

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

**M I N U T E S**

**Council Chamber**

**September 15, 2015**

**CONVENE:** 1:38 p.m.

**PRESENT:** VOTING MEMBERS:

Councilmember Don S. Guzman, Chair  
Councilmember Elle Cochran, Vice-Chair (left at 4:05 p.m.)  
Councilmember Stacy Crivello  
Councilmember Michael P. Victorino  
Councilmember Mike White

NON-VOTING MEMBERS

Councilmember Robert Carroll (arrived at 1:58 p.m./left at  
4:05 p.m.)

**EXCUSED:** Councilmember Riki Hokama  
Councilmember Don Couch

**STAFF:** Sharon Brooks, Legislative Attorney  
Kit Zulueta, Communication Director  
Pauline Martins, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone  
conference bridge)

Denise Fernandez, Council Aide, Lanai Council Office (via  
telephone conference bridge)

**ADMIN.:** Jerrie Sheppard, Deputy Corporation Counsel, Department of the  
Corporation Counsel  
Alan M. Arakawa, Mayor  
Brian Bilberry, Deputy Corporation Counsel, Department of the  
Corporation Counsel  
Greg King, Central Purchasing Agent, Department of Finance  
(Item 26)  
Robert Halvorson, Planning and Development Division Chief,  
Department of Parks and Recreation (Item 26)  
John Summers, Long Range Planning Program Administrator,  
Department of Planning (Item 26)

**OTHERS:** Janet Bostick

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Tama Kaleleiki  
Clifford Nae`ole  
Ke`eaumoku Kapu  
Blossom Feiteira, Executive Director, Friends of Moku`ula, Inc.  
(Item 2)  
Daniel Ornellas, Department of Land and Natural Resources (Items 2  
& 26)  
Kumu Kamalu Kaho`okele, President, Nahiku Community  
Association (Item 26)  
Mapu Kekahuna, Vice President, Nahiku Community Association  
(Item 26)  
Susan White, Executive Director, Paia Youth Council, Inc. (Item 27)  
Plus (17) other people

**PRESS:** *Akaku Maui Community Television, Inc.*

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CHAIR GUZMAN: . . . (*gavel*) . . . Good afternoon. Welcome to the Economic Development, Energy, Agriculture, and Recreation Committee. The date is September 15, 2015. I'm Don Guzman, the Chair of the Committee. Before we begin, can I please ask everyone to please put their cell phones on silence mode. I'm going to introduce our Members today. Our Vice-Chair of the Committee Elle Cochran.

VICE-CHAIR COCHRAN: Aloha. Good afternoon, Chair.

CHAIR GUZMAN: Good afternoon. Ms. Stacy Crivello. Good afternoon.

COUNCILMEMBER CRIVELLO: Aloha, Chair.

CHAIR GUZMAN: Mr. Mike White.

COUNCILMEMBER WHITE: Aloha, Chair.

CHAIR GUZMAN: And Mr. Michael Victorino.

COUNCILMEMBER VICTORINO: Good afternoon, Chair.

CHAIR GUZMAN: Good afternoon. We also have for our Staff we have our Legislative Attorney Sharon Brooks. We also have our Committee Secretary Pauline Martins. As well as for our Administration we have, welcome to the floor, Mayor Alan Arakawa. As well as...good afternoon, Mayor.

MAYOR ARAKAWA: Good afternoon.

CHAIR GUZMAN: And we have for Deputy Corporation Counsel Jerrie Sheppard.

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MS. SHEPPARD: Good afternoon, Chair.

CHAIR GUZMAN: Thank you. And we'll go ahead and before we check in with our District Offices I would like to note that if you want to testify please sign up at the lobby. You'll have three minutes to testify. Please state your name and any organization which you represent when you come to the podium. You'll have about three minutes to testify only for the items on today's agenda, and you'll have a little blinking light for your conclusion, for you to conclude. I'm going to go ahead and check in with our District Offices. In Hana Office, Ms. Lono, are you there? Are we connected? Okay. No response. So we'll go ahead and move forward with...Lanai Office, are you there?

MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai and there is no one waiting to testify.

CHAIR GUZMAN: Thank you, Ms. Fernandez. And on Molokai Office?

MS. ALCON: Good afternoon, Chair. This is Ella Alcon on Molokai and there is no one here waiting to testify.

CHAIR GUZMAN: Thank you, Ms. Alcon. Moving back to our Chambers. Can you please call the first testifier?

MS. BROOKS: The first testifier will be Janet Bostick, followed by Tama Kaleleiki.

**... BEGIN PUBLIC TESTIMONY ...**

MS. BOSTICK: Aloha, everybody. I'm Janet Bostick. I guess one of my main questions is it seems that this project has gone on and on and on, Moku`ula. As I look out across the field, I really don't see much progress. I was involved with an archaeology group that a couple of years ago it seemed like we were making some progress. That was stopped. And now as I look out across the field, I still don't see anything happening. I'm wondering what happened with all the money that's been collected over the years. Many of my clients that come through the salon ask me when something is going to be done; what is it going to look like, and I guess that's my main question. When is something going to be tangible? And I know there's many other questions out there about that. So I guess that's my main concern.

CHAIR GUZMAN: Thank you very much.

MS. BOSTICK: Thank you.

CHAIR GUZMAN: Hold on a second. Members, do you have any follow-up questions or comments? Seeing none, thank you very much for your testimony.

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MS. BOSTICK: Thank you.

MS. BROOKS: The next testifier is Tama Kaleleiki, followed by Clifford Nae`ole.

MR. KALELEIKI: . . . *(spoke in Hawaiian)*. . . `o au o Tama. Good morning. Aloha Kakahiaka. To our honorable Council, thank you for your valuable time. My name is Tama Kaleleiki. I'm here to express not only for myself. It's been through our kupuna that we who go to church at our family church at Waiola that is in Lahaina that we the congregation when we do our work in our cemetery there has been just nothing that we've seen move forward with FOM. I do know that they are good in their Maui Nei tour. I believe that they should stick to their tours and leave our monies, our taxpayers' monies to the County. I believe that the County would be best in this endeavor and doing the island and restoration. Also my concern for our church border, I have family buried there since 1830. We know more of the culture and the layout of this landscape. We have a problem with our cultural areas which would be \_\_\_\_\_ Road. I see them perpetuating Moku`ula. Maikai, that is good, but at the same time they are not perpetuating and preserving our road that has been in the Pi`ilani line for centuries. It's almost like it's not important. Also, with our church wall, I found out in going to the CRC meeting that we had lost our wall. I don't know how this has become so tumultuous this feeling of anger of how can we lose our property. I don't know if it's the County or FOM but we need answers. I did go to CRC meeting and asked that we need a 20-foot buffer to protect the border of our cemetery.

MS. BROOKS: Thirty seconds.

MR. KALELEIKI: And also the ancient wall. The wall has been there for 200-plus. So I don't know how it grew. I do know through the annexation of Hawaii that they had to chop up our properties. Just like when I speak to my family on Molokai, Lanai, and Maui they are not pleased that these things are not being cared for. I am for the project. I think that Maui County --

MS. BROOKS: Three minutes.

MR. KALELEIKI: --should take this back and manage it where I think our taxpayer money, all of us can see something bloom from this. So that's my sharing. I say mahalo to each and every one of you.

CHAIR GUZMAN: Thank you. Members, do you have any follow-up questions for the testifier? Seeing none, thank you very much for your testimony.

MR. KALELEIKI: Mahalo.

CHAIR GUZMAN: Mahalo.

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MS. BROOKS: The next testifier is Clifford Nae`ole, followed by Ke`eaumoku Kapu.

MR. NAE`OLE: Aloha, Chair and Mr. Mayor and Councilmembers. `O wau o Nae`ole no Maui mai kou `ohana. I come in favor of Moku`ula and the patience that we need to move forward. In contemporary Hawaii right now we're taking experiments. We're moving forward with this so-called world progress at lightning pace for telescopes, for GMOs, for pesticides, for all this stuff. Moku`ula is going to take time. We're allowing scientists to move forward. I ask that we allow practitioners to stay put for a while. The heiaus, everything was built stone by stone. It's not going to be an overnight process and it has taken years. And again with respect to all, we all looking for the same light. We all shooting towards the same goal, the protection of Moku`ula. Sometimes it kind of lapse. But what I'm asking is that please take into consideration that perhaps Moku`ula has been sleeping all this time and it's just waiting for the right time to come forward. Mo`okiha is certainly an offspring of Moku`ula. So we have Moku`ula of the land. We have Mo`okiha o Pi`ilani of the ocean. Both projects have taken awhile to come forward and we ask patience because we need to let the practitioners at hand at this point in time do what they need to do albeit at a slow pace. There is a vision out there and I think they can come to the table and they can show their vision. I don't think anything is being hidden or nothing is being transparent. I do think that we can all come to the table and move this project ahead. But allow the Friends of Moku`ula the liberty to move at their own pace and I think it can be done for the greater good for everybody at hand. That's my manao. I am not of the ahupua`a from Lahaina but I'm of the lahui and I come forward from that. Thank you.

CHAIR GUZMAN: Thank you. Members, do you have any follow-up questions for the testifier? Ms. Cochran?

VICE-CHAIR COCHRAN: Thank you, Chair. And aloha. Thank you for being here --

MR. NAE`OLE: Hi.

VICE-CHAIR COCHRAN: --Clifford. So you mentioned to have patience and to give practitioners whatever time it takes.

MR. NAE`OLE: Correct.

VICE-CHAIR COCHRAN: And so what does that mean? And to move at their own pace. So what in your words does that mean?

MR. NAE`OLE: Okay. The cultural component has come back again. We've formed a cultural group of practitioners whether it be hula, through olelo, through protocol, et cetera. So now we're trying to guide things along that way. I don't know how long or the exit strategy per se or the final goal will take but there are some moves that I believe are being made that we will show some blooming in the very near future. And

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again without having conflict with anybody in the surrounding areas, et cetera, we...I think it can be done. It has to be done. You know I don't see a time. I'm sorry. I cannot give you the exact time. I can just give you the effort and the mana to put it forward, that's all I can say.

VICE-CHAIR COCHRAN: And so you're part of this group or are --

MR. NAE`OLE: Correct.

VICE-CHAIR COCHRAN: --you on the board or are you on the --

MR. NAE`OLE: Well, I'm not --

VICE-CHAIR COCHRAN: --advisory...

MR. NAE`OLE: --I don't sit on the board. I volunteer and come in and just listen and make suggestions. Myself and others as well. And so when one cultural person cannot make it, another will fill in and then we report to each other as to what's being done.

VICE-CHAIR COCHRAN: Okay. And one follow-up.

CHAIR GUZMAN: Sure.

VICE-CHAIR COCHRAN: And so, I'm just kind of stuck on this have patience --

MR. NAE`OLE: Uh-huh.

VICE-CHAIR COCHRAN: --and to take time because we're looking at 25 years later of this project --

MR. NAE`OLE: Sure.

VICE-CHAIR COCHRAN: --with the County's involvement and so I think that's a long time.

MR. NAE`OLE: It is a long time.

VICE-CHAIR COCHRAN: And I think patience has been happening and as you...I heard from previous testifiers there isn't anything physical to be seen that has been done. So now I'm hearing your testimony to have patience.

MR. NAE`OLE: Okay. And I've seen it change hands and directions along the 25 years much as other projects have as well. So hopefully with this group here at hand I think that it's a birthing and I'm just asking for that patience if you can understand that.

VICE-CHAIR COCHRAN: Thank you very much.

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MR. NAE`OLE: Thank you.

VICE-CHAIR COCHRAN: Thank you, Chair.

CHAIR GUZMAN: Thank you very much. Any further questions from the Members? Seeing none --

MR. NAE`OLE: Mahalo. Thank you.

CHAIR GUZMAN: --thank you very much for your testimony.

MS. BROOKS: The next testifier is Ke`eaumoku Kapu.

MR. KAPU: Aloha mai kakou.

VICE-CHAIR COCHRAN: Aloha.

MR. KAPU: My name is Ke`eaumoku Kapu. I'm from Lahaina. First of all, I'd like to say that I was here originally when the small four-acre parcel was leased over to the Friends of Moku`ula when Nakano was still in office. That was a day of celebration for a lot of us knowing that we was going in the right direction. That we wasn't burning the books of the past. That we was making sure that we did an overlay of a historic district that is noted in the National Historic Register. It's not the whaling section. It's not the \_\_\_\_\_ section. It was the capitol of the Kingdom of Hawaii. It was an island that was hidden from the people for many generations, yeah, to not unveil the true secrets of what this land held for the benefit of people who literally were \_\_\_\_\_ from a time of change. You know it's easy to look at projects that cost \$60 million on building something but why is it so hard when we want to restore something that it takes way longer and go through so much pilikia and politics that it's taking us over 20-something years to come to some kind of consensus on who we were once upon a time. I know about the logistics pertaining to monies that were allocated. I know monies that were taken. I know how hard it is to run a 501(c)(3) nonprofit organization, a Native Hawaiian organization, and go through continual struggles every year trying to figure out where we going to get this money from and all we trying to do is keep up with the Historic Register Code so we don't lose that historic character for our town. We got to realize that when this thing blossoms to full polarity then we got something to look at that we can be proud of knowing that this island does count when it comes to the National Historic Register on those types of makamae that is beneficial. Not only for our people but for the visitors that come that want to learn more about our history, our character, our identity, who we were. We were a constitutional monarchy. We laid out everything like how it should be. Now we into this abyss as pertaining to money. So it's easy when a lot of people want to --

MS. BROOKS: Thirty seconds.

