we're gonna point out some issues that might confuse some people, but if we know the facts, no need buy the shibai. Okay. The other thing is, the collaboration -- well, by the way, I'm from Waipahu. I was born and raised in Waipahu. It's a plantation town, so everybody knows what happens in Waipahu, so. Collaboration & Consensus is the Key and that was the key for passing the Important Agricultural Lands Bill after 30 years. Another major, major point is, Listen to Farmers, Listen to Ag Operators, Listen to landowners that do agriculture. So I, it's not you, but it's more Honolulu, you know, we say, would you ask a, not everybody in Honolulu, but would you ask a county council member to develop the policies and procedures for open heart surgery? Would you?

COUNCILMEMBER BAISA: No.

MR. ARAKAWA: No. Right?

COUNCILMEMBER VICTORINO: I would prefer not to.

MR. ARAKAWA: Okay. Okay. Not if you on the table, so by the same token, it's very important to listen to open heart surgeons when you're talking about open heart surgeries. It's very, very important to listen to farmers, ag operators and ag landowners when doing Important Ag Land, I

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guess, laws. Find Win-Win Solutions and you can't find 'em, Be Flexible - "Chance-um". Okay. When you listen to people and listen to people in the business, give 'em a chance and see whether their plans will work. The other thing, I'm sorry, government, but "Put your money where your mouth is." If you think agriculture's important, if you think it's just as important as the film industry, if you think it's as just as important as high tech, then give them the same type of benefits. Give them the same benefit of the doubt. And the last thing is and it seems like you folks are willing to do it, "Just Do It". Right. When it comes to agriculture and supporting ag, do what you think is right based on the expectation of the farmers, ag operators and ag landowners. Okay. One thing about "No Buy the Shibai" is we hear all the time that hey, look, we're losing so much ag land. We're losing ag land. We're losing ag land. Oh, my gosh, we're losing all this ag land. Okay. You just, I couldn't find the census figures from 1969, but just from the year 2000, 14 years, there's close to, 14...there's over a 15 percent increase in population for the State of Hawaii, just in 14 years. Okay. In 14 years, over 15 percent increase in population. Look at the increase in urban lands to house that population from 1969 to 2014. In 1969, 3 percent of State land, all the land in the State was urban. Today, only 5 percent of all of the land in the State of Hawaii is urban. By contrast, in 1969 when sugar and pineapple were king, 48 percent of all land in the State of Hawaii was in agriculture and in 2014, 46 percent; 48 percent in 1969, a reduction of only 2 percent. When you look at the tremendous increase in population, you know, that tells a big story. So again, "No Buy the Shibai". We aren't losing millions and millions of acres of ag land as we speak. You can look at this and these are the actual numbers. These are the actual numbers with respect to ag land and how much land is in ag and how much land is in conservation, how much land is in urban. And again, you can look at Maui's totals. You have all of those, but Statewide, as of 2013, the Office of Planning statistics, 45.7 percent, close to 46 percent, of all the land is in ag in the State, 49 percent in conservation and only 5 percent in urban. Rural, only 3 percent and the good news is that Maui has the most rural lands and that's a good thing. Maui is gonna be the leader, I think in the future of making good use of rural, the rural classification. This is another "No Buy the Shibai". It's actually not shibai, it's the truth. It's the truth. 85 percent or more of Hawaii's food that we eat is imported. 85 percent of what we eat is imported. But you know what people don't say? What they don't tell you, according to Department of Ag statistics, 85 percent of what we grow here is exported. Hello. Right? So we export 85 percent of what we grow under ag and what is that? It's farm and livestock sales include sugar, macadamia nuts, coffee, seed, flowers/nursery, cattle & calves. Why do Hawaii farmers and ranchers export? Right? Right? Why do they grow those things? It's because they can make a profit off of growing. Farmers will farm if they can make money. Farmers will, some people say, how come they don't do lettuce? How come they don't do that? How come? You know why, because they cannot make money...simple, right? It's cheaper to grow those foods on the mainland. Hopefully someday, we can do it here and we can be competitive. That's the goal to grow everything we can here, but today, no can. That's why 85 percent of what's grown on or done on ag land is exported. Okay. This is a little history on IAL, 1978, the Constitutional Convention had a provision regarding Important Ag Lands and remember, 1978, sugar cane and pineapple were Hawaii's major ag crops. Okay. Here we go. Okay. And this is the provision: The State shall conserve and protect agricultural lands, promote

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diversified agriculture -- back in 1978 they were talking about diversified agriculture -- increase agricultural self-sufficiency -- so here we go, self-sufficiency, that's a good thing--assure the availability of agricultural suitable lands and the legislature shall provide standards and criteria...standards and criteria -- and Councilmember Crivello asked, oh, yeah, what is that -- to accomplish the foregoing. So we're gonna get to that very, very soon. Okay. This is another part of the Constitution and they, it talked about, you know, the mandate for Important Ag Lands. 1978. It took from 1978 to 2005, so 27 years of failed IAL legislation to get just the first, the beginning part of the IAL law passed. And it was always farmers proposing legislation, landowners killing it; landowners proposing IAL legislation, farmers killing it. Okay. In 1990, excuse me, in 2005, farmers and landowners got together, they understood that the agriculture industry evolved, there's less plantation mono-culture. You folks proudly, you folks proudly have the only operating sugar plantation, you know, in the State, so that's a great thing for Maui. Maui No Ka Oi. But now there are more diversified crops, and the farmers and landowners realized they had to work together in 2005. So in 2005, the Farm Bureau, the University of Hawaii, Hawaii Agricultural Research Center and the State of Hawaii, like I said, Farm Bureau and LURF, got together. They collaborated. They reached a consensus. They created a new paradigm, which allowed the passage of the first part of the IAL law. And this new IAL law was passed in 2005 and it referred to a new paradigm. A new paradigm and that paradigm called for long-term viability of agriculture. So when you look at the new law, you're gonna see or look at the IAL law, you're gonna see viability is emphasized. Remember, farmers going farm if they can make money; farmers not going farm if they no can make money. So it's the viability of the ag, viability of the agriculture. It's not just kapu'ing the land. It's not just about reserving open space. It's not just about, you know, dictating land use to the laws. It's not limited to, IAL is not limited to "good" physical characteristics of the land and it requires incentives. Incentives are required by the State and the County, not only the State...and the County. And this paradigm is shown in this letter. You should all have this letter in your file. It's a joint letter from the Farm Bureau and LURF to the Legislators in 2008. This is when they passed the second part of the bill. And the bullet point, the first bullet point, this is the Farm Bureau now and LURF talking. But the Farm Bureau saying, IAL, Important Ag Lands is not open space and not a land use initiative. It is an agricultural viability initiative. It's all about making farmers and ag operations viable. That's the new paradigm. It's not how many acres you have, it's what kind of land you have. And you see that other point, the third bullet point, not limited to "good" physical characteristics of land. So it's not only limited to good soil, because you can build, you can grow orchids, you can grow coffee, you can raise cattle on lands that may not be the perfect soil, may not be the perfect soil, but those ag operations deserve, deserve to be Important Ag Lands and have those benefits, too. Ranchers, flower farmers, coffee farmers, they all deserve the benefits of IAL. Okay. Okay. This is Act 183. This is the first law that passed after 27 years of fighting over it. It established the framework and process for IAL. It established the framework and process for IAL, all the basic framework, but it said that this law is not effective until the State and counties pass incentives, and the incentives were passed in Act 233 in 2008 and that's the 30 years. So the law became effective in 2008 because the Legislature passed the State incentives; however, the law also requires the counties to pass incentives and the counties are at

