

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

M I N U T E S

Council Chamber

May 17, 2016

CONVENE: 1:32 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Don S. Guzman, Chair
Councilmember Elle Cochran, Vice-Chair
Councilmember Don Couch
Councilmember Stacy Crivello (left at 2:38 p.m.)
Councilmember Riki Hokama
Councilmember Mike White (arrived at 1:39 p.m.; excused from
2:22 p.m. to 2:48 p.m.)

NON-VOTING MEMBERS

Councilmember Gladys C. Baisa (arrived at 1:45 p.m.)

EXCUSED: Councilmember Michael P. Victorino

STAFF: Sharon Brooks, Legislative Attorney
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)

Dawn Lono, Council Aide, Hana Council Office (via telephone
conference bridge)

ADMIN.: Jeffrey Ueoka, Deputy Corporation Counsel, Department of the
Corporation Counsel

Kaala Buenconsejo, Director, Department of Parks and Recreation

David J. Ching, Deputy Director, Department of Management

Edward Kushi, Jr., First Deputy Corporation Counsel, Department
of the Corporation Counsel

Teena Rasmussen, Economic Development Director, Office of the
Mayor

Kenneth Yamamura, Economic Development Specialist, Office of
the Mayor

Mark Walker, Deputy Director, Department of Finance

Guy Hironaka, Real Property Manager, Department of Finance

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Michele McLean, Deputy Director, Department of Planning
Erin Wade, Small Town Planner, Department of Planning
Jerrie Sheppard, Deputy Corporation Counsel, Department of the
Corporation Counsel

OTHERS: Thomas Cooley, Commissioner, Maui Girls Softball Association
Wade Kitagawa, President, Central East Maui Little League
Scott Teruya
Noelani Sugata, Executive Director, Paia Town Association
Martin Brass, President, Paia Town Association Board
Ross Tsukenjo, Deputy Chief of Staff, The Office of the Lieutenant
Governor
Russell Tsuji, Land Administrator, Land Division, Department of
Land and Natural Resources, State of Hawaii
Daniel Ornellas, Supervising Maui Land Agent, Land Division,
Department of Land and Natural Resources, State of Hawaii
Carty Chang, Chief Engineer, Engineering Division, Department of
Land and Natural Resources, State of Hawaii
Russell Kumabe, Planning and Development Branch Chief, State
Parks Division, Department of Land and Natural Resources, State
of Hawaii
Ian Hirokawa, Special Projects Coordinator, Land Division,
Department of Land and Natural Resources, State of Hawaii
Plus (5) other people

PRESS: *Akaku Maui Community Television, Inc.*

CHAIR GUZMAN: . . . (*gavel*) . . . Good afternoon. Welcome to Committee of the Whole. I'm Don Guzman, the Chairman of the Committee. Before I begin, may I please ask everyone to turn off their cellphones or put it in the silence mode. I'm going to introduce our Members for today's meeting starting with our Vice-Chair of the Committee, Elle Cochran --

VICE-CHAIR COCHRAN: Aloha.

CHAIR GUZMAN: --good afternoon.

VICE-CHAIR COCHRAN: Good afternoon.

CHAIR GUZMAN: We have Don Couch --

COUNCILMEMBER COUCH: Aloha, Chair.

CHAIR GUZMAN: --Stacy Crivello --

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COUNCILMEMBER CRIVELLO: Aloha, Chair.

CHAIR GUZMAN: --Riki Hokama.

COUNCILMEMBER HOKAMA: Chair.

CHAIR GUZMAN: And for our Staff we have, who do we have...oh, yeah, Sharon Brooks and Pauline Martins. And before we begin with the testimony, a brief announcement, if you'd like to testify, please sign up at the lobby. You'll have up to three minutes to testify. You'll have one minute to conclude. The testimony will be limited to today's items on the agenda. When you testify, please identify who you are and the organization in which you represent. We'll go ahead and check in with our District Offices. On Lanai District Office, are you there?

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

CHAIR GUZMAN: Okay, thank you. Is there anyone wishing to testify?

MS. FERNANDEZ: No, there is no one waiting to testify.

CHAIR GUZMAN: Okay, thank you. And on Hana, in Hana Office, are you there?

MS. LONO: Yes. Good afternoon, Chair. This is Dawn Lono at the Hana Office and there is no one waiting to testify.

CHAIR GUZMAN: Okay, thank you, Ms. Lono. And on Molokai Office, is there anyone wishing to testify?

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

CHAIR GUZMAN: Okay, thank you, ladies. We're going to turn our attention to the Chambers. Please call the first testifier.

MS. BROOKS: There's only one testifier signed up at this time and that is Thomas Cooley.

. . . BEGIN PUBLIC TESTIMONY . . .

MR. COOLEY: Good afternoon. My name is Thomas Cooley. I'm here on behalf of Maui Girl's Softball Association in support of the EAR-54. Since I started coaching back in 1995, multiple sports, soccer, softball, basketball, there's been a huge shortage of fields and adequate things for our children to use over here on Maui. So with this new sports complex that has come up that is going on with the State and the County, I

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think that will do a lot to improve and bring much needed tournaments and teams to Maui. Excuse me. We get teams from other islands and from the mainland to help support our sports. With the new changes in the Maui County Department of Parks and Recreation I see huge improvements. The permitting process and the maintenance of the fields is greatly improved. There's no doubt by entering into an intergovernmental agreement between the State Board of Land and Natural Resources would be the best for the sports complex and for the future of our youth. There's, we've forever had a lot of trouble. I've been coaching for a long time now and trying to get fields for our kids to use and to keep 'em maintained has always been a situation. The County now seems more focused and working really well to maintaining our fields and we just want to make sure we keep that going in the same direction and I think having the County being able to work a little better with the State on maintaining the fields, I think that really helps. So thank you.

CHAIR GUZMAN: Thank you. Thank you, Mr. Cooley. Is there any questions to follow up for Mr. Cooley? Seeing none, thank you very much for your testimony.

MR. COOLEY: Thank you.

CHAIR GUZMAN: Is there any other testimony?

MS. BROOKS: The next testifier is Wade Kitagawa, followed by Scott Teruya.

MR. KITAGAWA: Good afternoon, everybody. My name is Wade Kitagawa in support of EAR-54. Currently, President, Central Maui Little League Baseball. We have approximately 637 kids ages 4 through 17 for baseball and we have about 14 fields. So we really need the fields. We could use these fields like yesterday. Lot of the kids would like to play in a nice field like this and I'd like to thank Shan Tsutsui for spearheading this project and giving the Maui, opportunity to have a sports complex like this. And I would be in support of the County to take over these fields as soon as possible. Thank you.

CHAIR GUZMAN: Okay. Thank you very much, Mr. Kitagawa. Is there any questions for the testifier? Seeing none, thank you very much.

MS. BROOKS: The next testifier is Scott Teruya, followed by Noelani Sugata.

MR. TERUYA: Council Chair and Members, kind of odd to be on this side but I'm just here in support of EAR-54, echo the sentiments of the first two testifiers. We have, are currently in season with 55 teams and 761 kids. There's 14 practice fields. So if you do the math we're very, very short of fields. I think we, it would be safe to say that there's probably 30 to 40 teams a day, maybe 400 kids that are not practicing everyday with the shortage of fields just for baseball. So I'm here in support of EAR-54. Thanks.

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CHAIR GUZMAN: Thank you. Members, do you have...hold on, Scott. Do you have any questions to follow up? I have a question. So the, I know that we shut down our baseball fields the other week because of the rain or what other alternatives do we have in the regional park as it is right now to have accommodated some baseball games or practices?

MR. TERUYA: Right now, last week it was raining very hard throughout Central Maui so I wouldn't say that that would have really helped us but it would have helped us in the fact that when we have rainout games, we'll be able to schedule more games throughout the week using two fields or multiple fields. Those additional fields would help us get through the season quicker because right now all we're doing is pushing back the season. The problem that we have is there's a deadline date for us to have All-Star tryouts or selections and getting all the games done by a certain date and that's the challenge we're having right now.

CHAIR GUZMAN: But currently right now, are there, there's baseball fields that can accommodate some of the teams that are...

MR. TERUYA: Yes, there is. I mean, we are permitted for 14 fields for practice, and that's all we have. There's other sports going on, softball, et cetera, that's dedicated for them as well so we're just utilizing whatever we have so if there's more inventory out there for us to be available so that we can do either games or additional practices, et cetera, that just helps us even more.

CHAIR GUZMAN: Okay, thank you very much, Scott. Next?

MS. BROOKS: The next testifier is Noelani Sugata.

MS. SUGATA: Aloha, Chair Guzman and Committee Members. My name is Noelani Sugata and I'm the Executive Director for Paia Town Association. I would like to thank you for the opportunity to submit this testimony regarding Special Improvement Districts for Maui County. I was hired in October 2015 and I've gotten to know Paia residents, merchants, and landowners during my short tenure. I am truly thankful for all the support and guidance that has been shown to me by the community. The general census is Paia is a special place and it is in need for additional services, such as increased security, additional parking, and daily cleaning in public places. I've attached a list of residents, merchants, and landowners that are in support of a Special Improvements Districts for Maui County. I have contacted many Paia merchants and they all have voiced making improvements for the town. Also, during those conversations and/or e-mails, I haven't had anyone tell me they weren't in favor of Paia petitioning to become a SID. They seem to understand that additional services required additional funding. The opportunity for Paia to become a Special Improvement District would allow for our community to be self-funding and pay for services our community needs. I humbly ask your Committee to support Special Improvement Districts for Maui County. Thank you.

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

MS. SUGATA: Thank you.

CHAIR GUZMAN: I also would like to recognize the presence of Chair White.

COUNCILMEMBER WHITE: Aloha, Chair.

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

CHAIR GUZMAN: Okay, thank you. Without any further ado, the, Members, I'd like to go ahead and close public testimony without objections?

COUNCILMEMBERS VOICED NO OBJECTIONS.

. . . END OF PUBLIC TESTIMONY . . .

CHAIR GUZMAN: Okay.. Thank you.