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MR. KAPU: --just all of a sudden look at projects that going cost \$60 million to replace other projects that were in that area. How about doing something totally opposite, putting your full support under something that would rise to the multitudes so families can actually feel proud that they live in a town, yeah, that is under the National Historic Register that it gives honor and pride and dignity back to names of the lineal descendants of this place.

MS. BROOKS: Three minutes.

MR. KAPU: I support Moku`ula's endeavors and I hope that the County still supports this 100 percent. Thank you.

CHAIR GUZMAN: Thank you. Members, do you have any follow-up questions for the testifier? Ms. Cochran?

VICE-CHAIR COCHRAN: Thank you. And aloha. Thank you, Mr. Kapu, for being here. The National Historic Register what does that mean exactly to be that?

MR. KAPU: The National Historic Register means to me is like the town didn't change much and that, you know, the County through the Cultural Resources Commission has to view specific things on a Historic District 1, 2 versus 3 applications. What I'm specifically saying that when you bring back something that was a part of that place and people can actually see why its history is important. It's not the whale season. It's not the whalers. It's not the plantations. It's the kingdom. It's the true identity of a race of people that survived and we still here today. That's the importance what the Historic Register means to me and it means a lot to a lot of other people out there too so.

VICE-CHAIR COCHRAN: Thank you, Mr. Kapu. Thank you, Chair.

CHAIR GUZMAN: Thank you. Any further --

MR. KAPU: Thank you.

CHAIR GUZMAN: --questions from the Members? Seeing none, thank you very much. Can you please call the next testifier?

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

CHAIR GUZMAN: I'll check back with the District Office. Is Hana still on...offline? Okay. On, checking into Molokai District Office, is there anyone wishing to testify?

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

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CHAIR GUZMAN: Thank you very much. On Lanai District Office, is there anyone wishing to testify?

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

CHAIR GUZMAN: Thank you very much, ladies. Without any objections, I'd like to close public testimony at this time?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: Thank you, Members.

**. . . END OF PUBLIC TESTIMONY . . .**

**EAR-2 LEASE AND LICENSE OF COUNTY-CONTROLLED PARCELS TO FRIENDS  
OF MOKU`ULA, INC. (LAHAINA) (CC 11-304)**

CHAIR GUZMAN: Turning to our agenda that we have before us today, EAR-2 Lease and License of the County-Controlled Parcels to Friends of Moku`ula in Lahaina. The Committee is in Receipt of the following County Communication 11-304, from the Director of Parks and Recreation, transmitting two proposed resolutions, entitled Authorizing the Continued Operation of the Parking Lot Concession by the Friends of Moku`ula, Incorporated, Pursuant to the First Amendment to the Lease Dated May 1st, 2003, and Authorizing the Continued Operation of a Parking Lot Concession by the Friends of Moku`ula, Incorporated, Pursuant to the First Amendment to the License dated May 1st, 2003. The purpose of the proposed resolutions is to allow the Friends of Moku`ula, Incorporated to continue the operations of the parking lot concessions on the properties leased identified as real property tax purposes TMK (2) 4-6-007:001 and licensed identified under real property tax purposes as TMK (2) 4-6-007:002 (por.) and 036. Correspondence dated August 31st, 2015, from the Director of Parks and Recreation, transmitting the Annual Real Property Grant Reports for Fiscal Year 2015. Members, on December 1, 2000 the Council approved by Resolution 00-171 and 00-172 and granted a license and lease to the nonprofit Friends of Moku`ula to occupy the real property located at the corner of Front Street and Mokuhinia Place in Lahaina. The property is historically significant as home to Chiefs of Pi`ilani since 1500s. The site also has a freshwater spring-fed pond surrounded as one-acre sand bar island called Moku`ula. The residents for the Kamehameha line in the 1800s and the political center especially when Lahaina was the capital of the Kingdom of Hawaii from 1837 to 1845, the properties were abandoned in the early 1900s and the ponds were filled with the coral rubble. Originally owned by the State of Hawaii in 1978 the properties were conveyed to the County of Maui by Executive Order setting the properties aside for public uses as a park site. Within your binders, Members, you'll have Executive Order 02889 this, and also Friends was established in 1995 to restore the site including the wetland

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ecosystem and Moku`ula the island. On January 2, 2002 the County executed two agreements in favor of the friends: (1) a lease for 35 years over a parcel of approximately 2 acres for rent of \$1 per year and (2) a lease...a license for 20 years over a parcel of approximately 2.7 acres for rent of \$1 per year. Those are also included in your binders, Members. The lease requires Friends to use the property solely to restore and preserve Moku`ula and the ponds of Mokuhinia. At the time of the lease and the license, the properties included an existing parking lot and on May 1, 2003 you can see there was an amendment that the Council passed which the County and the Friends executed this amendment to both the lease and the license to allow the Friends to operate a parking concession on the premises as an incidental use subject to the review by the Council. Those two amendments are also in your binders, Members. The amendments require that the Council review the parking concession use at the end of the first three years and then every five years thereafter during the term of the lease. The amendments further state that if not approved by the Maui County Council such incidental use shall not be permitted. According to the amendments the review should have occurred in 2005, 2010, and this year 2015 and thereafter every five years. Unfortunately, there has not been a completed review of the operations of the parking lot parking concession. This item was referred to the EAR Committee in 2011 for that purpose. We are here today to embark on a thorough review of the Friends' operation of the parking concession over the last 13 years. I anticipate this examination of this subject will require a couple if not more than a few Committee meetings. Today, we will start off with a presentation by the Executive Director of Friends of Moku`ula. Blossom Feiteira, if you can please come down to the floor and present. And then thereafter we'll have the Administration give their opening comments.

**. . . BEGIN PRESENTATION . . .**

MS. FEITEIRA: Thank you, Mr. Chair.

CHAIR GUZMAN: Yes. Do we have a microphone for Blossom?

MS. FEITEIRA: I can talk loud.

CHAIR GUZMAN: Oh, no that's okay. Hold on.

COUNCILMEMBER WHITE: No, the testimony one.

CHAIR GUZMAN: Yes. Okay.

MS. FEITEIRA: Thank you, Mr. Chair, for the opportunity.

CHAIR GUZMAN: If you could please state your name and your ...

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MS. FEITEIRA: Absolutely. My name is Blossom Feiteira and I currently serve as Executive Director for the Friends of Moku`ula. I have been since April of 2013. I'd like to thank the Committee for the opportunity to come before you to give you a brief overview of Moku`ula as well as update you on what we've been doing for the past two years. So just briefly a background and history, 1993 an archaeological survey conducted actually confirmed the presence or existence of the island itself and Loko O Mokuhinia. Up until that time, nobody really knew that Moku`ula existed except our kupuna. In 1995, a reconnaissance survey done by the Bishop Museum identified the perimeter wall of the island and also discovered a wooden pier and the possible mausoleum footprint. In 1995, a group of concerned individuals and Native Hawaiians in the community created and formed the Friends of Moku`ula. They received their, they became a 501(c)(3) in 1997 and at the same year Moku`ula, the complex itself was placed on the National List of Historic Sites. The complex includes the Loko O Mokuhinia which is the pond, the island, and Hale Piula across the street at Pakala. In 1998 Moku`ula was then placed on the State of Hawaii List of Historic Sites. In 2002, the lease and license was signed between the County of Maui and the Friends of Moku`ula essentially granting, doing a land disposition, granting a lease and a license for the area located on the backend of the property which is the Shaw Street property as well as the parking lot on the corner of Front Street and Shaw. In 2003, the County Council then amends both lease and license to provide for a review of the project every five years. So, in the plans for restoration, essentially, the plan was to excavate and remove all the fill that was brought in, restore and reconstruct the buildings and the fishpond on the island itself, and develop a long-term management plan. The cost of the project in real dollars if we had to pay for everything is \$74 million. And I've been told that I've scared a lot of people with this number and the reality is we did that on purpose so that people understand the complexity and cost that this project is going to incur as we move forward. So some of the major cost items in this project is the relocation of The Salvation Army, the booster station, constructing a new parking facility, constructing administration and community facilities, excavation, and restoration of the island or pond, and the labor and the various contracts that's going to come along with that. So, we, since 2003 we've been receiving revenue from the parking lot and I think the main question here and concern in the community is how we've been spending our revenue so far. Since then we've spent a bulk of the funds on research and consultation trying to get a really good handle on what was there historically, gathering the information, and looking for those consultants that have expertise in identifying and developing a restoration plan. Design plans and permits cost a bundle. We have been doing outreach and presentations to keep the community and our supporters up-to-date. Spending money looking for more money, administration operations, and then program development and the implementation of that. All of the things that we've been doing at Moku`ula has been geared towards raising awareness of the project itself and a history of the island and its place in Hawaii's history. So how do we plan on spending our future dollars? Well, first of all, there's pre-excavation activities. We need to conduct an environmental review. That has never been done for the project itself. We are going to be implementing the National Historic Preservation Act Section 106 which is

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our community consultation process. We need to identify clearly and contract with consultants, and we also need to spend money to acquire the other necessary permits such as an SMA and an Excavation Permit. Okay. We're actually looking to start this process no later than the end of third quarter which will be about March of next year. Our plan actually requires us to secure sufficient funds which is about a million dollars, secure the site, install protective measures, acquire a storage facility, materials, and the necessary equipment. And our project plan over the next 24 months. You know when we talk about the original restoration plan it was doing everything all at once which means that we need to raise a significant amount of money in order for us to be able to do that. What we've decided to do is instead of trying to do everything all at once is that we're going to do it one piece at a time using existing information and using the existing AIS', the several that were done, as a guide to project...as a guide to help us identify those specific areas that we're going to start to work on. Incorporate the community, business, and other government agencies, continue to build the support, and pursue additional funding. Our timeline goal is 24 months. We intend to excavate, repair, and restore five specific areas in the, at the island. One is a bathing area, the fishpond, the Moku`ula pier, Wainee pier which was just discovered in the latest AIS work, and then the second causeway. So, if you look at, oops sorry, if you look at this picture right here. I'm going to walk up there so I can show everybody. In the previous AIS work, we identified this area right here as being the initial pier or the docking area at Moku`ula island. In the current AIS work they also discovered another pier on this side and when we did the alignment they actually line up right in line with each other across the pond. This area right here is, we're calling it a bathing area simply because we believe the shape of it allows for us to utilize that. And then this was a fishpond. We believe it's ka lua `ehu, the original King's fishpond. What's interesting is that in the current AIS and recent documents that the AIS team uncovered is that there's a second causeway that leads this way over towards Mokuhinia Way. And what looks like a puka in the middle that could be a sluice gate for another fishpond. So our plan over the next two years is to work off of the current AIS survey, and when they start to delineate this area, when they move to the next area we'll come in and start excavating this area and start to repair and restore. Same thing on this side. In 1999, there was some damage done to the perimeter wall right here. So we're going to go in and start doing repair and restoration in this area. And then the next one is after they're done with this causeways, go in and open this area up. And then come back on this side, restore this area and part of the wall on both sides, and then work our way this way to uncover and restore this pier right here. So doing it that way and partnering with organizations like UH Manoa Natural Sciences Department, bringing back Dr. Klieger who was the original anthropologist on the project, taking advantage of some Federal assistance that have been recently been offered. I think we'll be able to kick off an excavation and start working on those areas giving us about two years to complete the final negotiations for the restoration, I'm sorry, relocation of Salvation Army, secure funding to be able to start planning for the relocation of the booster station, and then start to identify other key areas from the AIS that we can begin to work on uncovering, opening up the rest of the perimeter of the island. So, you know, I mean we get the

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community's concern. This project has been on the books for 25 years and while people don't see a physical result of that work, we have actually been doing a lot of research and making sure that what we do here is the correct thing to do. There has been talk about a parking lot back here. In visiting, revisiting the community concerns we see that they never wanted a parking lot back here because of the potential for iwi according to our kupuna stories. They didn't want administration buildings back here because of the impact it may have on the things that were buried, which now we know is correct. If we put in the admin buildings we would have impacted this pier right here which is over 100 years old. We are not sure if there are burials under this area because the GPR analysis has not been completed yet. But since everything that we've uncovered and confirmed came, originated from the stories from our kupuna it's a safe bet to presume that they are also correct in the sanctity of this area. So we're not doing the parking lot anymore. We're actually going to at the request of our kupuna is restore the mea kanu that used to be here, the ulu grove that used to be back here. And turn it back into that type of function that was here 100 years ago, which is easy compared to the rest of it. But it's something that the community asked for and we are willingly able to do that. So essentially, you know, coming into this project two and half years ago and figuring out what the hard costs were going to be, I'll be very honest with you and tell you that I was scared too. Because the...a project of this magnitude has never been ever done. While you hear about archaeological digs where they go in and they find stuff, nobody has really attempted to restore what was taken away. The unique aspect of Moku`ula and Mokuhinia is that nothing was really taken away it was just buried and so the AIS work that's been done confirms not only are things still intact in that area but with proper and careful consideration we can uncover and restore appropriately. So, you know, mahalo to the County of Maui for the continued support of this vision for Moku`ula. I know that the County has been, has stepped up back at the very, very beginning when conversations first started and they came through. They gave Moku`ula the necessary land use documents and permission to be able to do stuff. And so we look forward to continued support for this vision of Moku`ula. And if anybody has any questions.