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various stages of passing IAL incentives. Okay. We talked about Act 183 in 2005, "*Stakeholders Collaboration and Consensus*" regarding the Intent of IAL, Purpose, Policy, Standards & Criteria, Incentives and the Process for Identifying and Designating IAL. The key elements again of the IAL process is State and County incentive packages. Now the reason why is, when the counties or when the State Land Use Commission or the landowner voluntarily places IAL on their land, they're promising people, we're not gonna use this for development. We're not gonna use this for a hotel. We're not gonna use this for residential subdivision. And if it's done involuntarily, if the County's doing it to a landowner, they need to give something back or if the State is. So that's why incentives are so important and it helps the farmers make money. So the county...State did their incentives in 2008 and supposedly under the law, the counties were, all the counties were supposed to do their incentive packages by the time that bill was signed, but we're working on it. Everybody's working on it. Okay. So, everybody's working on it. The other important element was, guess what, under the law, the State was supposed to identify all of the State ag lands and designate it, the capable lands to IAL by when...by December 2009...we almost five years late. Okay. So we need to help the State to designate their IAL 'cause once the State designates their IAL, then we can look at the private lands nearby and say, hey, maybe that should be IAL, too. So we have IAL lands contiguous to each other. And after 2008 or after the State and the county, remember, State and the county passed their incentives, the farmers and landowners have a three-year window to voluntarily, to voluntarily designate their lands. So the land owners get to say, oh, here, the State's giving me these incentives, the County's giving me these incentives, yeah, I guess I'll designate my lands. So there's a legal argument that if the counties have not designated their, have not come up with their IAL incentives, that they cannot go ahead and designate private property as IAL because they haven't designated their incentives first. Okay. So this is more about the LUC process. Starting in 2010, the Land Use Commission could approve properties, public lands as IAL, but DLNR didn't designate their lands as IAL, so the State Land Use Commission hasn't designated any State lands as IAL. We talked about the three-year window. These are the eight criteria, Councilmember Crivello, these are the eight criteria to be considered when you designate lands as IAL. So the Land Use Commission...right now, you're gonna hear right after me, you're gonna hear A&B talk about how they went to the Land Use Commission and the Land Use Commission looked at this eight criteria to determine whether they satisfied the eight criteria. These eight criteria, none of 'em are more important than the other, right, they can all be considered. What the counties are doing, what Kauai County did and what Honolulu County did is their task forces or their technical advisory committees weighted these criteria and Councilmember Victorino, you want to guess what criteria was very, very important?

COUNCILMEMBER VICTORINO: Water.

MR. ARAKAWA: Water. Water...cannot grow things without water. So, on, for the committees that had farmers on it and people who did ag, they all ranked water, one or two. Maybe lands that are already in ag production, if it's already in ag production, it has water, right. And Number 2 was

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water, right. You know, for the committees that had all farmers. The Kauai committee didn't have all farmers. One-fourth of the committee was farmers actually.

UNIDENTIFIED SPEAKER: Really?

MR. ARAKAWA: Yeah. Well that's another story. Anyway, okay, so these are the criteria and these criteria were fought over, pushed/pulled, everything between the farmers and the landowners. Right. So this was a consensus, these eight criteria was a consensus that everybody agreed to live by. Okay. In 2008, they passed the second part of the law and again, new paradigm, collaboration, consensus, and this established a comprehensive package of State Incentives for Farmers and Landowners. And these are the incentives. These are the six main incentives. Believe it or not, IAL farm dwellings and employee housing units...interesting, the farmers, the President of the Farm Bureau recommended this and you know, I grew up in Waipahu, so I know, plantation housing. People live where they work, right, the whistle blows, everybody gets up, goes to work, the whistle blows, everybody goes home, right, you know. And when we asked Dean Okimoto, hey, how come? He says, he's losing employees every day to the tourism industry and nothing wrong with the tourism industry. We support the tourism industry 100 percent, but...they like the tips, they like, you know, whatever they do in that industry, hard to keep the guys down on the farm. So he says, if I can offer an apartment to these guys for 200 a month, that'll be great, okay, plus I know where they are. So when they hung over in there, I can just knock on their door, pull 'em out of their house and they back at work, right. So I guess that's what the plantations did, too, to our grandparents, too. They knew where they were. So that was not a landowner request. That was a farmer's request, farm dwellings and employee housing units, and there's certain specific requirements to that and you can take a look at it. It's different from the zoning laws in all the counties. So there might have to be an adjustment in the county zoning laws just for the IAL properties, right. Okay. Tax credits for IAL qualified agricultural costs. Loan guaranties by the Board of Agriculture and this gets to the issue of Special Purpose Revenue Bonds. So the ballot, the Constitutional Amendment on the ballot proposes to give all agriculture operations, all agriculture...you don't have to be IAL. You don't have to go through this process and dedicate it forever. It could be for ten years, five years, whatever. Now -- or whatever, 15, 20 years, whatever it is -- I'm not sure, I didn't follow, we supported that bill, but I don't know the specifics that came out at the end of that bill, but it would give the same right, the same opportunity to get Special Purpose Revenue Bonds. That's a good thing, but you don't have to go through this process and it doesn't describe what kind of ag operation is, so up to you, you know. We support the concept. The third thing they give you is loan guaranties by the Board of Agriculture. This allows a farmer, a qualifying farmer or qualified ag operation to get a loan, 85 percent of their total loan to be guaranteed by the Board of Agriculture and it, part of the provisions say that the commercial lender, the bank, has to give 'em the loan at 1 percent below prime, how you like that? That's a great, great benefit. That's a great, great benefit. State and county, oh, here we go again, your water. Right. So State and county water use and development plans must include water information regarding to ag lands and IAL, because we want the Water Departments to start thinking about providing water for ag.

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Priority permitting for ag and this last thing or the sixth thing is a kind of interesting thing. It's a expedited LUC process for 85 percent IAL designation with a 15 percent reclassification of other lands which are consistent with county plans. This was not a landowner request. This was not a landowner request. This was a request from the Farm Bureau. The Farm Bureau under this law, landowners could be required to give 50 percent of their lands as IAL, so the Farm Bureau said, how can we give, how can we make the landowner or make it good for the landowner, make the landowner want to give more than 50 percent? How can we entice them to give more than 50 percent? So the Farm Bureau said, okay, you know, say a landowner has land and it's already County General Plan or Maui Island Plan Urban, it's already County in Honolulu, Development Plan Urban, it's on all the county plans as urban, it's just State Land Use hasn't caught up and it's still ag.