EAR-54 AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE BOARD OF LAND AND NATURAL RESOURCES, RELATIVE TO THE OPERATION, USE, AND MAINTENANCE OF THE CENTRAL MAUI REGIONAL SPORTS COMPLEX) (CC 16-68)

CHAIR GUZMAN: Members, turning to the first Item on today's Agenda, Item Number EAR-54. The Committee is in receipt of County Communication 16-68 from the Director of Parks and Recreation transmitting a proposed bill entitled A Bill for an Ordinance Authorizing the Mayor of the County of Maui to Enter into Intergovernmental Agreement with the State of Hawaii, Board of Land and Natural Resources, Relative to the Operation, Use, and Maintenance of the Central Maui Regional Sports Complex. The purpose of the proposed bill is to enter into an intergovernmental agreement with the State Board of Land and Natural Resources for the operations, maintenance, and use of the completed phases of the Central Maui Regional Sports Complex. The Committee may consider whether to recommend passage of the proposed bill on first reading with or without revisions. The Committee may also consider the filing of County Communication 16-68 and other related actions. Members, the Central Maui Regional Sports Complex is a development undertaken by the State of Hawaii on 65-acres of the State Land located along Kuihelani Highway, west of Pomaikai Elementary School and south of the Legends of, in Maui Lani. The DLNR is the acting as the project management agency. The phase, excuse me, I apologize. Phase I was completed in March 2016 and opened on March 12, 2016. It consists of 24 acres of the 65 acres with multiple purpose fields, two regulation softball fields, two comfort stations, and a concession stand and

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200 parking stalls, landscaping, an irrigation well and storage tank. On February 19, 2016, the State turned over management and operations of Phase I to the Maui County Department of Parks and Recreation and Phase II is underway. On February 26, 2016, this project was before the Council in connection with a request by the Park's Director for a three-month right-of-entry to allow the County to enter the property for operations, maintenance, and public use of the completed phases of the complex. The bill was passed as Ordinance 42-96 and the Mayor executed the right-of-entry on March 8, 2016, which will expire this coming June 30, 2016. Today we have before us a proposed bill to authorize the Mayor to enter into a much longer agreement. So this is not an extension of the entry. We're immediately going straight into the, a mutual understanding and agreement that will allow the continued public use of Phase I and other phases as they are completed. The proposed agreement would end upon the transfer of the complex of the completed complex to the County or termination by either party on 30-days notice. With a temporary right-of-entry that recently came up, the Councilmembers expressed some concerns, which we didn't really have an opportunity to address but today we are going to address those concerns and if need be expand further in vetting this issue out, considering that this is not just a plain right-of-entry extension, this is the actual mutual agreement of understanding. So we're basically going much further than was anticipated preliminarily when we voted on the right of entry. So today, I've invited the esteemed officers from the State who have been involved with this project to answer our questions and tell us more about it as well as to inform the general public that are watching Akaku. The Lieutenant Governor, Shan Tsutsui, unfortunately, was not able to be here. I believe he was called off to the Capital. We have with us his Chief of Staff, Ross Tsukenjo, is that right? And then we have Russell Tsuji from DLNR Land Division, Ian Hirokawa from DLNR, Daniel Ornellas, I guess he's not, is he here? Why don't you come down and join us if you'd like to. He's also from the DLNR Land Division. We have Carty Chang, he's the Engineering Division from DLNR, and also Russell Kumabe, okay, from the Park's Division of the DLNR. Thank you so much, gentlemen, and I apologize for butchering your last name. Before we begin with our panel, I'd like to ask our Park's Director if he'd like to give us a brief summary of the project to date. Mr. Buenconsejo?

MR. BUENCONSEJO: Chair, thank you, Chair, Councilmembers. As testified, since the opening of the Park Phase I since March, the community and various groups from around the County have been using this park tremendously. As stated during Chair's statement with already using it during rainy days. We are accommodating multiple practices on Phase I on the open space multi field and games on Saturday. Current games right now are with the MGSA Girl's Softball. However, we are transitioning to Senior Softball as well. So the park is being heavily utilized as well as the Kahului residents using that as a walking area. So those who have been visiting, there's a great walkway, walking path that you can currently walk the park. So again, thank you for that, are we at that time, and the park is being heavily used and I'll leave it to Chair and Members for any questions that you folks may have.

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CHAIR GUZMAN: So, Members, do you need more time to review the agreement? Basically, what we're looking at is what you need to be reading or at least reviewing is what are the County's actual requirements or obligations and what are our responsibilities regarding this type of consideration. If you need a moment to review, we could recess. In the meantime, I would like to call on maybe some of the State representatives to maybe give us an update or some background on this project to date. Is there anyone on the panel that would like to say a brief opening statement? And just please identify yourself when you, before you speak. Yeah.

MR. KUMABE: Russell Kumabe. I'm the Planning and Development Branch, Division of State Parks, DLNR. We have been working with Maui Parks and Recreation on this Memorandum of Agreement for several years. Just to give you some background, it was probably started June of last year when we really started to have very substantive discussions. In July, we had pretty much traded or exchanged drafts of the Memorandum of Agreement. The draft that you see before you is one in which we had worked on until I would say February or March. So, pretty much, a lot of work went into the agreement and just wanted to say that as this whole project is a partnership and collaboration of, you know, various agencies and especially in providing the types of recreational opportunities and venues that we really want to show our appreciation to Maui Parks and Recreation as far as, you know, helping us out in different aspects of the project. We have worked together several years ago when it started off on the design phases. We continue to work together as the park is being developed. As far as for the Memorandum of Agreement, it's coming to a point now where the agreement was pretty much established to do several things. One, first of all, the agreement was basically to identify the use, the operation, and the management of the completed portions of the park. Usually for our projects, we would complete the whole project first and then turn it over before we allow it to be used. But in this case, because of the types of amenities and facilities that the park has that was agreed upon that as significant portions of the park are completed, they can be available for park use or for the use for the community. So the Memorandum of Agreement is based upon establishing what will be the respective roles and responsibilities of both the County and the State, the County as the managing and operating the completed portions of the park at the same time while the State with DLNR is constructing to complete portions of the park. So in concept with the Memorandum of Agreement was to allow two things to happen at the same time, use of the park plus finishing the construction of the park. The conditions and stipulations before you identify what both Maui Parks and DLNR feels is a fair distribution of responsibilities. Basically, our primary responsibility is the funding and construction and completion of the Central Maui Sports Complex. What we see as the County's responsibility is as the completed portions are opened up for public use, they operate and maintain those areas. So the short of it is the Memorandum of Agreement is based on that and the respective responsibilities are focused on those aspects.

CHAIR GUZMAN: I have a question. So when this was being drafted, was this drafted by the Attorney General's Office or from, was this drafted by our Corporation Counsel?

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MR. KUMABE: It was a combination, Chair Guzman. It was first Staff had taken its turn in drafting out the document. Then we shared our respective drafts and then it was in August of last year when we both agreed that we should get our respective legal representatives and counsels involved. So that's where the legal staff was involved so hence thereon it has been a combination of both legal staff with County and/or DLNR staff.

CHAIR GUZMAN: Okay, very good. Thank you. Members, any questions on the opening comments before we delve into the agreement itself on the details? Seeing none, so at this time...

MR. TSUJI: Chairman?

CHAIR GUZMAN: Excuse me.

MR. TSUJI: May I?

CHAIR GUZMAN: Go ahead.

MR. TSUJI: I'd like to say something.

CHAIR GUZMAN: Yes.

MR. TSUJI: Russell Tsuji for DLNR Land Division. I just, one thing I just wanted to mention before...

UNIDENTIFIED SPEAKER: You gotta talk right into the mic. Thanks.

MR. TSUJI: One thing I wanted to mention was that this MOA is really an interim agreement pending the actual set aside document to the Maui County Parks to operate the park. Once that is done, the MOA would no longer be in effect. I just wanted to point that out. Thank you.

CHAIR GUZMAN: Okay, so basically this is for all phases, Phase I through IV?

MR. TSUJI: Because it's being turned over as it is completed. Ultimately, when everything is completed, there will be a set aside, a land disposition to the County for the operation of the park.

CHAIR GUZMAN: Via Executive Order?

MR. TSUJI: Yes, right.

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CHAIR GUZMAN: But pertaining to this document, this is a mutual agreement regarding all four phases that the County is taking responsibility of maintenance and operations of it and the liabilities that go with it.

MR. TSUJI: Yes, it was through the County as well as the State.

CHAIR GUZMAN: Was there any forethought in going with mutual agreements per phase once the Phase I, prior to Phase I, specifically going into a mutual agreement for Phase I, and then when that's completed going into another mutual agreement for Phase II, and then another one for Phase III? Just because the other phases, Phases II through IV have not been completed.

MR. KUMABE: Chair?

CHAIR GUZMAN: Yes?

MR. KUMABE: If I could address that? Because of the way the construction of the project was done in phases and basically what, why it was done in phases was basically the money. Which as whatever funding was available constituted what phase we could pretty much start and implement. So in that process, we're fortunate enough to have I guess the contractor that started with Phase I to continue on to Phase II and to Phase III. So we were thinking of different options but we believe that because of the seamless progression of construction to be completed and because of the way the project was phased that if we had a Memorandum of Agreement that could address the phases, it would kind of address several items. So for DLNR, it would kind of save a lot of the approval steps that we would need to take because for us, agreements, contracts, et cetera, would have to be approved by our land board. So we could have taken this in front of the land board for one, two, three, or four times. We felt perhaps it might be more efficient, more effective if we can consolidate it and just identify that the project is going to be phased. On the other part is that because the intent was to pretty much have the completed phases to be utilized by, you know, members of the community as the layout of the park identifies, it would lend itself that it would be a seamless and pretty much fast transitions for Maui Park and Rec and the community members to utilize the park as soon as possible as opposed to having maybe some time lapsing to get approvals and the approvals processes. So we believe that a consolidated Memorandum of Agreement was efficient and effective in providing, I guess, an expedited means of having more of the completed park phases to be utilized.

CHAIR GUZMAN: Okay. Is there any deadline or urgency to pass out this Memorandum of Agreement aside from the expiration of June 30 for the right-of-entry? And I'm saying that only because I've received this, our Committee here in EAR recently received this transmittal on April 1st, which all Members were in Budget so all our standing committees were held. And so this is the first we've heard of it and this is the first that we're vetting it through and it could possibly take more than one meeting to get through this agreement and some of the terms and questions but be rest assured we'll

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try to get it done it's just that we were all in Budget and this Committee wasn't able to hear it. So is there any other obstacle or deadline or urgency that needs this to be passed aside from the June 30th deadline of the right-of-entry?

MR. TSUJI: Chair, I'll take that. That's correct. Russell Tsuji for Land Division. That is correct that June 30th deadline is the trigger.

CHAIR GUZMAN: Okay.

MR. TSUJI: I think if it was extended...