**. . . END PRESENTATION . . .**

CHAIR GUZMAN: Okay. Thank you very much. Also, Members, provided in your binder is the most recent Real Property Grant Report for period, Fiscal Year July 1, 2014 to June 30, 2015 from the Director of Parks dated August 31, 2015. Also, I believe Blossom Feiteira provided yesterday a profit and loss Excel sheet that is being passed out right now to the Members. Just to refocus for the Members this item is for review for Council approval for the continuation of the concession, the parking lot concession. And under Page 2 of the April 30, 2003 amendment to the license and lease it indicates that all proceeds and net proceeds shall be used for the restoration and preservation purposes, and that the license and lease shall be reviewed by the Council every three years and then thereafter five years. So we're in the fifth year. If

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not approved by this Council such incidental use shall not be permitted. So we're specifically here for that purpose and it ties into the restoration as well that's why the presentation was presented by Ms. Blossom Feiteira. I'd like to get an opening statement from our Mayor on the Administration side.

MAYOR ARAKAWA: Thank you, Chair. When I first got into elected office in 1994, one of the issues that came up was Moku`ula. The Parks Department was starting to excavate to replace \_\_\_\_\_ for the baseball field and they discovered bones. And I was the only Councilmember in the office at the time and hence I was kidnapped and brought all the way out to this site, and had to stop the excavation and start getting the process to actually start looking at this thing very seriously as a site to be preserved. Up until that point we were using it as a baseball field and nobody was really giving it a second thought as to the historic value of the site. Now, since then we've gone through many, many issues dealing with this site. The Ing property was purchased so we could expand this. There were other properties that were looked at to be purchased so that we could expand the area to make sure that we had the whole fishpond. The Council back then felt that this was a very, very important and very significant site to be preserved. As a matter of fact, the research that was brought up by I think the hotel association at the time was that this is one of the more critical issues that we needed to be able to resolve because we need to have authentic Hawaiian cultural sites that we could use also in our tourist industry as well as preserving it. This was also talked about as being one of the most significant projects in the entire United States as far as historic sites and preservation. So we started taking it very seriously way back and we've been putting money into this project ever since. We were actually giving grants at the beginning and then the parking lot concession was a thought 'cause we were talking about different parking lot concessions and what we were doing with it. And Lahaina Town Action Committee was using some of the parking lot concessions for their activities and we thought rather than going through and granting money every year for the project, we would use the concession and allow the organization to be able to use the money from that to run the organization. It was just more a way of expediting the funding so that we wouldn't have to go through the process of allocating funding every year. Just in more recent history when, about two years ago, I came before this Council and I told you we were working on this project and I wanted to have a commitment from all of you as to whether or not this was a go or not. Because we were working with Mokuhinia, the water area, and we had the Corps of Engineers working on this project and we knew that there was going to be a lot of expenses going to be involved in this. So I asked all of you are we in this for the duration or are we just going to give it up and not explore it? And unanimously this Council decided that we wanted to continue this project. Now, this project has undergone several director changes. Several of the directors have passed away. And during the process of doing their work when we started this we didn't want to just go in and start digging with shovels and messing everything up. There had to be a lot of research that was done. The first director was pretty much relegated to trying to do a lot of the research around the island because a lot of the information wasn't available. So they had to ask the kupuna. They had to start talking to people trying to find out what was there,

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gather as much information as possible. And that took a lot of time, energy and there have been many, many changes with the board that he was working with, the Friends, and there were many conflicts in between. And the second director was appointed after he died and that director also passed away. And I know that there's missing segments in here, the times where almost nothing was done and it was very frustrating or it seemed like almost nothing was being done but a lot of the research was being worked on. Now, the County stepped in and we...because we're a government agency we're able to get the Corps of Engineers to do the Environmental Assessment for the Mokuhinia, the pond area, and that was done the last few years. While archaeology work was also being done in the various sites so that it would be protected. Now the scope of the project has changed over time. One reason being is that if the Corps of Engineers completed the project this would have become a wildlife sanctuary, a bird sanctuary, rather than a restored historical site. And we didn't want it to go into that direction. I think the Councilmembers all agreed at the time we didn't want it to go in that direction. So we agreed to allow the Corps of Engineers to go just so far and then we're going to stop and then we're going to regroup and then take over the project again so that we wouldn't be required to make this a bird sanctuary. In a lot of the research...the other side of the project that we were looking at which is next to 505 Front Street, that connectivity to the ocean, we also worked with the canoe, we worked with the hale, we worked with the leases in that property as well trying to create an entire cultural site with this particular area. None of it is fast and none of it can be done as quickly as building a building. Now those of you that understand archaeology know that many times it's going with a toothbrush and one spoonful of dirt at a time to make sure that you're not destroying or disturbing significant operations. I watched the same operation over at the Grand Wailea when they were working on their property. The archaeologists were literally going with toothbrushes and one spoonful of dirt at a time. They were uncovering a lot of bones and a lot of bodies and they had to be very, very careful on how they were going to work the site. The same is true with this because of the historic nature. This is the Kingdom of Hawaii, the capital of Hawaii. So any artifacts or any significant area that would be destroyed or could possibly be destroyed has to be handled with kid gloves. So this is a project that is going to take a lot of patience. The average person who likes to see brand new buildings pop up all over the place and expects that we all know everything about the site is going to find that we don't know everything about the site. As the archaeologists are slowly going through and exploring the different areas we're finding out different things about the site. And if we had just gone in with the backhoes and shovels and started digging away we would have destroyed a lot of what is historically significant. I can tell you that from the Administration and even as a Councilmember I supported this project from the very beginning because I can understand the historical significance of it. We are trying to work with this area very carefully. You know I'd love to be able to have a pond there and have an island there and have everything done very quickly just to be able to look at it and say hey this is what it's going to be. I've seen the pictures, the renderings. But that would be very, very poor policy in my opinion if we were to rush things and destroy things when we're trying to restore what is of major cultural significance. Again perhaps one of the most

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significant cultural sites in the history of the entire United States. You know we would have made a lot of errors if we had rushed it and as Blossom has pointed out they're finding sites of significance and the very configuration of what we thought the island was going to be and the moat was going to be, Mokuhinia, originally is not what it is. So by being careful about what we're doing and going slowly we're eliminating some of the mistakes that we would have made. And I know it would have been much, much harder to come before you and say hey we just dug up a pier and we destroyed it. You know I just am glad I don't have to say that. But at the same time you can't have it both ways. We cannot rush the project and expect to see grandiose things appearing quickly if we're going to be doing this historically correctly. When we're protecting our history we need to be very, very conscience of the fact that once destroyed we're not going to be able to recreate this. So I think that, you know, if we're going to look at this and I've asked Blossom and their group not to rush the excavation and just to create the ponding and everything else because there will be a lot of associated challenges if we were just to dig the pond out and we put water in it. We would have a lot of management problems that we'd have to deal with while they're still excavating and we still would have virtually nothing except a big sump there with water in it. It's better for us to gradually map everything out. Make sure everything is in the way that it needs to be and then after that, after we've got the outline done then go in and do the project more completely. But that is going to take time and it is going to take money to do. Again, when I asked you a couple of years ago whether or not, you know, this should be a goal or not that was a decision that we all made and it has to be a long-term decision. We can't be reacting to every little thing that occurs. And in my experience most of the organizations that we deal with there are glitches when you're changing administration to administration as some people in this particular case passed away. There's going to be breaks in the information line and that's what we found, you know, just as this project has gone through four different mayors I think, four different administrations. There's not a continuum of paper trail for everything and not everybody tracks things the same way. It's just the nature of the beast. I ask for your patience and resolve. This is probably one of the most significant sites and when it's done we're going to be very proud of the fact that it was done right. I would err on the side of caution rather than err and have to explain why we erred because we were rushing it. So I ask for you to, you know, continue your support for this project. I believe it's going to take time. It may be longer than I'm alive but if it's done correctly, you know, historians 50, 100, 200 years from now will be looking back at things that really were and it would be a very good example of the Hawaiian Kingdom. I know most of you travel from time to time and when you see the historic places that the rest of the world has restored we're, you know, very awestruck by some of the significant things that we see in the rest of the world. This will also be one of those things where people come and visit and their children are going to look at and they're going to be able to say hey, you know, this is what it was all about. The significance to the community over and beyond that is the fact that it's pretty much unifying a lot of the different groups within this Hawaiian community to work together toward a common cause. And the research that's being done to make sure that the historic facts are accurate has required a lot of background research and now that's

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going to be part of the history that's been uncovered that may have been lost. So just in the fact that they're doing all this research and they're getting all the facts together, you know, that's well worth the effort that we're going through. Even if the island weren't recreated to be able to get all these facts down accurately from the kupuna before they pass away I think is very, very significant. That's not to say I don't want to see the island or I don't want to see Moku'ula recreated because I do. But when you look at all the parts of what's happening with this, all the different discussion, the interactions, this is bringing the community together. They're having to talk. They're having to be able to mediate a lot of the challenges. They're having to be able to look at things like Waiola Church, it's the first time I'm hearing about a wall disappearing. But there is an appreciation now for the historical past and there's an appreciation of preservation and trying to be able to recreate some of these things that in the past, we just, you know, threw 'em aside and we didn't care about. So from the Administration's standpoint we stand very firmly behind this effort. We know that there are going to be glitches in the system and in the operations. We expect that as the nature of the beast but we ask all of you to please be patient and if you have any questions I can answer some of them because I've been around since the beginning of this project. That's one of the benefits of being an old-timer at this.

CHAIR GUZMAN: Okay. Thank you, Mayor.

MAYOR ARAKAWA: It's gone through a lot of reiterations. Okay. Thanks, Chairman.

CHAIR GUZMAN: Can I also ask, I believe we have a representative from the Department of Land and Natural Resources here. Is Daniel Ornellas here? Can you come down onto the floor? We'll just get an opening statement from you in regards to whether the DLNR is required to approve the parking concession as an incidental use and what is the arrangement between the Land and Natural Resource Department and the parking concession.

MR. ORNELLAS: Good afternoon. Daniel Ornellas, District Land Agent for the State Department of Land and Natural Resources. And our role as the fee owner of the property is just to ensure that the character of use for the original set aside is consistent with ongoing operations. So we find that yes it is in fact still consistent. The set aside was originally for park purposes. I did speak with Blossom briefly that in the future we should tighten up that definition a little better and we were throwing around some ideas maybe referring it to as a Native Hawaiian cultural heritage site or park just to give it a little more definition. And ancillary uses could also be added to that definition to cover things like parking purposes to support income generation. Other than that the State delegates all management responsibility to the County of Maui for oversight of the property.

CHAIR GUZMAN: Okay. Thank you very much. I'm going to open up the question, I mean the floor to any questions that the Members may have at this point regarding the concession stand. We're going to limit...yes, Mr. White?

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COUNCILMEMBER WHITE: Oh, we should allow your Vice-Chair and the district representative --

CHAIR GUZMAN: Sure enough.

COUNCILMEMBER WHITE: --to open.

CHAIR GUZMAN: Our Vice-Chair and our representative from that district, Ms. Elle Cochran, you're first on deck.

VICE-CHAIR COCHRAN: Thank you very much, Chair. And thank you everyone for being here, Mayor, Daniel, Ms. Feiteira. So, Chair, just to be clear though today we are strictly focusing on the parking lot concession and it's the authorize...us to authorize continued operation of it?

CHAIR GUZMAN: Yeah, that's correct.

VICE-CHAIR COCHRAN: Right, meaning the revenue generated from this parking lot we feel is deemed appropriate use of it thus far.

CHAIR GUZMAN: Yes.

VICE-CHAIR COCHRAN: Is that kind of?

CHAIR GUZMAN: Yeah, just let me get little bit more detailed. So, in 2003 April 30th their, the lease and the license was amended. And it was amended for there to be a Council review every three years and then thereafter every five years. We're in the five-year period review now. We have to get that done before the end of 2015. So the review consists of the use of the premises is basically under the language here, the licensee shall be temporarily permitted to operate a parking concession on the premises, the net proceeds of which shall be used by the licensee for restoration and preservation of the purposes. Such incidental use to operate the parking concession shall be reviewed and in its discretion approved by the Maui County Council by separate resolution at the end of the first three years and then every five years thereafter during the term of the license. If not approved by the Maui County Council such incidental use shall not be permitted. So we are...what is before us is the review of the concession, its net proceeds being used for restoration and whether we will vote to approve continued use and we would have to create...pass over to the full Council the resolution of approval.