COUNCILMEMBER BAISA: Right.

COUNCILMEMBER VICTORINO: Right.

MR. ARAKAWA: So the Farm Bureau said, that's nothing to fight over. We shouldn't be fighting over that. The County already decided it should be urban, so that's a giveaway. So we let them, if they give us 85 acres in IAL, we let them take that 15 acres in urban. They have to go through the process. They don't get it for free. They don't get it without a fight. They have to go through the process, but since the county already said it's urban in their plans, not worth fighting for 15 percent. In return, we get 85 percent of their land as IAL, so it's worth it. So that was the Farm Bureau idea. You know, just like them, everybody says, eh, the farm dwelling, must be the developers, must be the landowners, no, wasn't. Oh, this 85/15, must be the landowner, no, it wasn't, right. It was the Farm Bureau thinking of ways how they can make farming more profitable. Okay. So this is the Farm Bureau, farm dwellings, employee housing. I don't have to tell people on Maui about that because we all went through plantation.

COUNCILMEMBER BAISA: Yeah.

MR. ARAKAWA: Yeah, so we know. Tax credits, we talked about that...loan guaranties, 85 percent loan guarantee to commercial lenders, and it results in 1 percent below prime and requires the water use plans to consider IAL and ag operations. Priority State permitting and this 85/15, you know, which is already, the county has already determined what that property should be in the future. Okay. So basically, this is the end of the presentation. There's a lot more to the presentation, but it covers rural areas, so...oh, here's, these are the voluntary IAL designations that have been approved so far. Approximately 101,000, 101,000 acres and these are the designations and Alexander and Baldwin have been the leader in the State as far as getting out of the box and designating their lands first. So they were first out of the box for Maui, first out of the box for Kauai...very first three petitions filed in the State of Hawaii were by A&B. And these are the status of the government designations we talked about, State DLNR and DOA. Their deadline was December, 2009...haven't done it yet. Kauai County received the

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Legislative funding. The Legislature gave about less than \$40,000 to all the counties to do their IAL study. The counties said, you know what, it's so little bit, let's just give it to Kauai, so Kauai finished their study and they designated a broad-base task force. Broad-base is a nice word for only four to six farmers, the rest not farmers, but anyway, they use clickers to determine the, get the eight criteria, how they're weighted. They sat there with clickers, click, click, click, click, click, and remember, less than a fourth of those guys are farmers. Click, click, click, so their weighting was not what farmers really kinda wanted. In Honolulu, their technical advisory committee was all ag stakeholders in ag, all people with their hand in the dirt, all people who operate and know the ag business, so they came out very different. And they did a consensus process. They did not do clickers. Right. You know. Their Phase 1 report is completed, Phase 2 report is started and they're gonna do, draft their IAL maps and work on their incentives and public outreach. Hawaii County is like Maui County. They're supporting the large landowners, working with the large landowners, and they're reviewing how they want to do their IAL study, and they'll probably do it more like Honolulu than like Kauai and they'll seek, Hawaii County's gonna seek funds from the Legislature, just as Maui County, we've spoken extensively with Mr. Spence and he has worked with A&B on their -- and they were first out of the box. He supported their position, petition, the -- Maui County did and they are also reviewing how they're gonna do it in the future. They're gonna ask for funds from the Legislature. Okay. So right now, landowners and farmers are continuing to do their voluntary petitions to designate IAL. The counties are working collaboratively with landowners and farmers to create incentives and to weight the criteria and to plan infrastructure. Infrastructure's important, right, water infrastructure, roads, processing facilities. In the future, the counties and the County Council will be looking at those proposals, and, you know, Committee Chair Guzman has been talking about this, to look at the incentives and looking at the proposals to designate IAL lands. And the Council's gonna review the recommendations by the County Planning Department and amend or approve and submit it to LUC. The LUC is gonna issue a declaratory order designating IAL for private properties. Next steps is incentives and I'll just go quickly. Some of them could be designation of water for agriculture as a public trust equal to washing your car or washing your laundry. Right now, water for agriculture comes below those types of water uses. State and county development of infrastructure for IALs, State and county exchange of lands for IAL designation, State and county purchase of lands for IAL designation, transfer of development rights and purchase of development rights. So telling a landowner, okay, we'll purchase your rights to develop, you make this IAL, you know, something like that. Okay. That's it and one last reminder, the counties are required to create IAL incentives, so I know you folks are gonna get to that. Thank you...oh, thank you very much.

CHAIR GUZMAN: Thank you, Mr. Arakawa. Just a quick note, yeah, Members, we will -- that's why the presentation is starting now -- we will be addressing the incentives in figuring out what type of incentives would go into our program. So that being said, I wanted to have A&B present and find out where, how the landowner feels in or what their status is on incentives and what was the benefit of going into an IAL. Mr. Chun of, with A&B, can you please present? Thank you.

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MR. CHUN: Thank you, Mr. Chair. Good afternoon, Mr. Chairman and Members of the Committee. I'm Grant Chun, Vice-President of A&B Properties and it's a pleasure to be with you all here this afternoon to share with you our company's work in designating our lands here on Maui as Important Agricultural Lands. With me here today are Dan Yasui, who's our Vice-President of Permitting and Mr. Paul Oshiro, A&B Government and Community Relations, both of whom were very involved in our petition to the Land Use Commission on this matter. I also have Garret Hew from HC&S here in case there are any questions which might fall within his area of authority. In 2009, our company received approval on our voluntary petition to the State Land Use Commission to designate 27,100 acres of our land as Important Agricultural Lands. This acreage included lands in active agricultural production -- the majority of the HC&S Sugar Plantation as well as other agricultural uses and supporting agricultural infrastructure like reservoirs and irrigation systems. To put it into context, the HC&S Sugar operation has about 36,000 acres in agricultural production, so over 70 percent of those lands are now in Important Ag Lands. This is a depiction of the lands that have been designated IAL. These lands are shaded in green along the, basically, the central isthmus of our island of Maui. Key points of reference would be Haleakala Highway, Hana Highway, Honoapiilani Highway, Kuihelani Highway and Mokulele Highway. I understand the pointer doesn't really work on this screen, but if you'll allow me to just approach the screen, I'll...so this is the Kahului and Wailuku where we are. This is Haleakala Highway.

COUNCILMEMBER VICTORINO: Do we have the, Mr. Chair, I think we need the portable microphone.

CHAIR GUZMAN: Do we have the portable mike?

COUNCILMEMBER VICTORINO: Yeah, because then we cannot hear you, we can hear you, but the public can't, right?

CHAIR GUZMAN: Yes. There we go.