CHAIR GUZMAN: I noticed that in the Agreement there's an extension in one of the clauses to extend the right-of-entry. So if we don't get through...and it's very complex. And I have to let people know that this is something that we need to take our time with and if it so happens that we don't get a call for a vote or we don't come up with the right solution in our Committee, there maybe, you know, a possibility of this being deferred so that we have more of an opportunity to go through it and vet it through. I don't want to rush this Committee considering the fact that we were rushed the first time during the right-of-entry where it went straight to having a few days of notice that you needed a right-of-entry and we circumvented this Committee's ability to review it and went straight to Council without having the opportunity to ask those questions and had we had that opportunity, maybe this process would have taken a lot shorter of a time but now we've gotta back track and ask all the questions that we weren't able to come up with. So is, you're...

MR. TSUJI: Yeah, we're just confirming that there's an extension.

CHAIR GUZMAN: You're just verifying back and forth. And if there is an ability to extend the right-of-entry, which is going to expire on June 30th to allow this Committee to go over this agreement, which is going to obligate the County with I would say a substantial amount of duties and responsibilities, we would like to have that opportunity to...it's not that we're against the project. In fact, we all are, I can, I'm pretty sure I can't speak with authority but I'm pretty sure of the feelings that I have is that I really like this project and would like to support it for our children and for the community. It's just that we need to take our time and make sure that our responsibilities and duties are in check and making sure that the contract and the mutual agreements that we enter into are going to be reasonable and fair to the County. Yes, Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I'm not super, I haven't seen the right-of-entry in a while but I remember we were kind of asked by this body to not extend the right-of-entry beyond June 30th if I recall correctly. I believe it was requested by this body so just wanted to inform you of that. Thank you, Chair.

CHAIR GUZMAN: But that wasn't, it wasn't in the right-of-entry itself?

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MR. UEOKA: I'd have to look at the right-of-entry but I just remember it being pretty, a pointed comment from this body to the Staff in the Park's Department. Thank you.

CHAIR GUZMAN: Well that's just, that can always be changed. If we needed more time to review this mutual agreement, I, we could call for an extension of the right-of-entry. I don't believe that's going to hinder us in making a proper decision. So, is there any other questions for opening statements? I probably have one additional question before we delve into the details of the agreement. Can you give us an update as to the, I guess, the litigation matters that were part of this project with the Maui Lani Community Associations or some of the neighborhood that had objections to the project and whether that, those issues had been resolved and what steps have been taken to make sure that the community is not going to be detrimentally effected?

MR. TSUJI: Chair, Russell Tsuji. I'll try to answer part of that question. As to the legal side, you know, I had a talk with the Attorney General's Office and basically their response to me was that we're kind of limited on what we can say because of the pending appeal so it's basically that all of the claims, the plaintiffs' claims were dismissed at the trial court level. The plaintiffs have filed an appeal. There may be a preliminary final judgement issued that may send it back down to the trial court level but ultimately when they fix the form of the document of the final judgement, the anticipate, the Attorney General is expecting the appeal to go forward. So, and that's pretty much what they advised me I could say. As far as if, you know, if it is overturned on appeal, how would that impact the MOA or the park, I mean, they, it was really premature to say at this point because, you know, we have to just let the litigation play out.

CHAIR GUZMAN: So if it were in fact overturned on appeal, you're uncertain on the effect of what that has on the County in entering into this Memorandum of Agreement?

MR. TSUJI: Or...

CHAIR GUZMAN: Like what our responsibilities and duties, would those be effected or would we then have to take over a litigation matter?

MR. TSUJI: I don't know about taking over a litigation matter but as far as what would, what an appeal decision ultimately would say is going to be hard to say right now and how would that impact the, I think the final operation of this park, whoever is operating it, yeah.

CHAIR GUZMAN: Mr. Ueoka, do you have any comments on that part?

MR. UEOKA: Thank you, Chair. Well, we do have the ability to cancel this agreement on 30 days notice and also there's pretty much a mutual indemnification provision and any lawsuits pertaining to whatever it is, I don't believe they directly are involving the County so it states the State shall be responsible for any, for damage caused by the State's officers, employees in the scope provided that the State's liability for such

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damage rendered has been determined by a court. So I believe that would probably make us a little safer as the County. Thank you.

CHAIR GUZMAN: But wouldn't that only apply if they're doing the work? Because it only mentions the State employees. Does that also cover Maui employees that are going to be held responsible? Indemnification, is the State going to indemnify Maui County employees?

MR. UEOKA: Chair, if we're, no, the State will be responsible for State actions.

CHAIR GUZMAN: State action, right.

MR. UEOKA: The County will be responsible for County actions but I believe in terms of the pending litigation, that's more of a State lawsuit. It's not a County lawsuit so if anything were to come from it, we'd hope the State would hold up its, or be responsible for those matters not the County, thank you.

MR. TSUJI: Chair, on the, the document is written in the form of responsibility specifically because of the legal issues involved with State government and County not being able to necessarily indemnify another party without impacting Budget and having an appropriation.

CHAIR GUZMAN: Right.

MR. TSUJI: That issue, so it's written in the form of who's responsible for what and that's what we tried to do.

CHAIR GUZMAN: Okay, very good. So...

MR. TSUJI: One more thing.

CHAIR GUZMAN: Yes.

MR. TSUJI: Just to get, I think you asked the last part of your question about mitigation. The, Carty is the Chief Engineer here, so he can explain it better but the...

CHAIR GUZMAN: Oh yeah, what were the solutions.

MR. TSUJI: Yeah. From what I understand...

CHAIR GUZMAN: Did you accommodate some of their complaints or make some adjustments to the design?

MR. TSUJI: You know, I think the State...

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CHAIR GUZMAN: And what were those?

MR. TSUJI: The State did, and Carty can jump in right after this, is that they ended up not putting up the lights. But it is, I understand, one softball field and one baseball field will be stubbed out with the electrical meaning in the future, if there is a desire to add the lights, it will be, you know possible. But like they did not put on the lights and Carty, I don't know if you want to add.

MR. CHANG: Carty Chang with the Engineering Division of DLNR. Chair, I think when we brought this to the Planning Commission, there were some concerns and we did a number of studies, noise study, traffic study, and a light study and those studies resulted in minimal impacts. Furthermore, we went and also tried to go one step further by obviously what Russell said, we're not putting up lights however in the future there's a possibility that the County could put up lights. There's also removal of a baseball field that was planned and that was taken out of the scope. We also limited the fields in our report back to the Planning Commission to only three fields on the parking lot side of the park. So when you're looking at the park, I think on record, the Department is saying that we're only going to allow for lights on three of the ball fields. So it could be one softball, one baseball, and maybe one soccer field. There was other mitigation, eventually, as far as the traffic, I think there's going to be some traffic lights installed on the intersection of Kam Avenue and what is that, Kamehameha and Maui Lani Parkway. That should mitigate further concerns. In the future, I think when A & B does come in and build a development they're going to be required to put in another intersection along Kuihelani Highway, which should mitigate the traffic, some of the traffic concerns. Also, there were some trees. We were concerned about the lighting. There were some trees put along the borderline of Maui Lani so that would mitigate some of the noise. There's also a setback that we made sure that the fields were set back to a certain degree. Although you're going to hear noise, there's ways that we minimize it. There's not going to be absolutely no sound. There's obviously a park but I think to the extent possible, we tried to mitigate it to some extent that at least addresses some of the concerns of the adjacent community.

CHAIR GUZMAN: Okay, very good. On a follow up question on the impact to traffic, traffic impacts, is there a proposal to integrate another roadway? Is the State going to help fund an additional roadway or is that going to be all on the County.

MR. CHANG: You're talking about a roadway to access from Kuihelani?

CHAIR GUZMAN: Uh-huh.

MR. CHANG: I think that's going to really be...

CHAIR GUZMAN: There's only one access right now.

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MR. CHANG: Correct. I think that's going to be up to the State Legislature to see if that funding could be appropriated in the future but I think if that was appropriated by the Legislature then the State would be involved but that's a decision I think up to the Legislative Members.

CHAIR GUZMAN: See, that would be part of my concern on the additional access and whether that could be a condition of phase, maybe III and IV of completion. That that be part of this, you know, at least --

MR. BUENCONSEJO: Chair?

CHAIR GUZMAN: --partial funding on that?

MR. BUENCONSEJO: Chair?

CHAIR GUZMAN: Yes, Mr. Buenconsejo?

MR. BUENCONSEJO: Just to jump in on the Kuihelani access point to, I guess, that point. From the very beginning, that will be established once A & B Housing Development, to my understanding, that's when the road will be cut into the Kuihelani Highway with traffic lights there but that was part of the entire A & B Development is when that second access route will be accessible. In the meantime, that will just be as an emergency route. It will be gated but as an emergency route access to have a two-way access point but the actual construction build out, to my understanding, is through A & B.

CHAIR GUZMAN: And when is that going to be, I guess, completed or at least started?

MR. BUENCONSEJO: I'm trying to think. That I'll have to get back to you in regards to that project. The State may have some ideas on it.

CHAIR GUZMAN: Okay. Does anyone on the panel know when that project from A & B will be?

MR. CHANG: I'm not sure on the timeline of the A & B Development. You're talking about Waiale?

CHAIR GUZMAN: Right.

MR. CHANG: Yeah.

CHAIR GUZMAN: Waiale and then the entrance, I mean their subdivision. I don't even know where their subdivision permits are at this stage.

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MR. CHANG: I'm not sure of that, where A & B is right now going through the entitlement process.

CHAIR GUZMAN: Okay, so it's unknown.

MR. CHANG: Unknown. I think that's a question for A & B.

CHAIR GUZMAN: Right, right. Okay, thank you. Members, any further questions before we get into it. So why don't we go ahead and start with Exhibit 1 to the attached resolution. And we're going to look at the introduction. This is on the first page there. Everybody pretty much can read what the complex entails and I'll read it for the record. The complex will comprise of a quad of four softball fields, a quad of four little league baseball fields, open space areas for multi-use fields such as soccer, rugby fields, two comfort stations, two concession stands, parking area, pathways, and landscaping. The County expressed interest in adding other park elements, such as playground, soccer field, playing fields. The layout of the complex is attached as Exhibit A. Does any of the Members have issues with the introduction, any portion of that? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Just a question on the second to the last sentence, the County has expressed interest in adding other park elements, such as a playground and soccer playing fields. Is that just to kind of allow us to do that or, I mean, it kind of seems like not a needed statement.

CHAIR GUZMAN: Yeah, you must be looking at my notes as well.