VICE-CHAIR COCHRAN: Right. Thank you. 'Cause I just want to hone it into specifically what is on the agenda today.

CHAIR GUZMAN: Yes.

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VICE-CHAIR COCHRAN: And so thank you for bringing up the point that the net proceeds of this concession is strictly, and I have a memo dated April 21, 2003, net proceeds parking concessions shall be used by Friends of Moku`ula for restoration, preservation purposes.

CHAIR GUZMAN: That's what's in the ...

VICE-CHAIR COCHRAN: So, I have not, I mean I'm hearing what they want to do in the next two years but I'm looking back from 2003 'til today what has been done. You know I mean there's bits and pieces and things and so I think I hear from community that people are asking still the same question and people are still looking and seeing nothing. So that's kind of where, you know, and I have definitions of what restoration and preservation means and I fail to find the correlation and I just fail to see that happening with the money. And then I mean we have all the profit and loss sheets. We have spreadsheets which, I have more detailed comments about but it's really hard to follow, Chair. I'm not sure if you had a chance to look at the spreadsheets which the numbers don't even line up. And I see a lot of the proceeds going to Ka Lua O Kiha, Incorporated. And so is that for restoration and preservation? 'Cause out of \$240,000, \$140,000 of that goes to that entity. So, you know, and this is money from this parking lot, Chair, that's supposed to be going to restoration and preservation.

CHAIR GUZMAN: So, Ms. Cochran, is there a question that you wanted to ask?

VICE-CHAIR COCHRAN: Chair ...

CHAIR GUZMAN: Okay. Let me...okay I understand where you're...you've got a lot of comments and a lot of questions that have compounded.

VICE-CHAIR COCHRAN: Yeah, I...okay, I do.

CHAIR GUZMAN: But let's take it one question at a time so we can ...

VICE-CHAIR COCHRAN: Got it. Okay. Well, let's first start with...I just need to bring everybody up to speed on where I'm leading with my --

CHAIR GUZMAN: Yes.

VICE-CHAIR COCHRAN: --questions so we're all on the same page --

CHAIR GUZMAN: Perfect.

VICE-CHAIR COCHRAN: --literally. There's a letter dated September 4<sup>th</sup> that was sent to us by...we sent to FOM requesting all their annual reports and they, as you stated they should have been prepared for us as a requirement by the lease and license requirements 32 and 31. The deadline to submit the items to Committee for our

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review was before this hearing on Friday 9/11 and I believe currently we still have not received those.

CHAIR GUZMAN: That's correct.

VICE-CHAIR COCHRAN: So I mean, Chair, as it was it would have been nice to have it Friday to review it through the weekend so we can be up on--what is that--15 years of information today and yet we still have not received that. That is just a snippet of the way this entity has been proceeding in not being forthcoming with information this body needs to make proper decisions. And so due to this...so then this spreadsheet was given. I don't, Chair, do we all have this spreadsheet?

CHAIR GUZMAN: Yeah, I believe, Members, do you have the spreadsheet that Ms. Feiteira sent to us last night or sent to . . . *(inaudible)* . . .

VICE-CHAIR COCHRAN: It was sent yesterday at 3:02 p.m. So it's kind of late in the day I know and I'm just wanting Blossom to walk us through this spreadsheet because I'm still trying to figure out what exactly do all these numbers and columns mean. I think it's appropriate because this is monies that's being generated from this concession, we're looking to continue to allot them or not. So, I would like further detailed ...

CHAIR GUZMAN: So, Members, if there are...if you have any questions would you at least allow Ms. Cochran to have her question answered by going through the Excel sheet that was provided to us by the Friends? Is there any objection to that at this point? Seeing no objections.

VICE-CHAIR COCHRAN: Thank you, Chair.

CHAIR GUZMAN: Blossom, would you be willing to go through the Excel profit and loss sheets that --

MS. FEITEIRA: Absolutely.

CHAIR GUZMAN: --you've provided for us?

MS. FEITEIRA: Absolutely, Mr. Chair. But can I get a copy of it 'cause I didn't bring a copy with me.

CHAIR GUZMAN: Okay. Can Staff get a copy?

MAYOR ARAKAWA: We don't have copies either.

CHAIR GUZMAN: Okay. Can we get some copies on this side for Administration?

COUNCILMEMBER WHITE: Why don't we take a ...

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VICE-CHAIR COCHRAN: We need a recess.

CHAIR GUZMAN: Why don't we take a quick recess and we'll be back at 2:45. Five minutes.  
...*(gavel)*...

**RECESS: 2:40 p.m.**

**RECONVENE: 2:45 p.m.**

CHAIR GUZMAN: ...*(gavel)*... Economic Development, Energy, Agriculture, and Recreation Committee shall now reconvene. I believe that we're all set. Everyone has a copy of the Friends of Moku`ula revenue and expenses. We have the spreadsheet provided by Blossom. And also, Members, if you'd like to pull out the Annual Real Property Grant Report for the period of Fiscal Year July 1, 2014 through June 30, 2015. Towards the back of the report you also have the profit and losses explained in the back of those...I don't believe it's a spreadsheet but it's a detail on it, on the income and expenses. It also lists the, aside from Friends of Moku`ula it also has the...somewhat of a balance sheet for...Ka Lua O Kiha?

MS. FEITEIRA: Correct.

CHAIR GUZMAN: And that is...you might want to explain to the Members what that entity is and how it works with the Friends as the nonprofit. I guess I believe the Friends of Moku`ula is the nonprofit and there's a profit entity which is Ka Lua O Kiha.

MS. FEITEIRA: Correct.

CHAIR GUZMAN: And what is that relationship between the two?

MS. FEITEIRA: Okay. So, Ka Lua O Kiha is our nonprofit wholly owned subsidiary of Friends of Moku`ula. In 2007 when the economy started to take a turn for the worse, one of the things that was happening is that we were not able to generate any kind of grant money or community support. The economy was just really bad. There is a rule in the IRS that your source of funding cannot come from one specific source particularly if it's for-profit. The revenue being generated from the parking lot is considered a for-profit revenue generation. And so in order to maintain our 501(c)(3) status we created this for profit entity to be the receptacle of the funding and become the manager of the site. So part of the funding that we receive, that Ka Lua O Kiha receives actually from the parking lot actually is directly related to site maintenance, clean up. We actually have a caretaker on site now that works to maintain the property, pay the water bill, pay the electric bill, whatever other bills that we may incur for maintenance of the site so.

CHAIR GUZMAN: So the...I'm sorry. Go ahead.

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MS. FEITEIRA: No. Just to be clear when I came on I was under the impression that part of our annual report was a report of Ka Lua O Kiha's activities as well. I was not aware that Ka Lua O Kiha was not being submitted to the County. And so we rectified that this reporting by including their balance sheet and their profit and loss statement.

CHAIR GUZMAN: That's very good. You know I think that resolves...at least is this the Excel sheet that you just sent us yesterday it also includes the for-profit?

MS. FEITEIRA: Yeah. So all of the expenses that we incur for Moku`ula and for the site is incorporated into this whole spreadsheet. So, I didn't break it down into Ka Lua O Kiha's amount or Friends of Moku`ula. It was just a compilation of all the expenses.

CHAIR GUZMAN: Okay. So that I believe, Members, there's somewhat of an explanation in the 2010 audit that's on...it's also in your binder where it's requiring them to consolidate both entities in the financial statements. Apparently they hadn't been doing that in the past but I think that may have been since Ms. Blossom was new didn't know probably that they needed...she also needed to provide that type of financing statements as well. But I'll go ahead and open it up for Ms. Blossom to go ahead and go through the accounting.

VICE-CHAIR COCHRAN: Yeah.

MS. FEITEIRA: To start with the spreadsheet?

VICE-CHAIR COCHRAN: Just want explanation.

CHAIR GUZMAN: Yes. Yeah, the spreadsheet.

VICE-CHAIR COCHRAN: Yeah.

MS. FEITEIRA: Okay. So in relation to the concern set forth by Councilmember Cochran. I apologize I did not realize that this spreadsheet was going to come up printed the way it did. So essentially on the first line is the carryover from previous year. If you'll notice on the bottom where it says income/expenses we have some leftover money at the end of the fiscal year. So accounting requires us to carry that money over to the next fiscal year and start that off and so what we did was we essentially took the carryovers and put it at the top of the column. The line that says parking lot is your second item. In 2002, 2003 'til 2008 it's the first line and that is the total amount of money that was generated by the parking lot itself. Okay.

CHAIR GUZMAN: Which is...what is the amount?

MS. FEITEIRA: From 2003 it's 18,933; Fiscal Year '04 was 165,604; '05/'06 was 144; '06/'07 was 99,000; '07/'08 was 75; '08 and '09 was 136 and so on all the way 'til

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Fiscal Year '14/'15 where we actually generated \$242,000. So there is a column missing, Fiscal Year '04 and '05 which is around the time that we had an incident in our office. Our ceiling collapsed and destroyed a lot of the files from that year. So I wasn't able to dig up the information in a timely manner in time for this report. Which I talked to Sharon Brooks on Friday which is why you got a spreadsheet. She asked for a spreadsheet of all the income that came in and all the expenses that we incurred. And then the final line, other income which starts off at 206,217 is income that is a combination of grants, private contributions, corporate donations, and in-kind services that Friends of Moku`ula received over the years. So in our total income line from 2002 to 2015, we have acquired a lot of revenue as well as community support. So about 50 percent of the entire amount is actually from the parking lot. Under expenses we actually started doing a line item identifying what we call a statement of activities so we know exactly where all our money is going, and it's common for us to use it in grant reporting. But under site restoration starting in 2002, \$188,000 was spent on site restoration compared to what we actually got out of the initial parking lot; a lot of that money came through in-kind and corporate donations, and grants. Same thing in '03 and '04. So we see that the funds that we were spending on the site whether it's through consultations, contracts, research, plans, permitting are all contained within that amount on that line item. Other program services are directly related to the mission of Friends of Moku`ula which is to educate and inform the community. And so we started the native expedition tours. We do that. We also do as needed or as requested, we do orientations for new teachers. We do school junkets. School kids will come and they want to do something at the site so we accommodate all of that. And then your other support services is your essential admin and operations costs. So keeping the lights on, paying for the phone bill, paying for copies, doing presentations out in the community, that kind of stuff. So this last year has been in terms of the parking lot, the last two years have been more profitable. We went in and renegotiated our current contract with Diamond and was able to up that amount. At the same time you'll see that there was a decrease in our other income sources and the reason being is that being new to the position, I spend a lot of my time answering concerns in the community. For example when I got hired in April of 2013 I was informed that we were under investigation by the AG's Office. It took me eight months to clear that up. Finally, in October of 2013 we got our letter from the AG's Office saying that the case was closed. So just dedicating that level of time and effort to be able to meet those kinds of concerns takes away from our ability to go out and raise other funds to be able to do work. So and then reexamining the plan for restoration in its entirety and like I said choking on the amount that we actually identified. And then coming up with a different way of doing it that is more in keeping with what the community is looking for, yeah, which is actual turning dirt and finding those specific experts in the community that can help us do that. So we've been consulting a lot with Dr. Klieger. We actually got a grant to fund his participation in the project. Being able to convene meetings in the community with our kupuna to be able to get those stories and put this in front of them and getting their input does take a lot of time so. But now I think we're at the point where the organization is ready to move to the next step. So what we're looking at here I'm hoping will answer the

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questions about where all the money has been going. We've paid for an SMA Permit. We have an NPDES Permit. We had to do design plans, site specifications, additional reconnaissance surveys for the property, not to mention just the basic maintenance of the area itself. When I first got on board we removed about three dump trucks load, three dump trucks worth of detritus that was on the property from the homeless, furniture, bedding, which costs us almost \$10,000 to do. So cleaning up the area around the ahu area was another, what, \$11,000 to do. So, you know, those kinds of investments was necessary to be able to get the property back to where the community felt more comfortable about being a part of so.

CHAIR GUZMAN: Any other follow-up questions, Ms. Cochran?

VICE-CHAIR COCHRAN: Yeah. So were you able to follow along all the numbers on the rows?

CHAIR GUZMAN: I was not because, you know, like I had mentioned at the beginning of the meeting there will be a series of meetings so --

VICE-CHAIR COCHRAN: Okay.

CHAIR GUZMAN: --we'll ask Blossom to resubmit in a more. . .*(inaudible)*. . .

VICE-CHAIR COCHRAN: And this is in...okay, and this was because the first memo you sent out was not fulfilled?

CHAIR GUZMAN: That's correct.

VICE-CHAIR COCHRAN: So, you wanted this kind of complied as a summary of the years because the original paperwork or whatever has not been given?

CHAIR GUZMAN: That's correct.

VICE-CHAIR COCHRAN: Okay 'cause I'd like to get a little more details --

CHAIR GUZMAN: That we do ...