MR. CHUN: Okay. So Haleakala...I need to go closer. So Kit is pointing at Haleakala Highway and that would be Pulehu Road. Honoapiilani Highway. Kuihelani Highway, right there...yes, Mokulele and Mokulele Highway. So you can see the, those are good landmarks to indicate the areas of the HC&S plantation that have been dedicated in perpetuity to this designation. David has already gone through the eight criteria used to ascertain whether lands are appropriate for an IAL designation, so I won't go through those again. However, with each of the next several slides, we'll go over the criteria as they pertain to the lands that we have petitioned for designation. Here you can see that our lands that were designated IAL, are currently used for agricultural production. The green areas denote sugar; orange, pineapple; lavender, seed corn; and yellow, pasturage. It's noteworthy that there are actually lands in active cultivation by HC&S through lease arrangements, so lands that we cultivate, but which we do not own and therefore, they are not part of our petition, obviously. These lands include the areas along

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Mokulele Highway, which are actually owned by the State of Hawaii and the former Wailuku Sugar lands, between Kuihelani Highway and Honoapiilani Highway. Growing conditions are another key criteria used in this analysis, and so a measure of growing condition is how, is solar radiation and the measure that is used is calories per square centimeter per day, and the, basically the yellow is for a count of 400 calories per square centimeter per day; orange, 450; and red, 500. It's just another criteria that the Land Use Commission will look to in ascertaining the appropriateness for designation. The ag productivity rating system also is, of course, a key factor in the IAL analysis. The map depicts the ag productivity of these lands under the ALISH system, the Ag Lands of Importance in the State of Hawaii system. The blue refers to prime agricultural lands. The tan is other agricultural lands. In terms of historic and traditional uses, as David mentioned, it's noteworthy that the majority of these lands have been in sugar cultivation for over 100 years. Of course, HC&S is actually the last sugar plantation in the State and as you are all aware, another unique quality of the operation is that electricity is produced by the burning of bagasse, which makes this crop quite unique. On the question of water is, of course, a very important criteria in the designation of IAL lands. This map shows the areas of our dedication that are served by the East Maui Irrigation Ditch system, that would be the blue fields and the areas served by the West Maui Ditch system in yellow. The lines running across the map are also relevant in the analysis and they connote the concentric rainfall lines that are based on historic rainfall trends over the area. Regarding consistency with various county-level general and community plans, which is another criteria that the State will use, you note that all of the lands that are designated are within areas that coincide with the agricultural designation reflected in our County of Maui General and Community Plans, which is basically all the gray on that map. The last two criteria look to how the proposed IAL area contributes to maintaining a critical land mass important to agricultural activity as well as how it's situated with regard to supporting infrastructure. So the lands reflected in our application, of course, are contiguous, intact and functional land units large enough to provide flexibility in ag production and enjoy the benefits of the infrastructure that's referenced on this slide. David spent some time going through the list of incentives that landowners who participate in the designation process have available to them. Essentially, the thought was that the best way to protect agriculture was to ensure the viability of farming and thus incentives were formulated and codified as part of the statute. We have actually only availed ourselves of one of these incentives and that would be the Qualified Agricultural Cost Tax Credits. These tax credits are a one-time tax credit for IAL farmers that can be claimed incrementally over a three-year period. There's a two-step process where the landowner works with the State Department of Agriculture to certify certain agricultural costs and expenses and subsequently, files for tax credits with the State Department of Taxation. This is just the sort of expenses that can be requested for this tax credit treatment. At this point to update you on our progress, we haven't made any claims for tax credits yet to the State Department of Taxation, but we're working with the State Department of Agriculture on certification of qualified costs. Also of note is, A&B actually voluntarily waived during the process, the right to avail itself of the incentive that allows for an Expedited Land Use Commission Review for Boundary Amendments up to the equivalent of 15 percent of the lands designated IAL. So that is not an incentive that we have used or intend to avail ourselves of. So

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essentially, that's, this is again the slide that indicates the areas that we've petitioned for and successfully had designated as Important Ag Lands, 27,100 acres here in our community that will be reserved for this purpose in perpetuity. If there's any questions, we'd be happy to address them. Thank you very much.

... END OF PRESENTATION ...

CHAIR GUZMAN: Thank you. Members, at this time -- thank you very much, Mr. Grant, Grant Chun, sorry -- Members, I'm going to open up the floor to any questions, if you'd like to go down the line or just by raising hands.

COUNCILMEMBER VICTORINO: Go down the line, Chair.

CHAIR GUZMAN: The first question from Mr. Victorino?

COUNCILMEMBER VICTORINO: Oh, doesn't make difference where you start. First of all, I want to say, thank you. I mean, this really does shed a lot of light on what Important Agricultural Land means to all of us, and we have some, well, we had some farmers and ranchers in the gallery. They've left already. I think this is important because your task force and my task force that I working on water and other issues and ag, the definition of ag, this will all play a key part of it, you know. But what I wanted to ask you, Mr. Arakawa, was first of all, you mentioned earlier about lands and I missed this part, so you gotta explain to me, something about you were saying that we have all this land and here's the agricultural lands based on the 2013 summary, right?

MR. ARAKAWA: Yes.

COUNCILMEMBER VICTORINO: Much of the land, gee, you talking 47, 45 percent, almost 46 percent, when you talking island acreage, you talking the total island or how do you determine what percentage...are this useable land, you see what I'm trying to drive at? Because I have been told by different planners that, you know, say for example Maui, only 5½ percent of all of our land is developed, 5½ percent developed. You know, always get housing, some kind of development, I not talking ag. So is this the whole island acreage or whole island circumference or size or is this just, how do you determine the percentages?

MR. ARAKAWA: You know, those statistics are from the Office of Planning, State Office of Planning.

COUNCILMEMBER VICTORINO: Okay.

MR. ARAKAWA: So I think they use, well, the maps have GIS. You see the maps I handed out?

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COUNCILMEMBER VICTORINO: Right. Right.

MR. ARAKAWA: I didn't cover, they have GIS on the bottom.

COUNCILMEMBER VICTORINO: Right.

MR. ARAKAWA: Yeah. All these maps, right?

COUNCILMEMBER VICTORINO: Okay.

MR. ARAKAWA: So this is, all these things were created by the Office of Planning.

COUNCILMEMBER VICTORINO: Okay.

MR. ARAKAWA: So. Yeah. So or the Land Use Commission, this one is by the Land Use Commission, so they look at the whole land, the outline, you see the dark outline? So they look at, at all of that.

COUNCILMEMBER VICTORINO: Yeah. Well, I was, you know, so my, so these planners that have told me 5 percent, you see urban development, 4.9 percent.

MR. ARAKAWA: Yeah. They're correct.

COUNCILMEMBER VICTORINO: They're pretty accurate, I mean, you know, and what page is that on our...

MR. ARAKAWA: No. You know what, I did not cover that, but it's in your handout, it should be in your handout.