COUNCILMEMBER COUCH: I mean, yeah, we have...

CHAIR GUZMAN: Let's ask Mr. Ueoka and then get a response by the panelists. Mr. Ueoka, on that second sentence on the introduction.

MR. UEOKA: Thank you, Chair. My understanding is it's because of that open space portion on the map, multipurpose field, it's just so it's clear that State's okay with us doing other stuff with it and, you know, it's in the agreement that we expressed interest to it and it's an idea that might go forward sooner rather than later because it is part of Phase I, that open space area. Thank you.

CHAIR GUZMAN: Does that need to be specifically identified in that sentence or is it that sentence is general, is okay as a general expression of interest? It, I don't know, I feel weary having that.

COUNCILMEMBER COUCH: Yeah. Mr. Chair?

CHAIR GUZMAN: Yeah?

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COUNCILMEMBER COUCH: I mean, if they're saying it's okay if we put some in but it would be at our expense kind of thing, then I'm fine with that but this, and again this whole thing goes away when it gets turned over to us, which I have some issues with that as well but so this is saying, and maybe if we get it on record that's enough that it's okay if we decide to put in something in that open multi-use area of Phase I but it's up to us. It's our kuleana and our money. But you're okay with us doing it during the completion of the rest of the phases?

MR. KUMABE: Russell Kumabe, Division of State Parks. Yeah, that was just to provide the County with the flexibility and ability to put in additional elements in the operation and management, Councilmember Couch, the open space area to utilize that to its, you know, what is felt to be its best use. So rather than having everything turned over, the MOA would allow County to pretty much the areas that is taken over for, in this case it's Phase I, in the open-space areas utilize that space to what you think, you know, your community folks would need. Open space, soccer fields, playground, dog park. So it was left to the County to basically decide and implement.

COUNCILMEMBER COUCH: Okay. And Mr. Chair, I'm okay with that as long as it's on record. I don't think we need to put it in there. We've got it on record now.

CHAIR GUZMAN: It's on record.

COUNCILMEMBER COUCH: Thank you.

CHAIR GUZMAN: Okay, very good. And that's what the purpose of this meeting is for as well, to clarify and to put some statements on record so that in case we need to go back, we have a transcription to make sure that's what the State said. So moving on, for the terms, now we're going into the conditions, we have A, the completion of complex. And I'll read it for the record. Number one, the State shall complete the construction of the complex, including Phase I through IV and all easement entitlements, design and construction require for the implementation, required for the completion of the complex subject to Legislative appropriation and allotment of the funds through the Executive Budget Process sufficient to cover the cost of completing construction of the complex. Due to available funding, it is understood that the State may not be able to include facilities such as scorers, booths, bleachers, additional lighting, and other elements. So Mr. Ueoka, what does this mean to, in layman's terms, Number One, for the County's responsibilities and obligations?

MR. UEOKA: Thank you, Chair. The County has no obligation here. This is the State's going to do it type of statement. Thank you.

CHAIR GUZMAN: You don't want to elaborate more? Just put it in layman's terms?

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MR. UEOKA: Chair, I guess I don't want to get into too detail on legal analysis on an agreement but basically it just says the State's responsible for building the complex out. It has no responsibility for the County. Thank you.

CHAIR GUZMAN: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Again, I have a concern with the last statement here. Due to available funding, it is understood that the state may not be able to include facilities such as scorers, booths, bleachers, additional lighting, and other elements. So is that just in case you run out of funding? Because these are pretty integral items to this complex.

MR. UEOKA: Chair?

CHAIR GUZMAN: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Mr. Couch, this project's being completed in phases. There's no guarantee that they'll get the money for phase II, III, IV much less or it might get cut, much like this body can cut funding for certain projects. So they can't guarantee us any of that. That's what that statement's saying.

COUNCILMEMBER COUCH: Okay.

MR. UEOKA: While it's all in the preliminary plans and drawings for this project moving forward, things happen.

COUNCILMEMBER COUCH: Sure.

MR. UEOKA: Funding gets tight. So I think that's the purpose of that statement. Thank you, Chair.

COUNCILMEMBER COUCH: If that's the case, then if they decide to cut your funding, we can tell you where a pool of money that should come back here anyways. Our TAT. I'm channeling Mr. White and Mr. Hokama, but you can use some of the TAT funds for this for sure. Anyway alright, thank you, Chair.

CHAIR GUZMAN: Yeah, thank you. Any other questions on this item, on this section?

VICE-CHAIR COCHRAN: Yeah.

CHAIR GUZMAN: Ms. Cochran?

VICE-CHAIR COCHRAN: Thank you, Chair. Yeah, so I was, I highlighted that last sentence also because those are things that can add up in price and definitely will complete the facility with bleachers and what have you but what would you folks determine to be

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other elements? Because it just states scorers, booths, bleachers, additional lighting, and other elements.

CHAIR GUZMAN: Yeah, other elements.

VICE-CHAIR COCHRAN: So what kind of other would that be?

CHAIR GUZMAN: Anyone on the panel?

MR. CHANG: Yeah, I think the reason why that statement is there is also because if the park is built within the funding that we have available now, there's still going to be a viable project for the County to use with or without the bleachers, lighting...there's still a viable project absent of these other elements that are noted here. I think the other elements that is going to be things that the County could choose to compliment the park, you know, whatever that may be. If they want to put a playground or more features that make it a park that compliments your other parks. I think what the State is doing is we're building what basically you see on the plan and we only have x amount of dollars, so I think this leaves it open to the County to come in and add scoring booths, which is in a sense a good thing but not necessary at this point to have a viable project and to open the park at this point in time. You can still play day games without lighting. There's other things that, I mean, the park can still be run without these features.

VICE-CHAIR COCHRAN: True.

MR. KUMABE: Could I add to Carty's statements? I think the other elements included things like scoreboards and other amenities needed, you know, for, you know, the ballfields. If I can direct your attention to the handout that was provided, Page 2, and in light of the funding question, Item No. 3, funding, what you see in the bullets is what the State Legislature and the Administration has appropriated and approved an released for funding. So what you see before you, except for the last one, the \$1.75 million, that was just appropriated in this 2016 Legislative Session, so we still need to get the approval and release of those funds but prior, the other elements up there are funding that we already have, allowed as funding that we already spent but this is the amount of monies that the State is putting into the development of the complex. So that statement was meaning that even with the amount of monies that are shown here, we still are not able or may not be able to provide a lot of the things that we had said in that particular sentence, which is the scorer's booth, bleachers, lighting, scoreboards, et cetera. Our prime focus is to pretty much develop the fields, the four softball fields, the four little league fields, the soccer fields, two comfort stations, two concession stands, parking areas for 700 cars, lighting, et cetera and also infrastructure to that. So that was meant to kind of just put in yes, we are funding the construction of the complex but due to either the amount of monies we have or the construction costs that are prevailing, we are basically focusing on the completion of the complex and may not be able to put in those other items.

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VICE-CHAIR COCHRAN: Okay. So it looks like the total is over \$31 million that you folks already have appropriated, you have gotten...

MR. KUMABE: Except for the \$1.75 million.

VICE-CHAIR COCHRAN: The 1.75?

MR. KUMABE: So yeah, about almost 30, yeah.

VICE-CHAIR COCHRAN: Okay. And so who, I was just wondering how come there's no football here? Is there, I only see softball and soccer and the, did the community decide what kind of fields were built or did you folks decide what kind of fields are built or how was that determined?

MR. KUMABE: I do believe that as we were planning out the complex, we also had discussed it with Maui Parks and Recreation and it appeared that I think the best use for this area was for the baseball and soccer fields where I do believe the County may have been planning to develop park areas that may accommodate the other field sports.

VICE-CHAIR COCHRAN: Okay. Okay, thank you. Thank you, Chair.

CHAIR GUZMAN: So basically on the, this document that you've provided, when you indicate as Number One, park area 65 acres, what's listed in Phase I, that's a complete list of what you are, you meaning the State, is responsible for building. Anything other than that it's going to be on the County? It's going to be identified as, I guess, other elements?

MR. KUMABE: Chair Guzman, yeah, I do believe, and members of the panel will join in, but what you see as far as for that Page One, Phase I is what has been built and turned over to the County. That is correct.

CHAIR GUZMAN: Correct. And so when we go into...

MR. KUMABE: Turn over the County in, I should clarify that, turn over to the County as far as for the use of the fields and the open field area, comfort station, and concession and parking.

CHAIR GUZMAN: Okay, what about the irrigation well pump?

MR. KUMABE: Irrigation well pump, the County is free to utilize the irrigation system and I do believe our contractors who have installed the system have provided County staff with the training and County staff is pretty much utilizing the irrigation system and controlling it to the best of, you know, of their use.

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CHAIR GUZMAN: Okay. And that's also with the booster pump system? Oh no, sorry...yeah, that's right.

MR. KUMABE: Yeah, booster pump system is a booster pump system needed for the County potable water?

CHAIR GUZMAN: Right.

MR. KUMABE: That would service the bathrooms and drinking fountains and of course the faucets and the basins.

CHAIR GUZMAN: The park walkways and stairs and paths, are you guys, did you construct that already?

MR. KUMABE: In Phase I, if you see the sidewalks, the walkways, the parking areas, the stairways, the ADA rails, everything is pretty much what we had built and as the phases go on as required with the parking areas, the roadways, and the pathways, those will be constructed in the subsequent phases.

CHAIR GUZMAN: Okay. So when we get into Phase II that you have indicated, let's see, one, two, three, four items, that's, are there additional items that you'll be completing along with Phase II or is this the complete list of what you'll be doing in Phase II?

MR. KUMABE: What's before you on Page 1 is the description of all four phases, Chair Guzman, to clarify Phase I has been completed.

CHAIR GUZMAN: Right.

MR. KUMABE: Phase II is in progress and because Phase III, we were able to retain the same contractor, I do believe they even have started some of their preliminary site work on that. So as far as for the phasing, we try to keep the project as seamless as possible is pretty much all what we're trying to do.

CHAIR GUZMAN: So I guess my follow up question would have been if there is a complete check list that you were to be, I mean, consider, at least once the checklist has been completed, it's considered the phase has been fully completed, where is that checklist and just for making sure that the responsibilities are identified. And I'm referring to the first paragraph where it says other elements in which the State is not responsible for. I want to close that gap and truly specifically identify what will be done in Phase II.

MR. CHANG: I guess each phase because it was bid out separately as separate bid packages, each would have the specific scope of work as described on this table. When the project is completed, essentially what will happen is the State will accept those improvements that are built under each project package and at that time we'll

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basically notify the contractor that the State has accepted these improvements and at that point in time, the County would take over those improvements or take over the maintenance of those improvements.