VICE-CHAIR COCHRAN: --as to that so as I'm understanding we will then?

CHAIR GUZMAN: I believe so that you'll provide that for us, Blossom?

MS FEITEIRA: Oh yeah, absolutely. Well, I just wanted to clarify, the memo that I received dated September 4th is that the one we're referring to, Councilmember Cochran?

VICE-CHAIR COCHRAN: Yes.

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MS. FEITEIRA: Okay. So, just to let you know I didn't get it in our office until September 9<sup>th</sup>.

CHAIR GUZMAN: You know I don't want to get into all that because actually ...

MS. FEITEIRA: Yeah. So, I did talk to Sharon about what the ...

CHAIR GUZMAN: Ms. Blossom, we'll just move forward.

VICE-CHAIR COCHRAN: That's fine. I'm just ...

MS. FEITEIRA: So we will make sure that you get copies of all of the reports.

VICE-CHAIR COCHRAN: Okay. And also the memo from September 11<sup>th</sup>.

CHAIR GUZMAN: Right.

VICE-CHAIR COCHRAN: Thank you. And but on here and I get the, I got my answer as in FY '04-'05 the zeroes. You said your office ceiling collapsed and thereby you couldn't find the records that year.

MS. FEITEIRA: Yeah. It seems that the water damage went into the type of filing cabinets that Friends of Moku`ula was using at the time. It wasn't only '04 and '05. There were other files that got messed up as well. So we're actually trying to recreate those documents now very carefully.

VICE-CHAIR COCHRAN: Okay. And thank you. And, Chair, can I jump...one of my questions was about the Diamond parking contract if they were still your folk's managers I guess of the parking lot?

MS. FEITEIRA: Correct. Yes, they are.

VICE-CHAIR COCHRAN: And so it looks like...what is their cut? Don't they get some kind of percentage for managing it?

MS. FEITEIRA: They get 30 percent of the gross revenue.

VICE-CHAIR COCHRAN: Okay. And the gross revenues I guess this year you're saying is...or FY '14-'15 242,000.

MS. FEITEIRA: No that's our revenue.

VICE-CHAIR COCHRAN: Parking lot.

MS. FEITEIRA: The way the contract works is they will run, manage the parking lot on our behalf. They pay us a fee for that. So current negotiations, current contract requires

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them to pay us 70 percent of the gross revenue. They keep 30 for maintenance and management. So this \$242,000 is 70 percent of the revenue that the parking lot derived over the last 12 months.

VICE-CHAIR COCHRAN: Okay. And I guess, Chair ...

CHAIR GUZMAN: What is, I guess what is the, what's the total amount of revenue? So just 70 percent of?

MS. FEITEIRA: Yeah. We, I get reports every three months from Diamond Company, Diamond Parking to tell me what exactly, how much gross revenue was derived but we don't really pay attention to that. All I worry was how much I can put in my bank account so I can do work. But if you want that information ...

VICE-CHAIR COCHRAN: So we need receipts.

CHAIR GUZMAN: Yeah. So is the contract with Diamond is that with Friends of Moku`ula --

MS. FEITEIRA: No, the contract is with ...

CHAIR GUZMAN: --or is that with your profit side?

MS. FEITEIRA: Right. Ka Lua O Kiha, the contract sits with Ka Lua O Kiha our for-profit.

CHAIR GUZMAN: Okay and then from there?

MS. FEITEIRA: And then from there it's donated to us.

CHAIR GUZMAN: Okay.

VICE-CHAIR COCHRAN: Is that appropriate?

CHAIR GUZMAN: You want to...Corp. Counsel?

VICE-CHAIR COCHRAN: Is there an attorney here to answer that?

CHAIR GUZMAN: Corp. Counsel, do you want to respond to Ms. Cochran?

MS. SHEPPARD: Yeah, I don't really know the answer to that but I can check into it for you.

VICE-CHAIR COCHRAN: 'Cause ...

MS. SHEPPARD: I've never seen the contract. I don't know the arrangement. I'd have to look at the numbers. I don't know.

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VICE-CHAIR COCHRAN: 'Cause isn't it we gave a lease to a nonprofit. Now the nonprofit gave it to a for-profit and the monies come back to the nonprofit.

CHAIR GUZMAN: Yeah that's what I'm --

VICE-CHAIR COCHRAN: So how's that? I don't understand.

CHAIR GUZMAN: --understanding. According to the audit in 2010, the profit organization, 100 percent of the stocks of Ka Lua O Kiha, and it says here a for-profit feeder corporation is owned by the Friends of Moku`ula.

MS. FEITEIRA: Correct.

CHAIR GUZMAN: And that, yeah, let's see, received approximately 17 percent of its revenue is from the profit, from the profit corporation. So I guess 17 percent of Moku`ula's profit is coming from its profit side branch. And it also indicates that all the members...all the board, all the...share common board members, employees, and operating costs. So, Moku`ula and Ka Lua O Kiha share operating costs?

MS. FEITEIRA: Correct.

CHAIR GUZMAN: This is what this says here.

MS. FEITEIRA: Yes, we do.

CHAIR GUZMAN: Okay. And I think the lease and the license is only under the name of the Friends.

MS. FEITEIRA: Friends of Moku`ula.

CHAIR GUZMAN: So I don't ...

VICE-CHAIR COCHRAN: Right.

CHAIR GUZMAN: And that's a Corporation Counsel question. I could put in my two cents but I think it needs to be coming from Corp. Counsel.

VICE-CHAIR COCHRAN: Right. And I guess it goes back to the initial setup for what the net proceeds of this concession is solely supposed to be for.

CHAIR GUZMAN: Yeah.

VICE-CHAIR COCHRAN: It seems to be being shuffled and juggled into something else --

CHAIR GUZMAN: Yeah and I think that's where, that's where I ...

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VICE-CHAIR COCHRAN: --and then so that's where I'm kind of having this ...

CHAIR GUZMAN: Hold on a second, Ms. Cochran. I think that's wherein lies the issues according to the financial statements that we see we can't see how much the profit side is making and then all that we see is the amount of money that is being transferred from the profit side to the nonprofit side. That's what we're seeing but we don't see what exactly the profit side is making and spending and so I think that wherein lies the hidden I guess answers that we need to find out.

COUNCILMEMBER VICTORINO: Chair? Chair?

CHAIR GUZMAN: Yeah.

COUNCILMEMBER VICTORINO: May I ask...may I ...

CHAIR GUZMAN: Yeah.

COUNCILMEMBER VICTORINO: I mean I don't want to take against from Ms. Cochran --

VICE-CHAIR COCHRAN: Go ahead.

COUNCILMEMBER VICTORINO: --but, you know, I think I understand where she's going but I'm not, you know, I'm not really in that tune. What I'd like to find out from you, Ms. Blossom--Ms. Feiteira, Blossom, all these...you get a report, you get a check, right from the company?

MS. FEITEIRA: Correct.

COUNCILMEMBER VICTORINO: Each month?

MS. FEITEIRA: We get one every quarter.

COUNCILMEMBER VICTORINO: Every quarter. Okay. So every quarter you get one check.

MS. FEITEIRA: Correct.

COUNCILMEMBER VICTORINO: Whatever the check might be. So that's...but don't they not give you a statement saying we made this much 70 percent, 30 percent taken off for expenses, 70 percent and that this is how much you got?

MS. FEITEIRA: Correct.

COUNCILMEMBER VICTORINO: So you have that information?

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MS. FEITEIRA: We do have it now. Yes.

COUNCILMEMBER VICTORINO: Yeah. Okay. Now, you haven't had it in the past?

MS. FEITEIRA: No, the previous contracts didn't require an actual report of actual revenue generated.

COUNCILMEMBER VICTORINO: Okay.

MS. FEITEIRA: It was just, you know, sending a check. So, part of the new negotiations when I came on board was to require that they provide us with a gross revenue report every three months so.

COUNCILMEMBER VICTORINO: Okay. So your prior contracts only said send me a check. It had no breakdown. Well, I find that very difficult to understand, Mr. Chair. I think that bothers me a little bit on that idea. I think that was a very poor type of management but I cannot blame somebody who wasn't there for what was going on. I'm glad to see now you have some accountability because --

MS. FEITEIRA: Yes.

COUNCILMEMBER VICTORINO: --you need to know. You know we're making this much, this is what your take is so we know that there is an even number. What I'd like to do is I'd like to request all these contracts, whatever copies you have be turned over to our Corporation Counsel for review.

MS. FEITEIRA: Yeah, I have it on my list.

COUNCILMEMBER VICTORINO: Okay.

MS. FEITEIRA: So contract ...

COUNCILMEMBER VICTORINO: Mr. Chair, if we could do that.

CHAIR GUZMAN: Yeah.

COUNCILMEMBER VICTORINO: I think that's very important now.

CHAIR GUZMAN: I actually have sent letters.

MS. FEITEIRA: Along with the reports, yeah --

COUNCILMEMBER VICTORINO: Something like that.

CHAIR GUZMAN: Yeah.

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MS. FEITEIRA: --the quarterly reports? The quarterly reports?

CHAIR GUZMAN: Yeah, we actually...they're required to give us annual reports and I've yet to find the annual reports from Department of Parks. This is the first one that we've received so far August 31, 2015. So, Members, this is an item that we need to backtrack, it may be a slow process but I think we can move forward and try to get some things resolved. Ms. Crivello?

COUNCILMEMBER CRIVELLO: So, I find Ms. Cochran's inquiries quite interesting but I think if you try and get some information in regards to a nonprofit setup because there are nonprofits who form what you might call an LLC to sort of take care of the for-profits. So this is nothing unusual if we're questioning how a nonprofit can earn monies from their for-profit because that's kind of with the IRS and things that they try and work it out that way. So but if it's annual reports that's required, who seeks, who does the...you know I find in and also from my Committee, you know, different entities failed to give an annual report because we ourselves failed to follow-up whether it's a department or a committee or Council itself to be assured that we have the necessary annual reports that's required. It's not until some committee pushes forward then the departments come through with it, you know.

CHAIR GUZMAN: Yeah.

COUNCILMEMBER CRIVELLO: I find that so. I wanted to ask a question if I may and I'm not sure if this really has to do with the parking lot concession or what have you. But I've heard testimony and also concerns about the lack of actual work done or applied to the Moku`ula project. But I also recall sometime in May of this year there was quite an article in *The Maui News* about the unearthing of some archaeological items and what was...some items that were actually found buried there. So that to me sort of sets a message that work is being done whichever it can be. But I think our efforts if I may not so much a question but my own personal comments and not to interfere in the ahupua`a of Lahaina but we are all of Hawaii. Today you hear the concerns and the ku`e ku`e about, you know, our sacred sites and access and what but you have a sacred site here that we have an opportunity for the County of Maui to be part of, and to make it real and to tell the story of what we value and who we are. I think is most interesting when we talk about, I'm learning how sacred this site is and how it was home to the high chiefs and the political and spiritual significance of this place. So if County of Maui can be a contributing factor so that we're all part of this and we're not demanding to have the access but it's there before us. I hope we can come to some resolve if there's anything to resolve that we can support this concession so that the work can move forward. So we can move forward. There's probably many concerns of the yesterdays but I think to me the main concern of the yesterday is the historical story that's there that goes back to the 16<sup>th</sup>-18<sup>th</sup> century. What a piece, what a piece because it's not only about Lahaina it's about all of Hawaii nei. So that's...I just wanted to add that as somebody who can appreciate from the time of Akoni Akana

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and he has journeyed home and the work continues. We have our cracks and crevices that we fall through and what have you but I hope we can pull together to make it real. Thank you.

CHAIR GUZMAN: Yeah. Thank you. And, you know, I truly support your sentiments as well that this is a historical site but we also have to do our job and that job is to review the concession. And according to the lease and the license it has to be approved through a separate resolution, although unfortunately it hadn't been done in the past but this is a new Council and we're going to do the job that was put forth to us as in the license and the lease. I think what was concerning about having the two entities, the profit and the nonprofit is trying to see what expenses were used from the profit side and so that we can determine...let me start over. Since the parking lot is under our lease and license and under the lease and license it says that the net proceeds are to be used for the restoration, we need to know what the...you know if it's being collected by the profit side and the net proceeds is supposed to be used for the restoration how much of the net profit is being kept in the profit side and how much is...I mean we can actually see how much is being transferred to the nonprofit side but we can't really see the actual gross revenue on the profit side. So it's a missing puzzle that we need to be clarified and if we don't get that piece we're kind of not doing our job. So I think that's one of the issues that Ms. Cochran was raising. If I elaborated that correctly?

VICE-CHAIR COCHRAN: Yeah. Well, thank you very much, Chair, that's exactly correct. You hit the nail on the head. And so that was one of my points in this spreadsheet under the column of site restoration and it has the dollar amounts. I would like to see what does that equate to. In these different years, this 180,000 was put to what? This 118,000 was put... 'cause I mean it goes down the line but it doesn't say. And then I guess along the lines of the question does, do all the monies from the for-profit go into the nonprofit and if not then where does it go and how is it used? I think that's what you're saying also in a sense.