COUNCILMEMBER VICTORINO: Oh, okay.

MR. ARAKAWA: It should be in your handout.

COUNCILMEMBER VICTORINO: Okay. No, no, that's fine.

MR. ARAKAWA: The loose handouts, the loose handouts.

COUNCILMEMBER VICTORINO: Yeah, yeah. No, thank you very much for the actual information and I'll go through it 'cause I know there's a lot you're giving us and thank you so much. And the final question -- I'll let others ask -- because I think this important, the connectability to water to ag, okay, you know, Maui has a tremendous system called the East Maui Irrigation System. We also have the West Maui Irrigation System. For the two, take areas that in normal

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cases, would not have enough rainfall, would not have enough productivity to raise anything let alone sugar cane, which is one of, a more water-driven crops and so. And so with that being said and the other islands have different perspectives, you know, Big Island especially on the east side, oh, water not a problem.

MR. ARAKAWA: Choke.

COUNCILMEMBER VICTORINO: You go west side, oh, it's a different scenario.

MR. ARAKAWA: Correct.

COUNCILMEMBER VICTORINO: You, know, here, we have this thing called, our east end has ample amount of water and that's what we brought in, but now we have these competing forces. And so, if we're going, once we designate these lands, then water would become one of the top priorities as far as these lands are concerned and according to what you were stating earlier?

MR. ARAKAWA: Correct. And in Honolulu also, the water that goes out to the Ewa area comes from Waihole, Waikane.

COUNCILMEMBER VICTORINO: Right.

MR. ARAKAWA: Right. So comes from east side, like you folks. Right, you know.

COUNCILMEMBER VICTORINO: Yeah.

MR. ARAKAWA: So, 'cause that's where the water is generated. And years ago, in the '70s or whatever, the county and the State decided, they coulda decided, put all the homes and development and whatever on the windward side.

COUNCILMEMBER VICTORINO: Right.

MR. ARAKAWA: But people on the windward side objected, right, the Waihole-Waikane case and all that and so they put the second city out in Ewa, but no more water out there, right, and they grew sugar cane there, no more water. They always have to truck it through the ditch, the Waihole Ditch from east side of the mountains out to the leeward side, so they do that in Honolulu, too. But that becomes crucial, for ag, you need water, no matter what.

COUNCILMEMBER VICTORINO: And Maui faces the same dynamics, you know, both sides of the mountains produce a lot of water, but the water has to get to the central plains where most of the agricultural base is.

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MR. ARAKAWA: And part of the situation facing the neighbor islands and Oahu is that when you had Oahu Sugar there, they maintained --

COUNCILMEMBER VICTORINO: Right.

MR. ARAKAWA: --the water system. And when you lose the big water plantations, you lose the maintenance of those water systems and yeah, slowly, new companies come in and they have the money to upgrade irrigation and that's a good thing for all farmers, yeah.

COUNCILMEMBER VICTORINO: Well, I think we're very fortunate East Maui Irrigation System still maintains much of the system and oh and then, we've just put in millions of dollars for the Waikamo'i flumes and others that used to be, you know, maintained by A&B and what East Maui Irrigation, so, you know, I think it's a partnership and I want to thank Grant and A&B for all that. So I'm going to let others ask questions and then I'll come back.

CHAIR GUZMAN: I think A&B wanted to respond.

COUNCILMEMBER VICTORINO: Oh, A&B, I'm sorry, I apologize, go ahead.

MR. OSHIRO: Thank you very much. You bring up a very good point about water being a very important piece of this Important Agricultural Lands paradigm and as David mentioned, it's one of the primary criteria before you get into IAL, one of the criteria they would consider, whether it has enough water. The Legislature probably thought the same way that you did that what if you're in agriculture in IAL and for some reason, acts of God, government action, the water is no longer there for you. And so they specifically included in the IAL statute, a provision that if you are in IAL, have lands in IAL, and if for some reason and they list the reasons, water is no longer sufficiently available to you, that you would have the option to petition the Land Use Commission to take your lands out of IAL, so they have that one specific provision pertaining to water that you so appropriately mentioned. Thank you.

COUNCILMEMBER VICTORINO: Okay. Good, I think that's very important for people to understand. Again and then the final thing was the accessibility to transportation, such as harbors, airports was another big part of the IAL, right, I mean that was one of the other major criterias as far as that was concerned.

UNIDENTIFIED SPEAKER: Yes.

COUNCILMEMBER VICTORINO: So again, that is why Central and Upcountry is so vital in that respect because of the proximity to airports and our harbor in Maui. So thank you, Mr. Chair, I'll let others ask questions. Thank you.

CHAIR GUZMAN: Yes. Thank you. Chair Baisa?

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COUNCILMEMBER BAISA: Thank you very much, Chair. Thank you for, David, for the information this afternoon. It's always good to look at this and be refreshed in, about the importance of IALs. One of the things you brought up, which I'm gonna have to check is, I can't remember whether or not there is special accommodation in our Water Use and Development Plan for IALs and I'm not sure that, that it's there. Well, I'm sure Mr. Victorino and I are gonna make sure we check. The other thing is, I think your statistics were eye openers. You know, this idea that only 5 percent of our land is urban, there's a whole lot of agricultural land out there and yet, whenever we sit in here trying to approve a housing development, everybody agonizes over, you know, are we taking away land that could be used for agriculture and it's always a very difficult decision. So I think that's a very good statistic for us to have at hand when we evaluate stuff. The other one that just really is something to ponder is the imported food. We hear that a lot about the 85 percent imported food, but we very seldom hear the other half of the 85 percent going out of here. So again, really good information and I want to thank you very much. And one last question. We talk about Maui and we, all these statistics are, refer to Maui, does this apply to Maui island or Maui County?

MR. ARAKAWA: With respect to the statistics --

COUNCILMEMBER BAISA: Yeah.

MR. ARAKAWA: --that are up there...the other, the other one, some are up there and it's by island, okay, that's by county.

COUNCILMEMBER BAISA: Yeah.

MR. ARAKAWA: Okay. And there's another slide that has the islands, try check the islands. It's probably in your --

COUNCILMEMBER VICTORINO: Handouts.

MR. ARAKAWA: --in your handout. It's in your handout. So on this handout, it has Molokai and Maui separate on one of these handouts.

COUNCILMEMBER BAISA: Okay.

MR. ARAKAWA: And on another handout, it has Lanai separate, so the acreages from Maui, Lanai and Molokai. It doesn't have, well, Kahoolawe, it has separately, 28,600 all in conservation, so this slide is probably the best slide. It's by the Land Use Commission.

COUNCILMEMBER BAISA: Okay.

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MR. ARAKAWA: March 2014.

COUNCILMEMBER BAISA: I'll take a look in here, this stuff.

MR. ARAKAWA: Yeah.

COUNCILMEMBER BAISA: We didn't have a chance to look at it before you, before the meeting..