CHAIR GUZMAN: Yeah. And that's my concern is basically we are preliminarily agreeing to something that we don't know that, you know, what has been, I guess, agreed, what is the responsibility? What is the specifics of what the Phase II entails? You know, like for instance, I'll just take an example. Let's say landscaping wasn't part of your list and you completed one through three, you indicated that that's what you were going to do and then later on we say hey, you guys didn't finish the landscaping and then the State says oh, no, that's under the other elements. That's on you guys, the County. You guys finish the landscaping. And that's just an example. You know, and that, this whole term of other elements is so vague and general that if we don't know what your true obligations are, we cannot call the State to do it. They'll use the catchall, oh, that's the other elements so that's on the County. And that's where my concerns are and I'm pretty sure that's where Member Cochran was going with at least identifying that language in Section One.

MR. CHANG: When I mentioned that we have bid packages for each phase, the bid packages includes the plans and specifications for each item of work, which we, I believe we shared with the County. They reviewed it. The blessed it and if the Council doesn't have it we'll be happy to share those project bid packages with the County so the County will know exactly what elements of work are within each phase.

CHAIR GUZMAN: Yes, that would be very helpful --

MR. CHANG: Okay.

CHAIR GUZMAN: --considering we didn't get it from the Department, you know. That would be very helpful if we could have gotten at least some access to how this whole process came about. Excuse my, I don't want to get my high blood pressure going but I, a lot of times, you know, just let me just specify that a lot of times we get the tail end of things and then we're hurried up to make decisions when all along if we had been informed and at least having some type of data that was transmitted to this Committee maybe we'd be ahead of the game at this point but as it is we're basically asking for that data. That would be very helpful for this Committee if we could see those package and to see specifically what these bidders, or the vendors or the contractors are obligated to do and that way we would have that checklist to see what specifically they're obligated to build.

MR. CHANG: Okay. So what I'm hearing is that the Council would want to see the bid packages that DLNR put out?

CHAIR GUZMAN: No, the ones that were granted, the bids.

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MR. CHANG: Okay.

CHAIR GUZMAN: And what was the, what were their obligations.

MR. CHANG: Okay, so plans and specs of the, we call it plans and specifications of the bid documents.

CHAIR GUZMAN: Right.

MR. CHANG: Yeah, okay. We can send that.

CHAIR GUZMAN: So then that way if ever there's, you know, a question as to other elements, we kind of know it's, what we're talking about.

MR. CHANG: Okay, we'll get that to you, Chair. Thank you.

CHAIR GUZMAN: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Just for some clarification. Nothing in this MOA just can make the County be responsible to build something. I understand there'll be other pressures and stuff on the County and the Council to do certain things to complete a park but nothing in here says that we are required to complete it if the State does not fulfill it. Also, this agreement does state that we assume maintenance once we start using it. So if there's a section that the Park's Department has gone through the allowed inspection process with the DLNR and does not see that it's up to, you know, their specifications and requirements I would imagine the Park's Department would not use the area therefore we would not assume responsibility and I'm sure if it got really bad we do have the right to terminate this agreement. So I just wanted to clarify that. So there are options there. Thank you, Chair.

CHAIR GUZMAN: Yeah, it wasn't that I was questioning that aspect of it. I was questioning what, basically what is the responsibilities? What are the specifics as indicated in this first page of the document and he had mentioned oh, Phase I, this is all that has been completed but when we lead into Phase II, it seems that this is an incomplete list. So my question was what other items are going to be completed in Phase II that we would at least have a general knowledge of knowing and if we do know it then we can basically say, okay, well if we do know the specifics, the term other elements we can identify. The specifics are not the other elements. Does that make sense?

MR. UEOKA: Oh, yeah. Chair, I just wanted to make sure that was clear that we have no responsibility on the part of the County to build anything out for this park. This is a maintenance and use agreement. Thank you, Chair.

CHAIR GUZMAN: Okay. Mr. Hokama, followed by Ms. Baisa.

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COUNCILMEMBER HOKAMA: Chairman, thank you. I've read the proposal a couple of times and I'm happy to support it this afternoon, Chairman. What I will say though is I am, I hope we don't get so involved because for me at this point it is still a State CIP project. This is not a County project. This is a State CIP project that the County is being asked to consider taking responsibility upon completion of the project and it is also my understanding that after all four phases, the State, through it's department are still required to return to us for a final approval. So stating that, Chairman, again, when you look at operations on Page 2, point 6 and 7, the agreement anticipates unforeseen situations that will come up. I think those points state that the County will work with the State in a cooperative manner to deal with those unforeseen issues and to come up with some suitable mitigation options to deal with those issues so I feel that the County still has a lot of say in what we're going to do in the future, particularly with financing this operations and at this point though, since we're already using the property in a sense, we have already assumed and granted certain approvals by the temporary right-of-entry since we are operating and we are utilizing a public or a community lease for use so. Chairman, I appreciate everything you're going through because I had those same concerns that you are sharing with the Members of this Committee so I appreciate your efforts but I will say though that I think both the State and the County attorneys worked hard to ensure coverage for both parties and being a fair document regarding liability and indemnification. Thank you, Chairman.

CHAIR GUZMAN: Okay, thank you, Mr. Hokama. And that was probably one of the issues that I also agreed with you when the right-of-entry came before us that it had language in there that basically preliminarily committed us to the next step, which was the agreement and so as I foresaw, it's a Catch-22. But anyways, moving forward, we'll go through the document and if by the time we go through it, if we're ready, if all the Members are comfortable or need more time to vet this through, we'll determine at the end of this process. So moving on. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. And just for your knowledge, I'm not a Voting Member of this Committee but we will be voting on it at some point and so I wanted to be here to listen to this discussion and I also share the concerns of my colleagues about these other elements and things that are not quite set yet but I do understand that, you know, as things are in progress, we cannot have everything totally identified. Stuff happens unfortunately. But I am kind of curious, Chair, if we have any indication or any kind of performers that have been given to us as to what this park will eventually cost us to operate? This is not going to be a cheap endeavor and I think that's something we might want to take a look at. It's a big potential impact on our Budget.

CHAIR GUZMAN: That's a very good question, Ms. Baisa. Let's deviate briefly and allow the Department to answer that question. What are we talking about in terms of costs, maintenance, operations for Phase I, Phase II, Phase III, Phase IV? Is there the performer that has been generated?

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MR. BUENCONSEJO: Chair, thank you, Chair, Member Baisa. Yeah, so we do have a current situation. We are obviously maintaining Phase I. When we say maintaining Phase I, currently we have about three to four members on staff that will go there three times a week just to cut and maintain Phase I. With maintenance of the fields as well as the restrooms and concession. For what the, basically the end result and estimates of a price tag, that would be completed at Phase IV in full running capacity of all aspects of the park. You know, looking at it right now with the current situation for equipment and some of the utilities that are needed or accessories that are needed, you know, when it comes to gauging some of the scoreboards and other amenities to the park bleachers, we're probably at about a half a million dollars of equipment costs when we get to that phase. We are working with the State. They are trying to implement some funding for that, again, based on their approval and their budget as they move through the process but we will be at about a half a million dollars in equipment and accessories for the fields. Manpower, we're basically, we'll be needing roughly four to six new bodies. However, realize those bodies aren't strictly for this regional park. These bodies will be needed no matter what due to the influx of parks. Right next door to that we have the Maui Lani Park, about 15 acres, that will be turned over this year. We also have Kealani Mauka that will be turned over early next year of 2017. So with the expansion of our own parks, we'll be needing that manpower. So that six-member team will be designated to the surrounding parks around them. So it won't be the full time there but the actual price tag when it's all said and done is about a half a million dollars as mentioned. We're estimating currently, our utility bill currently right now with just Phase I, again not having the lights for the fields, we're at about \$600 and about \$30 for the two electric and water. We do have our well for our irrigation water. So that will, you know, say we triple that when it's all said and done because again, lighting won't be sucking the energy like it would be say at Keopuolani where we have lighting on every single field. So I don't see the utility bill being up drastic. Our manpower, basic manpower in giving you those numbers that I gave you, operating costs will be somewhere in the \$150,000 range per year with the different positions that we do have. I did some little calculations on that. Even at \$150,000 or \$180,000 per year on manpower, we could times that by 100 year and we would not catch up to the \$30 million being spent by the State. However, I understand that there is a cost that we need to operate and this body needs to fund for. But it is something where the County is getting, you know, we are working in partnership with the State and again, with the \$30 million price tag that this park did come to put up front for the County to maintain and the service that we're providing for the County and the community that's involved in it, I think that token of that \$150,000 again not just for this park, maintaining other fields that are coming to us is something valuable for the County.

COUNCILMEMBER BAISA: Thank you very much, Chair, for the information. I think it's important that, you know, we not only think about the present cost but also these costs go on and on and we sit here through Budget trying to figure out how to pay the bills so it's on my mind. Thank you.

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CHAIR GUZMAN: Thank you. Okay, could you provide us that information in writing and just break it down per fit per phase on how much is, I guess, what you said, the price tag would be per phase so that we could plan in terms of our Budget since the years go.

MR. BUENCONSEJO: Yeah, Chair, I'll clean it up a little more but I'll have that for you. Just to add on some, one more last bit is the possibility of concessions. We could possibly see some revenue in the park that would offset a little of the cost. I'm not going to say carry the whole park but there would be some offset of costs that we can get from some concessions or sponsorships in the park area that could alleviate some of the expense.

CHAIR GUZMAN: Ms. Cochran, followed by Mr. Couch.

VICE-CHAIR COCHRAN: Thank you, Chair. And looking in Section B, Items, I guess, four and five in regards to the well and reservoir. Does anyone know what the sustainable yield is out of that well and what the water needs would be for this build out?

CHAIR GUZMAN: Mr. Chang?

MR. CHANG: Carty Chang. I think what you're looking for, we don't call it sustainable yield but the yield of the well is basically 600 gpm at, pumping at gallons, excuse me, gallons per day, gpd.

COUNCILMEMBER WHITE: Six hundred or six-hundred thousand?

MR. CHANG: Six-hundred thousand. Six-hundred thousand gpd.

VICE-CHAIR COCHRAN: Wait, 600 gallons?

MR. CHANG: Yeah, it's about 0.6 mgd. Normally, we go 1 mgd is like...

VICE-CHAIR COCHRAN: Okay.