CHAIR GUZMAN: And possibly an itemization of the monies that were collected from the parking lot concession what were they spent on exactly.

VICE-CHAIR COCHRAN: Right.

CHAIR GUZMAN: Itemized, you know, properly like if they had to get a permit well then that was x amount of money. If they had to pay for a professional service that was an x amount of money. Just a breakdown of how those monies expended.

VICE-CHAIR COCHRAN: Right.

CHAIR GUZMAN: And sometimes though, not sometimes, I can see also there's a little bit of comingling of the other sources of revenue. So it needs to be completely bifurcated. It has to be a strict use, a strict fund for the concession fund that's being earned. Because if they start comingling the other revenues like donations and stuff then it

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gets kind of blurry on the books. So if we can try to get that clarified that would be helpful. Mr. White and then...oh, did you want to say something?

MS. SHEPPARD: I just wanted to clarify one thing because the Parks Department is the grant manager of this particular license and lease, they're the manager of that, can we have any information submitted to the Parks Department as well?

CHAIR GUZMAN: Yes. Yes.

MS. SHEPPARD: Thank you.

CHAIR GUZMAN: We can transmit it to you as well.

MS. SHEPPARD: Thank you.

CHAIR GUZMAN: And then like I said there will be a series of meetings on this so that Mr. Buenconsejo can attend as well. Mr. White, you have questions?

COUNCILMEMBER WHITE: Thank you, Chair. I really appreciate the work that you've put into this and I appreciate the questions that Ms. Cochran is asking because you're right, it is our responsibility to do our due diligence as we go through this process. And I would encourage the Friends to be as transparent as possible because I think, you know, this as Ms. Crivello has said, this is a very sacred site. The very important site to not just Maui, not just Lahaina but all of Hawaii, and as the stewards of that land we've got a responsibility to move forward as the Mayor says in a very respectful way and a way that we end up with a restored place, a restored very sacred place that we can all be very proud of. But this is also going to require all of us moving forward together holding hands, you know, hand-in-hand not hand on spear or hand on club. And so I think it's really important for us to do the due diligence but at the same time I want us to start looking forward because that's really where our focus needs to be. And, you know, we can beat each other up over what happened 13 years ago, 20 years ago, 5 years ago but unfortunately that's what's held this project up in the past. And I hope that it doesn't continue to hold this project up because of the significance of the place. And I was very encouraged by one of the things that the Mayor said and I commend him for his ongoing support of this project. When he mentioned that the...well I'll backtrack a little bit, in one of our earlier meetings it was stated that the Army Corps of Engineers was insisting on constructing fences to protect the bird sanctuary that they were generating. Well, I'm not interested in a bird sanctuary. I'm not interested in any fences that weren't there before. To me this is...this has to be a cultural restoration not a wetlands and bird sanctuary restoration. And that being said I was very interested in the Mayor's comment that the Army Corps has agreed to only go so far. I don't know what that translates into so I will look forward to hearing more about that in an upcoming meeting. But I think after our last meeting there were several of us that felt that if the Army Corps is going to insist on fencing then I'm not excited about having them involved at all. I would rather we go and look for the

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money privately or go look for the money somewhere else in our budget. And so that's something that I hope you'll be able to take up in upcoming meetings. The archaeological surveys as far as I'm concerned we could step it up by simply adding more resources. That doesn't mean we're going to rush through it but I think the more we are able to bring to bear on the site the more we're going to gain out of the process. And the community can get involved in it and it can be a really exciting time for the whole community. So I look forward to moving forward with this. I hope we can do it without the Corps of Engineers if they're not going to back off their demands for a fence. I think there's a place that we have that's a real jewel and I don't think any of us want to mess it up. I take my hat off to the Mayor for his long-time support. I've been involved in it with the hotel and the County since I think about 1988 or '89 when we did our first tour of Lahaina from a Hawaiian perspective. So, it's exciting that we're here talking about it. It's not exciting to see that it's been 20, over 20 years in the process. So from a budget standpoint I'm more than happy to support stepping up the funding to make things happen more rapidly. But this has got to be a partnership. There's got to be a partnership between the County and the State and the community and with Friends of Moku`ula and maybe other organizations that may be able to step up to the plate as well. So thank you, Chair.

CHAIR GUZMAN: Thank you. Thank you. Thank you, Members. And I too agree with Chair White in terms of we need to move forward and try to be as transparent as possible. As long as we can get through this portion of it then we can look forward to preserving and maybe even putting in more monies into the project but we've got to jump over this I guess technical hurdle at this point. So I'm going to allow Blossom folks, if you guys can provide us the additional information that we can fill in some of the gaps in the puzzle and provide that to the Committee, I would appreciate that. Members, without objections, I'll defer this matter.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: Thank you.

VICE-CHAIR COCHRAN: Chair, real quickly though I have a question 'cause isn't this considered a world heritage site not just a national?

MS. FEITEIRA: It's been nominated for a world heritage site but we have not, we did not achieve that status yet. So you have to apply every few years.

VICE-CHAIR COCHRAN: Oh okay, I thought it was already.

MS. FEITEIRA: Yeah we were also nominated for sacred sites international. We didn't make that cut either so.

CHAIR GUZMAN: Okay.

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VICE-CHAIR COCHRAN: Okay. I have more questions but I know, Chair, this isn't the end so we'll be continuing the dialogue. Thank you.

CHAIR GUZMAN: Yes. Yeah. Thank you very much.

COUNCILMEMBER WHITE: Chair? If...I'm sorry.

CHAIR GUZMAN: Last one quick. Mr. White.

COUNCILMEMBER WHITE: It just brought to mind a comment that Paul Klieger told me about that during the 1993 survey of the site there were press from three different European countries that came to the site. So it's not just an interest to us. It's an interest to a whole lot more people than we can probably imagine.

CHAIR GUZMAN: Most definitely. Okay. Members, without objections I'll defer this matter.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: Thank you. The item is deferred.

**ACTION: DEFER.**

CHAIR GUZMAN: Moving onto the next agenda item. Members, can I take a four or five-minute recess to set up for the next item?

VICE-CHAIR COCHRAN: Yeah. No objections.

CHAIR GUZMAN: Thank you. . . .(gavel). . .

**RECESS: 3:22 p.m.**

**RECONVENE: 3:28 p.m.**

CHAIR GUZMAN: . . .(gavel). . . The Economic, the EAR Committee shall now reconvene.

**EAR-26 PROPOSED NAHIKU COMMUNITY CENTER (CC 14-309)**

CHAIR GUZMAN: Members, returning to the next item on the agenda, EAR-26, Proposed Nahiku Community Center. The community, the Committee is in receipt of the following: County Communication 14-309, from Councilmember Robert Carroll, relating to the matter of the proposed Nahiku Community Center, and the correspondence dated July 16, 2015, from the Department of Corporation Counsel, transmitting the history and status of the project. Members, today we will look into

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the status of the proposed Nahiku Community Center which has been in works for several years but not yet built. The community center is to be built at the location of the former Nahiku school lot 1.9 acres in Nahiku, Hana, Maui, which was conveyed to the County from the State by Executive Order in 2008. In your binders, Members, you'll have the Executive Order 4220 that conveyed the property from the State to the County. I understand that a contractor has obtained...which was obtained for the construction for the project did not move forward with the construction at this point. To help us understand what happened and how we can get the project back on track we have the Nahiku Community Association President Kumu Kamalu Kaho`okele and Vice-President Mapu Kekahuna that's here today. We also have our Corporation Counsel Bilberry and Deputy Corporation Counsel Jerrie Sheppard to explain the legalities, and from the Administration side we used to have the Mayor here but he's no longer here. I think we have Department of Finance Greg King is here. Also I think from Department of Parks and Recreation if you could come down, if whoever is representing the Department of Recreation you can come down to the floor and identify yourselves when you come down. So at this time I would like to ask for the current status from the community from our President and Vice-President of the Nahiku Community Association.

MR. KEKAHUNA: Mahalo, Chair Guzman, and mahalo for inviting us to today's meeting in regards to the proposed Nahiku Community Center. Councilmembers Victorino, Mike White, Ms. Crivello, Ms. Cochran, and our East Maui representative Robert Carroll, we thank you for indulging us today to bring our concerns and frustrations to you in front of the Council as well as to the Administration on the delay process of this community center. But I want to have the President say her aloha first before I continue.

MS. KAHO`OKELE: Aloha auinala akahi apau. I'm Kumu Kamalu Kaho`okele and I am the founder as well as the President of the Nahiku Community Association and have been in that status since 2004. And it's a pleasure to be here today with all of you. Mahalo akua. Mahalo to you all for being here for all us. Mahalo piha. May I have the plans to come down please. . .*(inaudible)*. . .

MR. KEKAHUNA: Okay. Thank you. I know that some of you, these are the completed plans that was submitted by the County for the final approval of the facility and the build out and you guys are welcome to look at it. The concern I guess here today that I guess we brought forward today is where we're at because I know the last communications in the packet that I gave or brought here today for all of you to review from the Mayor of the County of Maui after we sent him a letter in January 12, 2015 and our concerns as far as where we were at as far as the build out of this facility. Because the groundbreaking took place in 2013 and some of the Councilmembers, I believe four of you were present that day at the groundbreaking back in March of 2013. . . .*(Inaudible)*. . . that the project was supposed to have started, giving the contractor the notice to proceed on September the 3<sup>rd</sup> of 2013, today we're here 2015, the building has not even been started nor a sign has been put up on the property. A

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lot of concerns have, came over the couple of years that we've endured this frustration and for lack of a better word communications between both parts during the early process with the Parks Department and getting the right answers. Because you can only imagine the questions that we've had in many meetings, association meetings or affiliations with the community-at-large both here and both for family members that are away that had concerns why this facility hasn't been built yet. And we only can go by what the communications that we were afforded during that time because Corporation Counsel was the go-to person and whatever Mr. Carroll had available to him to keep us abreast of where we're at with this project. So again January 12, 2015 we wrote a letter to the Mayor to, you know, find out exactly where we were 2015 as far as where this project was and he...and putting in perspective the monies that were spent, encumbered and unencumbered funds for this project it went from a bid [sic] acceptance by the contractor of \$641,206 to 2 other budget cycles turning this project to \$1.3 million budgeted by the County after the State of Hawaii's match with the County of Maui at the beginning in 2012. So now we're here in 2015 and with the letter that we received from the Mayor in respect to and you guys have it in your packet, I just want to find out today I mean, you know, his continuance in getting this project moving forward is committed as far as this letter is concerned to the...why this project went...I had to look up this word A-W-R-Y, awry, awry. Hello, I'm Hawaiian. Kapakahi if you will okay. And the concern of the project managers of the County of Maui to ensure that the construction and the project delinquencies are immediately addressed. We are moving even closer to the end of the year of 2015 and according to what I understand that this project is now going to be resubmitted and put into the Fiscal 2017 proposed budget to include the...trying to recapture the lapsed funds from the State of Hawaii. Earlier today he mentioned about going through a couple of governors. We're on our third governor since this project was resurrected and two and a half mayors so, and several County Council changes over this process. This is just as long as Moku'ula. And we just want clarification. We want to know that this project is going to move forward for our little community on the East Side of Maui and get clarification from Corporation Counsel as far as when, when, what time, and when can we look forward to get this project moving? Thank you very much.

CHAIR GUZMAN: Mapu, did you say that the State monies were lapsed or what did you say?

MR. KEKAHUNA: From my understanding that's what I was told because when the match took place in 2012 the County's money lapsed. If you guys go back on record, then they had to go back and redo the funding match again with the County and it was a back and forth issue back in 2012. And some of you Councilmembers remember that because I think Bill Medeiros was the Councilmember at that time and he had to resurrect that on a Budget meeting to get that timely to match it off with the State of Hawaii because there was just a gate. And then we finally got it during the Abercrombie term. The \$250,000 was properly matched in 2012, thanks, you know, a lot of work went into that from the late representative Mele Carroll.

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CHAIR GUZMAN: Right.

MR. KEKAHUNA: And I want to really acknowledge that today because today she's gone. And so it's not only an emotional thing for us but it's something that is dear to our community because it's long awaited for. Capital...CIP Improvement Projects for East Maui is far and few in between. If you all look at the historical view of CIPs in East Maui, and, Mr. Carroll, I think we had this discussion, over the past 20-30 years I can think of none that this County has provided for Hana that I can think of. I mean besides that skate park that they funded but as far as in this avenue I don't know of anything and if somebody can tell me I would like to see that. So this is something that's huge for us in East Maui like any small community rural, for all benefits that we look forward to to support East Maui. When I say East Maui it's just not Nahiku. It's all of East Maui from Kailua to Kaupo. You know and to even get certification on facilities for emergency preparedness we have a difficult time doing that because we don't have a facility to do so. Hana Community Center is the old school which is a cafeteria. That's all they have period. The Hana School is the emergency evacuation for East Maui. Now, if any of those avenues are cut in between Nahiku and Keanae or Hana and Nahiku which is 20 minutes and 20 minutes apart. Guess what? We're sitting ducks in the middle of East Maui for a very long time. We're lucky we dodged the hurricanes that we had recently but we're not going to press our luck and we're still waiting 'til this very day in 2015 to see something happen. So there is concerns, I mean I'm not going to point any fingers at the Council or the State of Hawaii or the Legislative Branch or the County, the Administrative Branch but all we simply want as taxpayers, as a community is to get the building built. This is not a \$73 million facility or the sports mega center or Target or anything like that. It's just a building like that picture there. Just putting another building right where that building was. A replica of it.