MR. ARAKAWA: Yeah, so it comes from two or three different sources, so the numbers might be little different. This Land Use Commission, the other numbers come from Office of Planning, so.

COUNCILMEMBER BAISA: Okay.

MR. ARAKAWA: You know.

COUNCILMEMBER BAISA: No, but they are, like I said, very good figures and thank you very much for the information and thank the panelists also.

CHAIR GUZMAN: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, folks, for your presentations. So first of all, in order to meet the, you, must IALs meet all eight criteria or is there like just one or a percentage of the eight or how does that work?

MR. ARAKAWA: These are criteria that may be considered by the Land Use Commission so it's criteria to be considered, to be considered, yeah.

COUNCILMEMBER COCHRAN: So you just need to match up to at least one of them --

MR. ARAKAWA: Yeah.

COUNCILMEMBER COCHRAN: --in order to qualify --

MR. ARAKAWA: Yeah.

COUNCILMEMBER COCHRAN: --so to speak?

MR. ARAKAWA: Yes. I think for a, but in consideration by the Council, because what the councils would be doing is they would be looking at people's land, landowners' land and those landowners want to keep the land as is without, maybe without IAL on it and they're gonna be forced to be designated IAL against their will, some of them. And so they can be, they can challenge it at the Land Use Commission, so it's much better if I was Corp. Counsel or if, you

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know, I was a Council member, I would say, you know, it should meet two, three, four or five, it definitely should have water. It definitely should be, you know, if it's in production, you know people are making money on it, you know, and so you know, the more criteria it meets, the better chance it will have when it goes to the Land Use Commission for them to approve it. If it only has one of the eight and somebody's fighting it, it's gonna be tough. It's gonna be tough. So for Kauai and for Honolulu when they did their overlays, they say, how many meet one criteria? How many lands meet one? How many meet two? How many meet three? How many meet four? How many meet all eight criteria? So they did their layers like that so they could see which lands had the best chance of being approved by the Department of Ag and by Land Use Commission as IAL. Right. And they determined, wow, the more you have, the better chance you have of getting it approved. So, you don't need all, but the more you have the better, short answer, sorry.

COUNCILMEMBER COCHRAN: Yeah, I agree. I wished they would meet all of 'em. So then looking at one of your slides in regards to possible IAL incentives, Number 1, Designation of Water for Agriculture as a "Public Trust". What is it that, I don't know who came up with these six possible incentives, whether it was your organization or this was that collaboration type of thing? It's on Page 33, your slide 33. Just curious, little more elaboration on what that sentence means?

MR. ARAKAWA: Okay. Right now. Okay. First off, that was, the first year I started at Land Use Research Foundation, the Farm Bureau that was their bill, to Designate Water for Agriculture as one of the "Public Trust" uses, one of the five, it'll be the, right now there are four Public Trust uses. So one Public Trust use is Domestic Use, so you can wash your car, you can wash your dishes and that or you can take a bath or wash your dog and that comes above a, use for agriculture. Right. So, they submitted a bill to the Legislature, it died that year. This, that idea, designation of water for ag as a public trust or having a preference for ag water, that was one of the incentives that was originally in this bill and was taken out along the way, right. But the Farm Bureau and the landowners believe water was important so it was proposed by the farmers.

COUNCILMEMBER COCHRAN: Okay.

MR. ARAKAWA: And public trust, you know the public trust...

COUNCILMEMBER COCHRAN: Doctrine.

MR. ARAKAWA: Yeah, doctrine, right so.

COUNCILMEMBER COCHRAN: Right.

MR. ARAKAWA: So domestic uses come above...domestic, Native Hawaiian, keeping water in streams, et cetera, et cetera.

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COUNCILMEMBER COCHRAN: _____ water rights especially.

MR. ARAKAWA: They're all public trust uses.

COUNCILMEMBER COCHRAN: Right. Okay. And then, a question for doctor...Mr. Chun.

MR. ARAKAWA: Hoo, Dr. Chun.

COUNCILMEMBER COCHRAN: I don't know why you're doctor all of a sudden. Thank you, A&B for being here. So, I was just wondering, I know you folks had designated, you've gone through the IAL process, but yet you have not taken advantage of any incentives, and I was just curious why not or are you waiting for an opportune time in order to do this or why would that be?

MR. CHUN: Actually, the incentive that we are focused on at this point is the tax credits, so we're practically working through that process, but as far as the others, we haven't embarked on any kind of, you know, effort to exercise any kind of rights under those particular incentives. But actually, Paul, do you have anything to offer?

MR. OSHIRO: No, I think Grant's assessment, Council member, is correct. Right now we're focusing on utilizing the tax credits as one incentive. The other incentives, well, secondly, we waived off of the 85/15, but all the other incentives are there for our possible consideration in the future, but to date, we have not focused upon utilizing any of the others.

COUNCILMEMBER COCHRAN: So I guess, what was the push on your folks behalf to go through this, but, I mean, 'cause as Mr. Arakawa was mentioning, you know, incentives are key to all of this and to persuade and encourage others to do so, but yet you folks have done it and not taken advantage of incentives, so I was just like wondering, you did it, but yet the push on this side is saying it's 'cause of incentives and we need to, you know, institute them to make people more, you know, attractive for them to do, but yet you folks have done it and you haven't taken that advantage, so that's why I'm just a little confused.

MR. OSHIRO: Actually, Council member, for A&B, we worked with the Farm Bureau, LURF both in 2005 and 2008 on, in supporting the implementation of the IAL law which as mentioned was long stalled since the Con amendment in '78 and so we were supporting both of those organizations. We supported the collaborative stakeholder efforts where everybody came together. So once the law was enacted in 2005 and implemented with the, in 2008, we looked at the law, which of course we supported through the organizations and we just felt compelled to step up and to do what we supported, and that's pretty much the basic premise of us stepping forward and taking the first step to implement what we supported all these years, yeah, so pretty much, that's pretty much where we are. And again, we're looking at the tax credits as an incentive for our HC&S organization right now and we could possibly look at the others.

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Special Purpose Revenue Bonds, as Chair mentioned, will be on the ballot to broaden, but if it stays as IAL, it's something that we could also consider in the future for financing future improvements.

COUNCILMEMBER COCHRAN: Okay.

MR. ARAKAWA: And Councilmember Cochran, I think A&B might be humble, but the Legislators, the Governors, various Governors and, you know, the Department of Agriculture all went door-to-door to all the major landowners begging, pushing, threatening, just saying, come on, you guys, come on, we have this new law, do it, and A&B was the only one and the first one to step forward. So they had, you know, these asked and everybody had to do soul searching and A&B was the one that decided to step forward first so that was a good thing we thought.

COUNCILMEMBER COCHRAN: Yes. Okay. Well, thank you very much. Thank you, Chair.

CHAIR GUZMAN: Thank you, Ms. Cochran. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Oh, thank you, Chair. Thank you for being here. Very, very informative, I appreciate it because IAL has been part of my discussion before I even got into Council with many of our lands on Molokai, so I'm just curious to, as to how or I notice unique agricultural uses, energy production is considered that. Is that a Legislative assignment to that?