MR. CHANG: The needs of the park are not quite that much. So in essence, the well will yield a lot, not a lot more, but more than the park needs.

VICE-CHAIR COCHRAN: Needs?

MR. CHANG: Correct.

VICE-CHAIR COCHRAN: Right. But it's stipulated here that it does, this does not limit you folks, the State, from utilizing water from this well for future needs if it arises so I was just curious what the yield is, how much is the park going to need, and what ideas do

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you, if any, you folks have to tap in and utilize this source also in the future if you have any.

MR. CHANG: I think, well as far as the, I think you understand the part, the yield of the well and you know the needs of the park. So there's an excess. How we determine where that excess is applied is normally through a development of, we call it a State Water Projects Plan and we have a duty under the Water Code, Chapter 174 C to come up with a 20-year plan to identify the State demands of all the Statewide facilities. I think that feeds into the County's water use and development plan but we're mandated to come up with the State needs for that and how we meet those needs. So by developing source for State projects, which include wells, we negotiate with the counties, particularly the Department of Water Supply, to turn over these sources in exchange for water credits that we can use to support State projects in the future.

VICE-CHAIR COCHRAN: So you don't necessarily need to use this exact source then, the credits you just said? You could utilize it for another State project on different parts of the island?

MR. CHANG: Correct. That would be part of the negotiation that I think normally it's within the aquifer or the interconnected system where that's part of the negotiations. You know, it doesn't have to be adjacent to this park.

VICE-CHAIR COCHRAN: Okay.

MR. CHANG: It could be within the system or the Central Maui Aquifer.

VICE-CHAIR COCHRAN: Okay, yeah. Alright, yeah, that's...alright. Learned something new. Thank you very much. And I guess the maintenance of the well is, will be County's responsibility?

MR. CHANG: The operations and maintenance.

VICE-CHAIR COCHRAN: Yeah, operations, maintenance, whatever needs may arise for the system.

MR. CHANG: Yeah.

VICE-CHAIR COCHRAN: Yes. Okay, I don't know. Mr. Chang.

MR. KUMABE: Councilmember Cochran, yes, I do believe through the right-of-entry or, and the Memorandum of Agreement that would be part of the operation and maintenance responsibilities so that is correct.

VICE-CHAIR COCHRAN: Okay. And no charge to the County?

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MR. KUMABE: No charge to the County for the use of the waters coming out from this particular well.

VICE-CHAIR COCHRAN: Right.

MR. KUMABE: No, not at all.

VICE-CHAIR COCHRAN: Just the potable part?

MR. KUMABE: It all should be, the County can be, you guys can address, you know, operate it and, you know, pay for the costs of what you need to do to operate and use the water. We'll not charge you for the water, that's correct.

VICE-CHAIR COCHRAN: Okay. Very good. Okay, thank you. Thank you, Chair.

CHAIR GUZMAN: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I want to thank these gentlemen for being here. You know, it may seem like we're grilling you but we're just trying to get our due diligence in. I agree with Mr. Hokama. We've got some good outs here if necessary. I've gone through the whole thing and I only have two questions left, Mr. Chair, but then I'm pretty much ready to vote on this. I think it's a great gift, somewhat of a gift, a good cost sharing with the State. You know, the State's going to build it and we'll operate it and as Mr. Buenconsejo said, it's going to be a long, long time before we match what the State has given us so I'm appreciative of that. It's, my two questions, and I'll just tell you what the subject is and when you feel it's time to talk about it is make sure that the soccer fields are regulation size because we've had that issue with the South Maui Park that they aren't, they're just barely regulation size. And the other thing is why are we executive ordering and why not just, if you guys aren't ever going to use it again just give it to us. Those are the only two. Otherwise I'm ready to act, thank you.

CHAIR GUZMAN: Very good, Mr. Couch. Mr. Chang, what about the regulation, the soccer regulation fields? Are they, yeah, the size, are they regulation?

MR. CHANG: Well, we're building an open grass area and I'm not really sure how you guys mark it out, the sizes as far as regulation but we probably could fit at least three regulation size. Is that, true? I just want to confirm with Parks because they would know the regulation sizes of how they would mark that out.

MR. BUENCONSEJO: Chair, yes. So it's showing three, Phase IV shows three soccer fields but the proposed plan is, again, it's a big grass lot that we've designated to be soccer fields on the three regulation. Also Phase I's open space can also fit two full sized regulation soccer fields or twenty little termite soccer fields to accommodate that so it is definitely sizable for that.

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COUNCILMEMBER COUCH: Mr. Chair, just real quickly, to remind the Department at least that the regulation soccer fields go from 55 yards wide to 100 yards wide and 100 yards long to 120 yards long so the minimum, yeah, is okay, but if you want to get high school soccer and other, you know, better attendance from better teams, you may want to make it closer to the bigger end if we have the room.

MR. BUENCONSEJO: Chair, we'll definitely look into that as we construct those fields, or line the fields, I should say, making the measurements on there.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR GUZMAN: Thank you. Is there any other further questions in regards to the terms?

COUNCILMEMBER HOKAMA: Chairman?

CHAIR GUZMAN: Mr. Hokama?

COUNCILMEMBER HOKAMA: I would love to have Mr. Tsuji respond to Mr. Couch's part two of the question.

CHAIR GUZMAN: Oh, part two. Yes, yes, I thought you were making fun. But yeah, let's ask that question.

MR. TSUJI: Chair, Russell Tsuji, Land Division.

CHAIR GUZMAN: Why not just convey the entire parcels to us instead of executive order it?

MR. TSUJI: For various reasons, Chair. The law right now is very difficult to transfer fee anything other than a remnant away without going through the Legislature and getting supermajority approval of both houses. But more importantly, historically, when the State sets aside lands to counties for park uses or county building or something, it's generally by set aside and although most times that's the last time we'll ever see it but there's still a chance if every it's no longer used for its intended purposes it's supposed to get returned back to the inventory of the public trust. I just wanted to mention when Director mentioned the concession it rang, it reminded me, I just wanted to advise the Council that this park will need to be, remain in recreational use and be a park. There will be a stipulation to that effect on the land that the State as well as ultimately the user of the facility, like the County, would have to abide by. That's being transferred over from the _____ (mumbled something 14:12:49).

CHAIR GUZMAN: Mr. Hokama?

COUNCILMEMBER HOKAMA: I understand that and just a couple of unique things here, Mr. Tsuji. When the State asked this County for land they wanted in fee, they don't

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ask us to transfer by Mayoral executive order. They ask the County to give the State in fee so I find it interesting you wouldn't give us the same consideration in return for reversing the process. The other part that I would say is we are looking at allowing like City and County of Honolulu concession rights in our parks with the agreement that basically goes back to those parks to help maintain and operate as it was intended to. So is that an issue? Because we're using the revenues --

MR. TSUJI: Right.

COUNCILMEMBER HOKAMA: --to help maintain as well as potentially improve the park.

MR. TSUJI: It should not be as far as we understand, Councilperson.

COUNCILMEMBER HOKAMA: We have it on the record, Chair.

CHAIR GUZMAN: Yes.

COUNCILMEMBERS: . . .*(Laughter)*. . .

CHAIR GUZMAN: But I would assume that Number 11, Term 11 would come into play where the County must obtain written approval from the Chairperson of the Board of Land and Natural Resources if we were to make construction improvements or, does that, would that...

MR. TSUJI: And again that...

CHAIR GUZMAN: Would concession be identified as install construction, construction improvements?

MR. TSUJI: No.

CHAIR GUZMAN: So that would be a different matter all together?

MR. TSUJI: Right.

CHAIR GUZMAN: Okay.

MR. TSUJI: And just to remind you, again, once this thing is set aside, you won't need to come back to the Board for approval if you want to construct.

CHAIR GUZMAN: Right. Okay, right, right.

MR. TSUJI: You know, put up the lights or...

CHAIR GUZMAN: Okay, very good.

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COUNCILMEMBER HOKAMA: And Chairman just to bring that up as you were very detailed on Phase I, part of Phase I says concessions. And I'm assuming concession building means we can operate concessions. So I'm just making that connection of the thoughts especially if we enact our policy by ordinance, it's going to be County law that we're going to be following so I just wanted to be very clear, up front with the Department.

MR. TSUJI: That was the plan, right Carty?

MR. CHANG: The concession was meant to sell...

CHAIR GUZMAN: Mr. Chang?

MR. CHANG: I think the concession was meant to sell but not cook food because the wastewater system is not...

COUNCILMEMBER HOKAMA: No, we understand, you know, the physical limitations. My point is that we want to look at potential revenues to help support the operations and maintenance of the parks and that's why we're looking at this type of revenue source to help the parks have the funding to be operated at the level the community expects it to be operated at.

MR. CHANG: That's correct, Councilperson.

COUNCILMEMBER HOKAMA: Yeah, thank you.

CHAIR GUZMAN: Alright, any other questions regarding this agreement, Members? Mr. White, anything?

COUNCILMEMBER WHITE: No.

CHAIR GUZMAN: Okay.

VICE-CHAIR COCHRAN: Sir, real quick, Chair?

CHAIR GUZMAN: Yes, Ms. Cochran?

VICE-CHAIR COCHRAN: Page 4, Item C-2, the County shall be represented by a designated rep determined by the Mayor, would that be Director of Parks? Is that who that person is?

CHAIR GUZMAN: Mr. Ueoka?

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MR. UEOKA: Thank you, Chair. Yeah, I believe currently the designated representative is the Director of Parks and Recreation currently.

VICE-CHAIR COCHRAN: Oh, okay.

MR. UEOKA: I guess Mayor could re-designated if he chose so but I believe it will be the Director. Thank you.

CHAIR GUZMAN: Did you have an issue with that? Did you want...

VICE-CHAIR COCHRAN: Yeah, no. No, I was just wondering who, and I assumed it would be probably Parks since this is a park. And in regards to E, Item 1, when all is said and done then that is when DLNR will request to BLNR for the EO, the executive order to happen?

MR. TSUJI: That's correct.

VICE-CHAIR COCHRAN: And so that, I guess, in a sense is the recreational park area but the irrigation, well, and reservoir still stays with the State? That doesn't come with the EO? Is that...

MR. TSUJI: Yeah. I think, as I was speaking with the Chief Engineer, Carty Chang, they were intending to do is to carve out that area. Ultimately, you know, after he negotiates with the Board of the Department of Water, would be intended to be set aside to the Department of Water after the water credits are negotiated, yeah. So it would be a separate. Because one would be Parks, one would be Water, Department of Water. The idea is separate set asides.