CHAIR GUZMAN: Thank you. So what we'll do is we'll start with Corporation Counsel. I believe, Jerrie Sheppard, could you provide us with some opening comments in regards to the status?

MS. SHEPPARD: Yes. The Mayor has sent the letter back in February and the status is basically the same as what he said there. The Department of Parks and Recreation as well as the Administration are committed to rebidding this project. The original contract is in litigation and Mr. Bilberry can talk about that later. But in order to go forward with the project there has to be another project put forward, bid upon, contract cut, and construction done. So that will be with the Parks Department Planning Division to put that project forward. The Mayor said that he has spoken with Lynn DeCoite about getting some State funding because we did have \$250,000 from the State for the construction but because the construction did not go forward that funding did lapse. So that funding is not available at this time but the Mayor is working on getting that back, another commitment for that funding, and he will be coming to Council for Budget input in Fiscal Year '17 to have appropriate amounts of

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money to do not only the construction contract but also to have a consultant work with the Parks Department to put together the project so that it can be properly bid.

CHAIR GUZMAN: Thank you. I believe, Mr. Bilberry, if you could share any comments about the situation that we're in in regards to the contractor and why we haven't --

MR. BILBERRY: Well --

CHAIR GUZMAN: --seen any construction.

MR. BILBERRY: --yeah as...I'm sorry.

CHAIR GUZMAN: Why we haven't seen any construction.

MR. BILBERRY: Well, I'm not sure I can tell you that but I can tell you that we have filed a lawsuit against the contractor for their failure to commence construction. And I mean the bottom line is the contractor never submitted a construction schedule, and to-date no construction schedule has been received from the contractor so that's part of the basis for the lawsuits that has been filed against the contractor and its bonding agent Travelers Casualty and Surety Company of America. The contractor being Maui Kupono Builders LLC. Just quickly a brief history as the gentleman over here has noted, the construction contract was entered into in September 2012. There were original commencement completion dates of September 13<sup>th</sup> through March 2014. There was an amendment to the contract after certain deductive alternatives were included in the contract, and the new completion date was April 2014 and as I indicated no construction schedule was ever received. The contractor never mobilized to the construction site and ultimately what they did in June of 2014 was claim escalation cost of 23 percent, which was an additional \$275,625 in addition to the amended contract amount. They were repeatedly asked for a construction schedule and asked to mobilize and begin construction and never did. My understanding is this is not unprecedented with this particular contractor so after it became apparent that a resolution short of litigation was not going to be effective we were asked to file a lawsuit and that's where that is. Litigation is not going to solve anything except it might get us some additional funding in the end from the contractor and/or its bonding agent. But, you know, again litigation is not a panacea obviously and it's going to take time. We can anticipate a trial date somewhere out in 2017, late 2016-2017, and I'm sure the contractor is going to contest the allegations we've made. The complaint is for breach of contract because the contractor never performed and there are some claims attendant to that which I don't want to get into. And beyond what I've said if we do want to have further conversation about the nature of the litigation and what our strategy is going forward and how we plan to proceed I would need to ask that we go into Executive Session to discuss that. But I'm willing to entertain questions here --

CHAIR GUZMAN: Yeah.

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MR. BILBERRY: --and do my best to field them about the nature of the lawsuit.

CHAIR GUZMAN: Thank you, Mr. Bilberry. So when we proceed to our questions just go ahead, Members, and feel free to ask any kind of questions you'd like. Mr. Bilberry and the other members of the Administration, I believe that Mr. Bilberry will alert or at least warn us if we're going pass the line and then I can go ahead and motion into Executive Session for those questions to be answered. I would like to get an opening statement from the Department of Parks and Recreation regarding the status.

MR. HALVORSON: Good afternoon, Chair and Committee Members. My name is Robert Halvorson. I'm the Chief of Planning and Development, the Parks Department. Ms. Sheppard pretty much covered my opening statement I guess. We are prepared to move forward and request design and permitting funds in the coming budget cycle.

CHAIR GUZMAN: And do we have any statements from the Finance Department?

MR. KING: Good afternoon, Chair and Councilmembers. No opening statements. I'm here to answer any questions though.

CHAIR GUZMAN: Okay. And from Land and Natural Resources any opening statements? Seeing none, okay. Members, I'm going to open up the floor for any questions that you may have. I'll start off with Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair Guzman. Because where we're at right now and there is no funding at this moment of time while we're all looking at each other, and it's been indicated in the communication July 9<sup>th</sup> from Ms. Sheppard that the funding will be requested again on the County side and also the State. So I assume we're working with Lynn DeCoite and Kalani English on that?

CHAIR GUZMAN: Anyone from the Administration.

MS. SHEPPARD: I can answer that. I know the Mayor is working with Lynn DeCoite. I don't know what contact has been made with Mr. English.

COUNCILMEMBER CARROLL: Alright. The contractor has put us in this situation and I'm really upset about it. To our legal advisors over there, it would seem like because of the delays and everything else when we're going to get this funding or let's assume that the County we reinstate it, the State reinstates it and we...is the contractor, are we still going to be dealing with the same contractor? Are we going to chase him to where he will complete the work without any additional cost and go with the original proposal?

CHAIR GUZMAN: Corp. Counsel?

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COUNCILMEMBER CARROLL: Or are we going to look somebody new?

MR. BILBERRY: That is not my understanding. Again as I indicated this conduct is not unprecedented with this particular contractor as I've been advised and I think that the push will be to find somebody else.

MS. SHEPPARD: Mr. Carroll, it will go out for public bid again.

COUNCILMEMBER CARROLL: I just hate to see the County, the taxpayers, the community, and everybody taking the bite because of the situation that we dealt in good faith. The State dealt in good faith. The community dealt in good faith and the contractor obviously didn't, and I really hate to see us be paying for it at this point in time. So I hope we can follow through and get some justice out of the situation and come to a happy conclusion. Thank you, Chair.

CHAIR GUZMAN: Thank you. Is there, I guess following up with Mr. Carroll's question or statement, I know that we have litigation pending or at least complaints been filed. What are the steps that, are we taking to further assure or at least continue the project aside from I guess getting a new RFP? You know is there some type of plan that we have set forth? Timetable? Anything like that?

MR. HALVORSON: As Councilmember Carroll said we currently don't have any money so until we request money in the budget cycle we can't start with the consultant and the completing or adjusting the design and renewing the permitting. So that would, you know, it wouldn't be 'til before July 2016.

CHAIR GUZMAN: Okay. Members, any other questions? Mr. White?

COUNCILMEMBER WHITE: Aside from the problems with the contractor, my recollection was there were some claim that there was a problem with the title and it's referenced in one of the letters. Do you have any information on whether there's any concerns with the title?

MS. SHEPPARD: I can tell you, Mr. White, that there's been nothing raised with Corporation Counsel that challenges title. This is Executive Ordered property to the County of Maui. We have a parcel extract that shows that it was delivered to the County of Maui, so we've not done a title search because that's never been a challenge brought forward to us.

COUNCILMEMBER WHITE: Okay. Great.

MS. SHEPPARD: So I think there may be innuendo out there but we don't have anything official.

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COUNCILMEMBER WHITE: Yeah, I remember hearing that and it was mentioned in the letters. I'm glad that's been put to bed. Thank you. Thank you, Chair.

CHAIR GUZMAN: Thank you.

COUNCILMEMBER VICTORINO: Chair?

CHAIR GUZMAN: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And again, Nahiku, our apologies for letting this slip by. You know with the contractors, and I wouldn't waste my time chasing somebody who hasn't been able to fulfill anything at this point, what is the best estimate as far as if we could...the Mayor would come down with a budget amendment to get something like this started at least for the consulting and design and all that, whatever else needs to be done? And I know the Mayor is sitting over there and I would like for him to, if possible, sit in one of the chairs and answer this question.

CHAIR GUZMAN: Yeah.

COUNCILMEMBER VICTORINO: You know I know we're going to have to get money not only from our side but from the State. But what can we do to expedite this whole situation? You know litigation going take forever so we're not going to worry about that and I think you'll agree that litigation is not the answer to the question. What do we do and how do we get money to get this project done? Which you have beautiful pictures of the late Mele Carroll, you, Mayor, Gladys, you, Mr. Guzman, and others, you know, shoveling the dirt, getting ready to, you know, groundbreaking, everything is done and two years later we still, pardon the expression, twiddling our thumbs. You know that's an expression I would. So, Mr. Mayor, could you answer that question so that we the Council what do we need to do, what can you do to come to us and then what do we need to do with the State?

CHAIR GUZMAN: Mr. Mayor?

MAYOR ARAKAWA: Thank you very much. This is a project that the Administration really wants to see go through, and this is why we'll be proposing in this upcoming budget funding for this particular project. I've already talked with some of our State legislators to put in the reissuance of the money from the State at that level and I believe that will happen. So I think we'll have very good support to try and get it through and what it's going to take for us to be able to do this. Now the question as to the ownership of the property and everything else, I checked with Corporation Counsel and you heard what they have to say. So I'm very comfortable that what we're doing meets all the requirements no matter what the scuttlebutt that we hear through the rumor mills are that this project can go through. So we have every intention of running it through. I am not happy at all with the contractor which is an understatement but I was told that I can't forbid him from bidding on any of our

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future projects for various reasons that Corp. Counsel will tell you in Executive Session I hope. But on this particular project we probably will not go with the same contractor. I just can't forbid him from bidding on all the other projects which was my initial hope but it is what it is. But I fully intend to go with this project as soon as possible. This upcoming budget I'll put in a request for funding for this project. It should have gone already. And we got stuck because it got stuck in court so I couldn't just override it and just go do it before the money lapsed. But I don't think we have to wait until the court decision is made if we want to redo this and we can get refunding.

CHAIR GUZMAN: Mr. Victorino?

COUNCILMEMBER VICTORINO: So, my question to you, Mr. Mayor, is on top of what you just said, thank you very much, would this...would we be able to so that there's no delay ready to front the money, whatever the State throws in, the State throws in and we get back that money? Because again if we're going to wait for the State there may be another delay there. You know in other words what I'm saying is I'd like to see us carry the ball 100 percent let's go let's get it done and then whatever comes back from the State, whatever the portion they were promised, they promised us we can retrieve at that point in time. I do not want to see any more delays. That's what I'm...that's my basic question can we do that?

CHAIR GUZMAN: And let me follow that up as well as what is the amount of monies that we're talking about if we were to move forward as a County?

MAYOR ARAKAWA: I've got to check on the amount but it's quite substantial. And the reason that I'm hedging on this is because this is an older contract.

COUNCILMEMBER VICTORINO: Right.

MAYOR ARAKAWA: We probably have to reprice just to get, to reprice it to get you a more accurate number. In the past, it was a little over a \$1,100,000. I anticipate it will probably close, be close to 2 million but I'm guessing. And I want to make it very clear I'll be just guessing at that. So we really want to reprice it and find out. If the Council is willing to front the money without the guarantee that the State would fund it 'cause if we were to fund it the State might not fund it because we'd already get the project done. I'd be willing to go with that 'cause a community center out there would be I think a very beneficial positive for that community. There are a couple of things that I would want to build into a center like this that we have not had time to discuss with you at this point. And if the Chairman doesn't mind if I can take about two minutes to explain.

CHAIR GUZMAN: Two minutes, Mayor.

MAYOR ARAKAWA: We're coming to an issue that's going to become a very big issue with all of us and that is food safety. And with the new rules and regulations that's coming

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from the State in how we have to deal with food safety, a lot of the small farmers are not going to be able to afford to put up the facilities to handle food products. So we're going to have to try and find a way to co-op some of that. And a facility like this, if we could build in a food safety aspect to it would help all the farmers, small farmers in this area, and I anticipate we'll probably have to put up five or six of these food safety facilities if we're going to promote the small farm agriculture. It's just that the statistics in being able to put up your own facility and trying to farm just won't bear out the cost. So I put that to you if we're going to do the facility like this let's look at trying to create a food safety aspect to it so that there's a secondary benefit as well as a community center benefit.