MR. ARAKAWA: Correct.

COUNCILMEMBER CRIVELLO: So when we say energy production, are we saying industrial wind farms of that sort and they would qualify for the necessary incentives if it's an IAL?

MR. ARAKAWA: I think at the time, they were considering crops. At the time the law was passed, people thought that we could grow Jatropha and other --

COUNCILMEMBER CRIVELLO: I see.

MR. ARAKAWA: --types of plants that could generate energy, and later on as research went forward, they found out it might be, not be as cost effective. So at the particular time this law was passed, the science at the time that we knew it was that, hey, maybe these crops could generate energy, right. And right now sugar cane does, too.

COUNCILMEMBER CRIVELLO: Right.

MR. ARAKAWA: So they thought other crops could be like that, too.

COUNCILMEMBER CRIVELLO: Okay. So it's crops?

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MR. ARAKAWA: Wind farms could not.

COUNCILMEMBER CRIVELLO: It's crops?

MR. ARAKAWA: Yeah, crops.

COUNCILMEMBER CRIVELLO: Actual...actual crops. Okay. That clarifies it for me. I guess that's it because it's my understanding that our Planning Department is working with Land Use at this time and I guess, through the Administration, to see how we can move forward with, I guess, identifying some other Important Ag Lands on Maui, and A&B has made that step forward, so appreciate that. And at least we can understand better what the Important Ag Lands are, so I really appreciate you folks being here. Thank you, Chair, for bringing this forward.

MR. ARAKAWA: Chair, I just wanted to clarify --

CHAIR GUZMAN: Yes, Mr. Arakawa.

MR. ARAKAWA: --it just came to me. Farmers such as Richard Ha on the Big Island, he believes there's a very close tie, inherent tie between energy and the ability to generate energy and farming, you know, for farm uses. So you might see come before you, maybe not IAL, but other ag operations that want to put energy-producing, renewable energy types of equipment or things on their land to help their farm, and every year there are bills at the Legislature --

COUNCILMEMBER CRIVELLO: Right.

MR. ARAKAWA: --to allow that. So you're gonna see that. I didn't mean to say that none of that should happen on ag land, because it's very important, farmers are always looking for --

COUNCILMEMBER CRIVELLO: Right.

MR. ARAKAWA: --ways to generate energy, so you might see the mix of that in the future.

COUNCILMEMBER CRIVELLO: Thank you. Thank you.

CHAIR GUZMAN: Mr. Carroll?

VICE-CHAIR CARROLL: Thank you, Chair. And thank you for the presentation, all of you that came over here. We really appreciate it. County has always supported agriculture, our water rates and other things, but going over your presentation, everything just about is going to cost money. Everything, there's an expense to it. And expense is considerable, the Waikamoi project that we had, that was in the millions. It's been determined that we need about 100 million gallons of

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reservoir up in Upcountry just to support what we have now, either one big reservoir or several small ones to make water actually in the future to where it's economically feasible, we need a dual system where we can use untreated water, not going through the treatment plants to bring the cost down. Tax incentives, again, tax incentives, that means that the public's money that everybody on Maui County pays for this through their property taxes. I support agriculture and I support everything and I think people are willing to give a certain amount of their tax money to promote agriculture in Maui County. However, even with the loans and bonds and everything else, it's daunting. And unless we handle the water first, everything else is kind of moot. It's just gonna sit there. I can see us preserving the land. I can see us keeping the land available. However, we can't take care of what we have now. We have farmers that sometime lose their entire crop because they don't have efficient water. I would hope that we could prioritize expenses and prioritize how we're going to go about this, addressing the immediate needs. And the immediate need is water, water retention and water availability. Preserving agricultural land, that's fine, but we can't just hold the land forever. That's not going to work. We have private land issues and private owners and what, we just can't tie up pieces of land for 100 years, saying we're going to wait until we can develop it. If we don't expediate getting the water resources that we need to take care of what we have now and expanding into the future in the lands that we've been talking about, it's not going to happen. I don't care how many meetings and I don't care how well intentioned and I don't care how much money the County has available to put into it, we need to prioritize it and we need to pursue it. And I would hope that meetings like this we can come forward and hopefully come up with a plan working with the farmers, with the State and hopefully, perhaps some Federal monies, too. I know in the mainland, I've read in the newspaper, several places, where Federal monies were made available to help certain areas, to address first, the water problem. And everything else we're talking about, I think, has to just stay over there, be aware of it, preserve what we can, help the farmers existing when one can, and then we can, hopefully, in a number of years, we can actually start expanding into lands where available. Sugar is surviving through subsidies. That's one of the big things that helps them out. Nothing else that we have is ever going to qualify. We're never going to have a one-crop system again, that is, was nice. It's in the past. We need to go where there're and have viable farms that can survive on their own without subsidies and that's what we need to work toward. Once we have dual system inside, we can keep water cost down. Once we have reservoirs to have consistent water supply, I think we can support our farmers perhaps, with some tax breaks or whatever else we come up with, but I would hope that we could proceed along this line and again, with water first and address our water resources. And again, thank you for coming. I really appreciate your presentation and thank you, Chair, for bringing them here. Mahalo.

CHAIR GUZMAN: Thank you, Mr. Carroll. Does anyone on the panel like to address Mr. Carroll's concerns or statements.

UNIDENTIFIED SPEAKER: No, I think it's well said. Well said.

CHAIR GUZMAN: Thank you. Are there any further questions?

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COUNCILMEMBER COCHRAN: Chair?

CHAIR GUZMAN: Yeah. Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. So how does it work exactly, if you designate that 85/15 ratio thing, it's not per se, that one chunk of land? Like you can have it in IAL in one area and then designate in a whole, entirely other area, like it's not even part of that TMK or whatever?

MR. ARAKAWA: Correct.

COUNCILMEMBER COCHRAN: Is that right?

MR. ARAKAWA: Correct.

COUNCILMEMBER COCHRAN: Okay.

MR. ARAKAWA: And...and again, that was a Farm Bureau request. From the standpoint of landowners, they're going, you know this other piece of property might be 100 acres and it's already designated by the County as urban, why am I gonna go in for only 15 percent, I going make the whole thing urban, right, so that's why it's never been used because it's like, what, right, you know. Originally, the Legislature was going like 75, 60/40 or 75/25, right. You know, get 75 percent of the land and 25 percent that's already designated by the county as urban, let it go, you know, let it go through expedited process. But this 85/15 not, well, right now, it's not worth it for the landowner, so they just going, I going make, instead of only 15 percent, I going make that whole thing urban, you know, which is a shame because you coulda got, you know, 75 percent or something like that. So, yeah, so it hasn't been used.

COUNCILMEMBER COCHRAN: Okay.

MR. ARAKAWA: You know.