MR. CHANG: Probably negotiate a separate intergovernmental agreement and turn over the well, appurtenances, and maybe an access road to the County at a later time separate from this EO. So we'll need to carve out, we'll need to identify the meets and bounds of the area that we want to negotiate and turn over under separate agreement. Usually it's an IGA or some type of intergovernmental agreement with the County.

VICE-CHAIR COCHRAN: Okay. And that would come through this body also to see and approve?

MR. CHANG: I believe so. Well work with the DWS but ultimately it will come back to the Council. That's my understanding of the process.

CHAIR GUZMAN: Let me verify that. Mr. Ueoka?

MR. KUMABE: Russell Kumabe.

VICE-CHAIR COCHRAN: Sir?

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CHAIR GUZMAN: Wait, hold on a second.

VICE-CHAIR COCHRAN: Okay.

CHAIR GUZMAN: Want to come back to that Counsel, Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Typically, we send up the EO's to Council for approval by resolution I believe before the County accepts the land.

VICE-CHAIR COCHRAN: But the water?

CHAIR GUZMAN: The water. The water is separate.

VICE-CHAIR COCHRAN: The water part?

MR. UEOKA: Same thing. It's still the acceptance of land by the County. I'm not sure if Water has special rules but I'm fairly certain it still comes through Council. Thank you.

VICE-CHAIR COCHRAN: Okay. And Mr. Kumabe?

MR. KUMABE: Yeah, Russell Kumabe. Just to further clarify, the water resource that would be provided to the County, no charge, et cetera so I just wanted to make that clarification. Yeah.

VICE-CHAIR COCHRAN: Okay, very good. Okay, thank you. Chair, I'm good, thank you.

COUNCILMEMBER BAISA: Chair?

CHAIR GUZMAN: Would that ever change, that standard that you just stated that free of charge? Would that ever, would we ever receive a bill from the State?

MR. CHANG: Well, I don't think...

CHAIR GUZMAN: For the water.

MR. CHANG: As far as the park needs a source of irrigation water, obviously that's going to be the primary source. In the future, if there is development by Waiale, there's interest to utilize, my understanding is to reclaim water potentially for R1 use, which they may need the park to dispose of that R1, so if that ever comes to fruition and they do have R1, which can be used to dispose on the park for irrigation, that could alleviate the need to be using the current well to irrigate.

CHAIR GUZMAN: Okay.

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MR. UEOKA: Chair?

CHAIR GUZMAN: I'm sorry, Mr. Ueoka and then Ms. Baisa.

MR. UEOKA: Thank you, Chair. Just for clarification, for the agreement in front of us today, it does state there won't be any charge for water usage in return for the County's operation and maintenance of this irrigation water system. Moving forward, I don't know. But for the --

CHAIR GUZMAN: Yeah, that's my question. Moving forward.

MR. UEOKA: --terms of the agreement in front of us today, there won't be any charge. I can't say what will happen in the future though but for this agreement. Thank you, Chair.

CHAIR GUZMAN: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. And I'm going to show my legal ignorance but, you know, I've been reading a lot of documents since I've been here and I noticed that in some places we're talking shall and in the same paragraph we're talking will and I've heard the debate about will and shall. Why is this?

CHAIR GUZMAN: Yeah, I saw that too. Every time it dealt with the State's reservation --

COUNCILMEMBER BAISA: They're willing.

CHAIR GUZMAN: --of --

COUNCILMEMBER BAISA: Yeah.

CHAIR GUZMAN: --protecting them it's shall, the County shall. But then when obligations shift to State it's will, may.

COUNCILMEMBER BAISA: I just wanted to...

CHAIR GUZMAN: That's why I asked who drafted the agreement because...yeah.

COUNCILMEMBER BAISA: Yeah, I wanted Corp Counsel to comment because, you know, it worries me.

CHAIR GUZMAN: Yeah, Corp Counsel?

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MR. UEOKA: Thank you, Chair. Shall, will, I don't really see a big difference between those two. Shall, will versus may I see a big difference. May is a lot different. Shall and will I see them both as obligatory.

COUNCILMEMBER BAISA: They cannot change it all to shalls? I'd be happier.

MR. UEOKA: Yeah, it would be better if we, both parties had shall.

COUNCILMEMBER BAISA: I would be much happier if it said shall everywhere. That's just my prejudice. I've heard it too, I've sat here for 10 years.

MR. UEOKA: Chair?

CHAIR GUZMAN: Yeah, Mr. Ueoka?

MR. UEOKA: Thank you, it will require a lot of signature routing for words. I'm just saying. Thank you, Chair.

COUNCILMEMBER HOKAMA: I think that's something that Corp Counsel can prepare for the final document on the executive order.

CHAIR GUZMAN: Right, I agree. Mr. Couch?

COUNCILMEMBER COUCH: Yeah, I was just going to say including Mr. Ueoka talked about signature routing, one of them is to the BLNR Chair, which would be multiple, you know, at least one meeting if not more so this would delay it until after the whole thing is done, said and done, in my opinion and I'm fine with Mr. Ueoka's comment, will and shall pretty much are the same thing.

CHAIR GUZMAN: Alright, so Members, if we've concluded the other questions we have about the agreement, I will call for the vote? The Chair will entertain a motion to recommend passage of the revised proposed bill entitled, A Bill For an Ordinance Authorizing the Mayor of the County of Maui to Enter Into the Intergovernmental Agreement with the State of Hawaii, Board of Land and Natural Resources Relative to the Operations, Use, and Maintenance of Central Maui Regional Sports Complex, incorporating any revisions if appropriate but there was no revisions today and filing of the County Communication 16-68.

VICE-CHAIR COCHRAN: And Chair, so moved to everything you just said.

COUNCILMEMBER COUCH: Second.

CHAIR GUZMAN: Moved by Ms. Cochran, seconded by Mr. Couch. Any further discussion, Members? Mr. Couch, followed by...

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COMMUNICATION.

CHAIR GUZMAN: Moving on. We need to take a brief, quick recess at the call of the Chair.
...*(gavel)*...

RECESS: 3:07 p.m.

RECONVENE: 3:16 p.m.

CHAIR GUZMAN: ...*(gavel)*... The EAR Committee shall now reconvene. Moving on to the next agenda Item is EAR-49. This is the amending Chapter 22.04A of the Maui County Code regarding the Kula Agricultural Park.

EAR-49 AMENDING CHAPTER 22.04A, MAUI COUNTY CODE, KULA AGRICULTURAL PARK (CC 16-7)

CHAIR GUZMAN: Today, we have our Director of the Economic Development here today to present the new revisions of the Code. And we had, on our last date here, I believe it was presented March 7, 2016, this Item was before this Committee and we briefly discussed it and I believe some of the Members needed more time to review. There really aren't very many changes to this. I guess I will have the Director go ahead and specify which changes were made an amended and you can refer it. Members, we're going to work off of the May 16, 2016 Request for Legal Services, which is in your binder and there is attached thereto is the draft ordinance of Chapter 22.04A of the Kula Agricultural Park. And so I'll turn the floor over to Ms. Rasmussen to go over the bill itself.

MS. RASMUSSEN: Okay, so once again, we had a short time that we brought it before this Committee before and I think we kind of ran out of time so it got scheduled again today but this has been several years in the coming but basically it's just a cleanup to the Ag Park ordinances that just help the Committee and help the process of selecting, selection of leasees easier and it's just from experience and how, you know, and how things have unfolded with the Ag Park, I think this is the first major revision in over 10 years to this ordinance. And the primary things are actually, are listed in Dr. Leary's testimony. He is the Chair of the Kula Ag Park Committee and he sent in testimony. The Kula Ag Park Committee did endorse this ordinance change by voting unanimously to accept it and to recommend a transmittal to Council. And so that is primarily what we've brought you today. If you want me to go over the major highlights I can do that.

CHAIR GUZMAN: Yeah, why don't you do so?

MS. RASMUSSEN: Okay, so just to start with the major highlights. A farmer who subleases a lot, it is stated in the ordinance that they can sublease from a leasee for five years

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but if they do sublease they cannot do that on two lots. They can only do that on one lot. A tenant cannot lease more than five individual lots or more than a total of 60 acres. That is a reduction from 75 acres that it used to be. So then they can have now a total of 60 acres. In the event that there are two lots available for lease from the County of Maui, a farmer may apply for just one lot at a time. So we would run probably the best thing that OED could do is just to run one request for open leases at a time and so that those farmers that didn't maybe get placed could have an opportunity for the second one. There's some provisions in here to clean up the application form. It is just based on some of the things that we've had in the past that we just wanted to make sure that they were more clear. A provision to drop the requirement from one member of the committee that represents a tenants' association. There really has not been a tenants' association in the Kula Ag Park and nor is there an actual requirement as such. And so we just dropped that requirement to have one member of a tenants' association on the committee. There are however a tenant, there is a tenant on the committee for sure. Committee membership overall will be reduced from 11 to 9 members. We've reduced the need for, to have rather than two bankers or agricultural lending people down to just one. We do not, we're saying that we don't need requirements to have committee members from the Maui Farmer's Exchange or other produce cooperatives. The Farm Bureau member does not need to be a board member. And the CTAR member does not need to be an extension agent. And then we were reducing our quorum to five and our total committee count to nine people from eleven. There is the requirement that we have a finance subcommittee has been dropped. We are handling anything that comes in that realm with the general committee and that's really pretty much all the major changes.

CHAIR GUZMAN: Mr. Ueoka, do you have any comments?

MR. UEOKA: Thank you, Chair. Just wanted to point out real quick that for existing leases, those terms and everything will stay the same. These new changes will primarily affect people when lots are returned and the application and selection process for new leases going out. Thank you, Chair.

CHAIR GUZMAN: Thank you, Mr. Ueoka. Any questions, Members? I know that we reviewed this last meeting and so we're following up to give the Members more time to review it further. Mr. Couch, I believe it was you that made the motion to defer it the last time. I'm pretty sure you needed more time to review it. We're good. Are we okay, Members? Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. I've had a good amount of time to take a look at this and I want to say that I'm really happy that this is on your agenda today. You know, I got involved with the Kula Ag Park when I was appointed to the Council, when I was elected to the Council and I served on this Ag Park Committee for like four years and I was very happy when Councilmember White arrived and I said it's your turn and of course he did a great job. But this, the agreement has been in process since then so I'm very, very happy to see it here and I think it's wonderful. I

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think it makes sense what, the changes that have been made and so although I can't vote on this today, I wanted to let you know I'm in support.