COUNCILMEMBER VICTORINO: Well, Mr. Chair, you know, I have no objections in looking at something like that; however, if it's going to cause a longer delay in getting this done then I'm not exactly excited about that idea. And I understand what you're saying, Mr. Mayor, and I wholeheartedly concur with you but we have, they have waited over two years since they've moved the dirt, they had their opening blessing, and still nothing. And you know what, some of us will be out of office before this darn thing gets done and, you know, getting kind of frustrating. And I'm not blaming you, Mr. Mayor, it's just a compilation of a lot of issues, and what really makes me frustrated is until this point I have not been told that this situation has gotten this bad. I know there were delays but never had your Committee been informed about all of the problems and that's not something I'm really happy to find out now that it's that bad. That litigation and everything has happened because I would have expected you guys to come back to us in this Committee and say hey we're having problems, it's a year, year and a half, whatever it might have been, tell us so that we could take some appropriate action or hopefully assisted you in taking appropriate action and not wait 'til we end up in court. And now they don't have a community center two years later, and God rest Mele Carroll's soul I mean that was one of her biggest, biggest items to complete is that Nahiku Community Center. And I'm just appalled to hear all that I'm hearing today. I'm sorry. You know maybe I should listen more. Maybe I should get my ears on the ground but I had heard delays but I never heard that we had gone into court and everything else. So, again I not blaming you, Mr. Mayor. I not blaming anybody in this room but I'm not happy. We should be informed of issues like this, and you, Mr. Chair, should have been told and you should have been bringing it to us and that's what I'm saying. Thank you.

CHAIR GUZMAN: Thank you, Mr. Victorino. And if any Member would like to ask some questions about the lawsuit itself or the litigation we can go into Executive Session. Is there any Member that would like that opportunity?

COUNCILMEMBER VICTORINO: Mr. Chair? I think that should be referred to COW. I think that should be something that goes to your Committee.

CHAIR GUZMAN: Yes.

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COUNCILMEMBER VICTORINO: I really don't think it belongs here although it's a discussion matter. Most of these people would have to leave the room anyhow. So, to me you're going to frustrate them more by now trying to tell them to leave and now we're going to talk about it. My feeling is put it in your Committee. If you want me to put something forward to you I will but you should go to your Committee and we should have a good discussion not only on this but any other contract that comes up in this manner.

CHAIR GUZMAN: Okay we can do that. And the...is that without any objections? Would you, Members, agree to that? Okay.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: We'll just go refer that item, particular item to the Committee of the Whole, Staff. Okay. Any other questions, Members, at this time? Seeing none, I would like to thank the Administration, the Mayor, the ...

MAYOR ARAKAWA: Just for clarification.

CHAIR GUZMAN: Yes.

MAYOR ARAKAWA: This Committee is in favor of us moving forward with this project?

CHAIR GUZMAN: Yes.

MAYOR ARAKAWA: That is your consensus because you didn't put it to a vote. I just want to make sure.

CHAIR GUZMAN: Yes, yes, yes.

COUNCILMEMBER VICTORINO: Yes.

CHAIR GUZMAN: We are in full support of this of the community center. We are very disappointed that it was, there was delay and very disgruntled with the contractor that was, initially won the bid. I know that there's a lawsuit or a complaint that is filed on behalf of the County and we'll get more information on that in Executive Session. But be assured that we are going to be moving forward on this both legally and as a legislative body. So without any objections, Members, I would like to ...

MAYOR ARAKAWA: Mr. Chairman, just for clarification. As soon as we get a number we can give you a good estimate, we'll send it to your Committee.

CHAIR GUZMAN: Oh, that would be great. Thank you very much, Mayor.

MAYOR ARAKAWA: Thank you.

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CHAIR GUZMAN: We will without, any objections, that's really good news we'll...Mr. White, I keep on trying to ...

COUNCILMEMBER WHITE: I always wait 'til the very end.

CHAIR GUZMAN: Okay.

COUNCILMEMBER WHITE: No. No I understand what the Mayor is saying about the food safety but if that's going to be incorporated in the pricing it would be helpful if we could get some idea of how many farmers in that vicinity would be utilizing the facility just so we have a sense of the level of need.

CHAIR GUZMAN: Okay. Mr. Mayor, is that appropriate if you can send that type of information?

MAYOR ARAKAWA: That's a study that we're going to be working on. So what I'll do is I'll do one without the food safety and I'll do one with the food safety and information.

CHAIR GUZMAN: Okay. Good.

MAYOR ARAKAWA: 'Cause I don't want to delay the former for the latter.

CHAIR GUZMAN: Good. Very good. Thank you very much.

COUNCILMEMBER WHITE: Yeah. That's fine.

CHAIR GUZMAN: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Not that trying to understand this will make it any better but so that we don't repeat. Who has the oversight for this project or who's the project manager on behalf of this project that could have resolved this, you know, on a timely basis?

CHAIR GUZMAN: I believe that would be Administration, it would be under the Parks I believe if I'm correct. Administration like to answer?

MAYOR ARAKAWA: It would have been Parks Department.

COUNCILMEMBER CRIVELLO: And there was no conversation or discussion on this, it just so happened that he came in with his change of his projections?

MAYOR ARAKAWA: It was...there were a lot...there's a lot of back and forth with the contractor trying to get him to do the work.

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COUNCILMEMBER CRIVELLO: I see.

MAYOR ARAKAWA: And, you know, it's one reason or another reason or another reason, that's part of the litigation that's going on. So --

COUNCILMEMBER CRIVELLO: Litigation. Okay.

MAYOR ARAKAWA: --I can't get into the specific details, at least Corp. Counsel is going to hit me pretty soon. But it wasn't something that just one time happened. There was...there's a whole paper trail and that's why we're in court.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

CHAIR GUZMAN: Okay.

COUNCILMEMBER CRIVELLO: Thank you, Mayor.

CHAIR GUZMAN: So, if there's any other questions, I will...Mr. Carroll, are you good?

COUNCILMEMBER CARROLL: Not really a question but actually yes we really need to be working with the State and I would hope that Chair Guzman along with the Administration could work with our two legislators on the East Maui especially Kalani English in the Senate would be a really good person and I would hope that we can really put some effort into that. Because it would really help us to try to get that money back from the State.

CHAIR GUZMAN: Definitely. Without any other questions...without objections, Members, I will defer this matter.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: Thank you, Members.

**ACTION: DEFER.**

CHAIR GUZMAN: Thank you very much for the association, Nahiku Association for being here as well as the Administration, Department of Parks as well as the Finance Department, and Land and Natural Resources. Thank you, Mr. Bilberry. Thank you, Mayor.

MR. BILBERRY: Thank you.

CHAIR GUZMAN: Thank you.

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MR. BILBERRY: Thank you, Chair.

**EAR-27 PAIA YOUTH COUNCIL, INC. - GRANT OF LEASE OF COUNTY REAL  
PROPERTY (PAIA) (CC 15-91)**

CHAIR GUZMAN: Okay. Members, we're moving on to the next agenda item EAR-27. This is an update from our last meeting. This is the Paia Youth Council, Incorporated grant of lease of the County real property in Paia. At our last meeting on June 16, 2015 we considered a proposed resolution from the Director of Parks and Recreation entitled Authorizing the Grant of the Lease of the County Real Property consisting of Tax Map Key Numbers (2) 2-5-005:017 (por.) and (2) 2-6-001:001 (por.) Paia, Maui, Hawaii to Paia Youth Council, Incorporated pursuant to Chapter 3.36 and 3.40, Maui County Code. The purpose of the proposed resolution was to authorize the grant of a 25-year lease for \$1 a year, for the facility known as the Paia Youth Center and adjacent area consisting of 1.462 acres in Paia, Maui, Hawaii to Paia Youth Council, Incorporated, a nonprofit organization for the purpose of providing a drop-in youth center life skills program and skate park. We learned at the last meeting that we had on June 16, 2015 that there were some difficulties in the transitioning of the lease from the private entity to the County as the lessor. Several questions arose at the meeting concerning the proposed grant. Number one was whether the County could include in the grant and lease the authority for the nonprofit to sublease the facility kitchen. Number two, whether other commercial activities and future uses were permitted under the grant agreement and lease. And number three whether Section 3.40.200 of the Maui County Code stating that concessions leased, rented, or set aside without charge or at charge below fair market value are grants of public property. And if so then it is interpreted to mean that none of the other provisions of Chapter 3.40, Maui County Code, apply such as public notice and bidding. Number four, whether corrections needed to be made to the bidding waiver resolution paragraph. These questions were posed to the Corporation Counsel by correspondence dated June 19, 2015 as was raised on June 16, 2015. We did not or have not yet received a formal response. I believe that it will come verbally today. Additionally, given the lease expiration last April, I understand that the Youth Center is continuing to operate under a temporary arrangement with the County. So I think we also need an explanation on what is the temporary arrangement. Ms. Sheppard is here to explain the status and to answer some of the questions that we had on June 16, 2015 meeting. Ms. Sheppard.

MS. SHEPPARD: Thank you, Chair. And I will be getting you a formal written response to your other questions. We'll take this little segments at a time. The first thing we've done is we've worked out a fifth amendment to the license agreement. When the County bought the property from Alexander and Baldwin or got the property from Alexander and Baldwin we were assigned the existing license agreement between Alexander and Baldwin and the Paia Youth Council. That had an expiration date of April 30, 2015 so starting at that point we needed to have a new agreement. We

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worked out a lease agreement and as you said at the EAR Committee there were some concerns and discussion about that. So we basically have put that aside, working on that now. In the interim, we have a fifth amendment of license agreement that has been signed by the Paia Youth Council and the County of Maui. So, we do have a temporary situation. This temporary license is valid through December 31<sup>st</sup> and we're hoping we can have it replaced by a lease before the expiration of this. If not, we can extend this another four months and finish up the lease agreement. I've been out to the Paia Youth Cultural Center. Ms. White has given me a tour there. I think I've got a nice lease drafted but that's still subject to discussion and we have a meeting setup for the 22<sup>nd</sup> of September between the Parks Department, the Paia Youth Council, and myself. So we can go over that lease agreement and find out if there are any snafus, any misunderstandings, anything we can make more fluid, whatever we can do to resolve all questions. So that's where we're moving on this at this time.

CHAIR GUZMAN: Very good. So, we also have here today, Members, Ms. Susan White who's the Executive Director. If you have any comments you would like to present to the Committee?

MS. WHITE: No. I really don't have any comments. I'm just here to say that we are moving forward on this and we are doing our due diligence. And I believe that we have the support of Maui County and we are just working out some kinks because we want to make sure that whatever document that we end up with on both sides is a great document for all and doesn't require a lot of back and forth between the County and the Paia Youth Council in the future. So that's what we've been working on.

CHAIR GUZMAN: Mr. White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. One of the items that was discussed at our last meeting was whether or not you would be able to continue to lease out or rent out your kitchen facility. Has that been worked out with Corp. Counsel or are you still working on that?

MS. WHITE: We're still working on that. Jerrie and I have talked regularly and it's going back and forth. David Spee is our lawyer and he's going to be looking at it this week and I think that I feel confident that something is going to be able to be worked out that will be legal, number one, and benefit us and the County. So it has not been, we're not at a complete no in that.

MS. SHEPPARD: Can I clarify a little bit?

CHAIR GUZMAN: Yeah, Ms. Sheppard?

MS. SHEPPARD: Chair, they have ceased any operation that was with Commercial Enterprise so at this point in time my understanding is that they don't have any additional operations going on in that kitchen it's just their own operation.

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COUNCILMEMBER WHITE: Right. But part of the problem was that it's eliminating a source of revenue to, you know, to support the nonprofit.

MS. SHEPPARD: Right. And we know that that is something we can work on.

COUNCILMEMBER WHITE: Okay. Yeah.

MS. WHITE: But I'd also like to clarify that we were in negotiations with the young gentleman, the fish cutter, to use our kitchen and also participate in our life skills program and he had already purchased a food truck and everything and that had been put on hold. So we hadn't signed lease with him but we were...he, already in a real involved process with him so.

COUNCILMEMBER WHITE: So that means that in the interim you're not receiving any rental monies for the kitchen?

MS. WHITE: No.

COUNCILMEMBER WHITE: Yeah. So I would just ask that we try to move forward as expeditiously as possible, Chair.

CHAIR GUZMAN: I agree. Do we have any comments from the Department of Parks and Recreation? Okay. Seeing none, any other further questions that we have from Members? Okay this was just a status update. I believe, Ms. Sheppard, you said the next meeting you will have is September...?

MS. SHEPPARD: Twenty-second.

CHAIR GUZMAN: Twenty-second. So we will...I'll schedule this thereafter the 22<sup>nd</sup> and get another update.

MS. SHEPPARD: If you can give us about a month or so.

CHAIR GUZMAN: Okay. Sure. So, Members, that being said, without objections, I would like to defer this matter.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: Thank you.

**ACTION: DEFER.**

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CHAIR GUZMAN: This will conclude all the items on today's agenda. And I'd like to thank everyone for being patient and having a good discussion on every single one of the items. So, aloha and thank you. . . .(gavel). . .

**ADJOURN: 4:14 p.m.**

APPROVED BY:



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

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Transcribed by: Cathy Simmons

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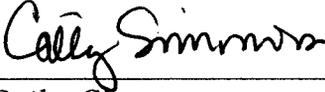
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CERTIFICATE

I, Cathy Simmons, 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 this 7<sup>th</sup> day of October 2015, in Wailuku, Hawaii.

  
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Cathy Simmons