COUNCILMEMBER COCHRAN: Mr. Yasui, did you wanna...did you have something to add?

MR. YASUI: I was going to say that, you know, I think David had a slide that basically showed all the petitions on all the islands that voluntarily designated IAL and no one availed themselves of that incentive, so everybody waived that. Everybody, in fact, just designated IAL. There was no rezonings or anything as part of any IAL designation. No one took advantage of that incentive.

MR. ARAKAWA: 'Cause if the county, if the county says it should be urban, someday it's gonna be urban. No sense go through this process, right, you know.

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COUNCILMEMBER COCHRAN: But it was supposed to be sort of a given and you didn't really have to jump through all the hoops thing or just a expedited process, I guess --

MR. ARAKAWA: Yeah, expedite.

COUNCILMEMBER COCHRAN: --was kind of what the intent was of that incentive, but in the end it really wasn't all that.

MR. ARAKAWA: Yeah.

COUNCILMEMBER COCHRAN: It wasn't a big draw?

MR. ARAKAWA: Yeah. It wasn't a big draw. At 75/25, at least the landowner would think about it, right. But at 85/15, they're gonna say, look, the county has designated it as urban, we're just gonna urbanize it, right, you know.

COUNCILMEMBER COCHRAN: Okay. Alright. Thank you.

COUNCILMEMBER VICTORINO: Chair. Chair.

CHAIR GUZMAN: Oh, yes, Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. Thank you. I appreciate that. Mr. Arakawa, you were mentioning earlier as far as the designation for ag land and that the county, you know, the county still have to do their incentives, you know. And as you're well aware of, we do not have taxing power except real property tax, so tax credits and tax incentives limited in that respect to what we can do. There's not others, unless the Legislature gives us further taxing power, which I don't, I'm not sure if I want to even endeavor in that. But the word, designation has been branded about, in fact, I'm working on right now to dedicate land, ag land, you know, so that they get the specific breaks that you're referring to. And they can, like you said, for 5 year, 10 year, 20 year, the longer they do, the better the breaks would be. But do you feel these are some of the methods...you know, again, water would be another one, the availability of inexpensive water for their fields, I think, is another area. I mean, these are the incentives that we as a county need to work on. So do you have any other ideas beyond real property tax, you know, and dedication and water, what else could we as a County do?

MR. ARAKAWA: Okay. The law also has a provision that said that by 2008 or whenever it is, the counties and the State shall implement reduced infrastructure requirements.

COUNCILMEMBER VICTORINO: Okay.

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MR. ARAKAWA: So sometimes in Honolulu at least and that's why there's a law at the Legislature, Dean Okimoto on his farm to build his road to get through his farm, he gotta, he was told he had to build it to County standards, which means undergrounding utilities, curb and gutter, you know that kind of... why, it's just gravel, come on, gravel road, you know, so those kinds of things. I don't know, some people have talked about energy cost, but that's not a county function, you know, it's a PUC function, cheaper energy rates. Other people have talked about and I don't know how this could be calculated, but most counties have power over the gas tax.

COUNCILMEMBER VICTORINO: Right.

MR. ARAKAWA: Right. So if the gas tax is substantially reduced for farm vehicles or for vehicles that are used by IAL farms or operations, then that could be a savings, you know.

COUNCILMEMBER VICTORINO: Ours is not that substantial because you have Fed --

MR. ARAKAWA: Okay. Whatever.

COUNCILMEMBER VICTORINO: --you have State and then you have County.

MR. ARAKAWA: Okay.

COUNCILMEMBER VICTORINO: When you, you know, so we need cooperation -- but anyway, no, no, I just wanted to pick your brain, see if you had some other ideas, because I know we're gonna be discussing it in the near future and I think this is important to have a better understanding on what you and the State and again, because we all behind the eight ball, 2008 has come and gone. It's like a lot of things in this Council we've been waiting for years to get done.

MR. ARAKAWA: And another thing is, you know, approval of Soil and Water Conservation District plans, working closely with the counties because some people wait, some farmers wait months to get their plans approved. This is not in your county, but in other counties, you know, so. Things like that, but really gotta talk to farmers and gotta talk to ag operators, what kinds of things would make it easier for them to do what they do, yeah.

COUNCILMEMBER VICTORINO: Okay. Thank you. And thank you, Mr. Chair. Again, this is real important information because again tomorrow, we're gonna be, part of our discussion is what we were talking about today --

CHAIR GUZMAN: Yes.

COUNCILMEMBER VICTORINO: --ag lands and water and so it's kind of ironic we, today, going into what we gonna talk about tomorrow, so.

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CHAIR GUZMAN: I mean, I think, like, like what is, I mean, mandated to the county from the State, we have to create, we're required to create incentives, and then that's the triggering point for us to then start designating. So it's a policy decision. It's going to come back to the Council, what are the, what are our incentives, too. So it definitely will be coming into this Chambers for decision-making in...

MR. ARAKAWA: Or development of infrastructure. You know, if you guys put the waterlines or the roadways go up to the IAL parcels or, you know, ag parcels, that would help, too, instead of they have to build their own roads, they have to put in their own...

COUNCILMEMBER VICTORINO: But we don't require them to do to County standards.

MR. ARAKAWA: Okay.

COUNCILMEMBER VICTORINO: Not the roadways anyhow.

MR. ARAKAWA: Okay. Okay.

COUNCILMEMBER VICTORINO: Right, Mr. Chun?

CHAIR GUZMAN: But we will have to be, you know, talking and having that discussion on the incentives, so. This is a good warmup in terms of, you know, getting familiar with the standards and so. Is there any other questions for the Members? Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you. Thank you. Good agenda item --

CHAIR GUZMAN: Okay.

COUNCILMEMBER CRIVELLO: --I appreciate it and good seeing you, David. Thank you.

CHAIR GUZMAN: That's it? Okay. Without any further ado, without any objections, Members, I'd like to defer this matter?

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER.

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CHAIR GUZMAN: Thank you. And I'd like to thank Mr. Arakawa, Mr. Chun and the A&B, Paul and all the staff that was here to go through the presentation and thank you very much.

MR. ARAKAWA: Thank you to your Staff, your Staff and Kit.

CHAIR GUZMAN: And all the technical Staff and Corporation Counsel. Thank you and we're adjourned. Thank you. . . . *(gavel)* . . .

ADJOURN: 3:54 p.m.

APPROVED BY:



DON S. GUZMAN, Chair
Economic Development, Energy, Agriculture,
and Recreation Committee

ear:min:141028

Transcribed by: Joanne Bista

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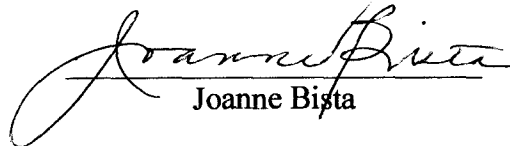
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CERTIFICATE

I, Joanne Bista, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 11th day of November, 2014, in Kahului, Hawaii


Joanne Bista