CHAIR GUZMAN: Thank you very much. Mr. White, when I attended my first meeting, your name was on the minutes on this amendment so I'm very happy that it is before us and I know that you had a part in making these amendments as well.

COUNCILMEMBER WHITE: Yes, I'm happy to say that this is not a normal time frame for the Department, or the Office of Economic Development to get something out because my recollection is that it was already drafted when Ms....sorry, I'm operating on very little sleep, when Ms. Baisa left. I think it was already drafted and yet it's only arriving now. So I'm happy to support it and I feel like we better hurry up and vote on it because it might just disappear and not come back for a while.

CHAIR GUZMAN: Great. Okay, we won't defer it. So Members, without any further questions, Mr. Hokama?

COUNCILMEMBER HOKAMA: I just have one question, please, Mr. Chairman. That would be on Page 11 of the proposed bill under Section 0.086. I'd like to ask Ms. Rasmussen, what is the demand for subleases or reassignment of a lease?

CHAIR GUZMAN: Ms. Rasmussen?

MS. RASMUSSEN: You know, maybe Kenneth could answer this more as to how many subleases we have going on right now but typically the farm gets subleased if one, there's a farmer with an illness. There's been a death. And they need time to figure out what they're going to actually do.

COUNCILMEMBER HOKAMA: So there's like a hardship component?

MS. RASMUSSEN: It's little bit. And there's also been farmers that have had to leave their farms for a period of time. You know, it could be, you know, they for whatever reason...but anyway, it was just a way to allow them some time. The maximum they can do this is five years and then they have to step back in and they have to figure it out. They cannot sublease any more than that. So they have an option. They could give up their lot. They could actually assign, we could actually assign the lot to their subleasee and then they would become the main tenant.

COUNCILMEMBER HOKAMA: Right. So what would you see on an annual basis?

MS. RASMUSSEN: How many do we have?

COUNCILMEMBER HOKAMA: Is it two or three request?

MS. RASMUSSEN: Do you know how many subleases we have?

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COUNCILMEMBER HOKAMA: Mr. Yamamoto?

MS. RASMUSSEN: Yeah probably not more than a couple. We probably have maybe three subleases going on right now in the Ag Park maybe.

COUNCILMEMBER HOKAMA: And mostly for hardship issues?

MS. RASMUSSEN: Yeah, or, I mean, we had one farmer died and his wife took over. She didn't know what to do so she subleased to the farm manager.

COUNCILMEMBER HOKAMA: Right. Okay, thank you very much. Thank you, Chairman.

CHAIR GUZMAN: Thank you for your questions. Mr. Couch?

COUNCILMEMBER COUCH: Yeah, I did have one. The limitations on applicants. I understand why you're trying to do that. Do you always have a waiting list of applicants or...my concern is if you've got some vacant lots and you've got a farmer who's proven to do a lot of farming and wants to have the fifth or the sixth lot and nobody else wants it, why wouldn't we want to allow them to have it?

MS. RASMUSSEN: Yeah, I mean, usually there are more than one person that wants the lots.

COUNCILMEMBER COUCH: Okay.

MS. RASMUSSEN: And so it was, it just became kind of a fairness issue.

COUNCILMEMBER COUCH: Sure.

MS. RASMUSSEN: So they up'd the amount of lots that you could have but they lowered the acreage. And that, and by the way, if this passes, this will, and as Jeff said, no farmer will be hurt because they'll be under the already there but even if it didn't, this wouldn't affect any farmers. There's no farmers in there now that have more than 60 acres.

COUNCILMEMBER COUCH: No, I understand that but it just, with all this other ag land coming up --

MS. RASMUSSEN: Right, right. Yes.

COUNCILMEMBER COUCH: --that potentially and plus we're expanding it?

MS. RASMUSSEN: Well, certainly we can, if we see that become an issue down the road because of the changing landscape then I think we would come back.

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COUNCILMEMBER COUCH: Okay.

MS. RASMUSSEN: But as of right now I think that everyone's comfortable with this.

COUNCILMEMBER COUCH: I just wanted to voice --

MS. RASMUSSEN: Yeah.

COUNCILMEMBER COUCH: --with the new stuff that's coming along and a potential of a bunch more ag land, it may be that you don't have the waiting list.

MS. RASMUSSEN: Yeah. I mean, and that's possible.

COUNCILMEMBER COUCH: Okay.

MS. RASMUSSEN: And it's, but I think we're maybe a little ways out from that so.

COUNCILMEMBER COUCH: Okay, thank you. Thank you, Chair.

CHAIR GUZMAN: Any other questions from the Members? Seeing none...Mr. Hokama?

COUNCILMEMBER HOKAMA: Chair, I just wanted to...

CHAIR GUZMAN: Go ahead.

COUNCILMEMBER HOKAMA: If we wanted to consider something of this sort, an agricultural park for Lanai, would we amend this chapter or would we potentially consider rewriting a new chapter if we wanted to do something very similar to what we're doing in Kula?

CHAIR GUZMAN: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I would strongly recommend creating a new chapter.

COUNCILMEMBER HOKAMA: A new chapter.

MR. UEOKA: Yes.

COUNCILMEMBER HOKAMA: Okay.

MR. UEOKA: Thank you.

COUNCILMEMBER HOKAMA: Thank you very much.

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CHAIR GUZMAN: Any further questions? Seeing none, the Chair will entertain a motion to recommend the passage on first reading of the proposed bill entitled, A Bill for an Ordinance Amending Chapter 22.04A of the Maui County Code Relating to the Kula Agricultural Park, incorporating any revisions and filing of County Communication 16-7.

VICE-CHAIR COCHRAN: Chair, so moved.

COUNCILMEMBER COUCH: Mr. Chair, I second on behalf of Ms. Baisa since she can't do it on this.

CHAIR GUZMAN: Okay, moved by Ms. Cochran, seconded by Mr. Couch. Any further discussion? Seeing none, all those in favor, say "aye"?

COUNCILMEMBERS VOICED AYE.

CHAIR GUZMAN: All those opposed, say "no"? We have five ayes, four excused, no noes. Motion carries. Thank you.

**VOTE: AYES: Chair Guzman, Vice-Chair Cochran,
Councilmembers Couch, Hokama and White.**

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmembers Crivello and Victorino.

MOTION CARRIED.

**ACTION: FIRST READING OF REVISED BILL AND FILING OF
COMMUNICATION.**

CHAIR GUZMAN: Members, moving on.

VICE-CHAIR COCHRAN: Chair?

COUNCILMEMBER COUCH: Mr. Chair, just, I'm sorry. For the point of order, not order but correction, not four excused, two excused.

CHAIR GUZMAN: Oh, excuse me. Two excused, sorry. Okay.

VICE-CHAIR COCHRAN: And, Chair, I just had a question in relation to the Kula Ag Park as in the extension. What's the status on that, if you don't mind me asking --

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CHAIR GUZMAN: Go ahead.

VICE-CHAIR COCHRAN: --since we have Department here?

MS. RASMUSSEN: Yes. So we sent the packet, the entire packet for purchase to the Governor's Office in December of 2015 and it is still with the Governor's Office and as of right now, the Governor has not signed.

CHAIR GUZMAN: When is the expiration?

MS. RASMUSSEN: The funds will lapse on June 30th. As of right now, the Governor has not released the funding.

VICE-CHAIR COCHRAN: Okay.

CHAIR GUZMAN: Okay, thanks. Okay, very good. I mean not very good but, okay, Members, moving on to the next Item. Thank you very much, --

MS. RASMUSSEN: Thank you.

CHAIR GUZMAN: --Department.

MS. RASMUSSEN: Thank you.

EAR-55 ESTABLISHING AN HAWAIIAN CULTURAL RESTORATION FUND (CC 16-83)

CHAIR GUZMAN: We're going to go to the EAR-55. This is establishing a Hawaiian Cultural Restoration Fund. And this is briefly, I proposed this bill, Members, and this is basically enabling legislation, just briefly, the Committee was actually had vetted through several, I guess, Items for the Friends of Mokuula and this bill would create a depository for funds from the County parking concessions in Lahaina for the use for preservation and restoration of artifacts and sites countywide. The expenditures from the fund exceeding \$1,000 shall be made by Council resolution and the Council may appropriate monies from the fund for grants for preservation or restoration of artifacts and sites in the County that are significant in Hawaiian culture, heritage, history, or identity. Currently, there are only two parking concessions on County property in Lahaina, both operated by the Friends of Mokuula through their contractor Diamond Parking Services, LLC. To date, we have requested copies of the current contract but Friends has provided us with only a 2013 unsigned contract evidencing this agreement, which was submitted to the EAR Committee on October 13, 2015. Even if this contract were valid, it appears that it allows the other party to terminate on 90-days notice to the other party. Under this bill that is before you, the Finance Director would report on the fund annually, including details of the parking concession operations. This is part of enabling statute legislation and in my mind a plan that

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would allow a depository, if in fact the concession lease is not approved, this Committee does not approve the concession lease under Friends of Mokuula. This would allow the Diamond profits to be deposited in this vehicle or this fund and then therefore we could take over or make contract with the Diamond Parking Company in the remaining balance of their contract if there is a contract out there. If not, there is issues as to portions of the artifacts are underneath this present concession parking lot and according to some of the archeologist that Phase I could cause the parking lot to be dug up. I have spoken to the Managing Director's Office, Wendy Taomoto, who has been assigned by the Mayor to head up this archeological site and I've had extensive conversations that there are, there is another section of the property that does not have any artifacts on it so we could eventually if need by create a parking area there and under our lease, under the Executive Order with the Land and Natural Resources, we would have to have consent and approval to allow another concession parking lot to happen. And under that, the monies collected would need to go back to the property. It wouldn't, you know, we're going to show that just like Friends of Mokuula, the monies that were supposedly raised by the concession is supposed to go back into the property. So this would allow evidence of the County, yeah, we're not making money. We're not going to put it into our General Fund and use it for stoplights. We're putting, if need be, we could create another parking concession on the property and the funds collected from that will go specifically via ordinance back into the property into the artifacts, into the restoration. So that would give us more of a leg to stand on or justification to ask for the approval from DLNR to approve our lease if we were to create a parking lot on a different site. So that's what this is enabling legislation to do. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And it's a great idea to have this fund. My only concern is on Page 2, 3.38030, Administration, essentially all the funds in here are the funds that are collected from the parking revenues, the way it seems to be worded. So anybody who's running the parking lot, it looks like if they need to make an expenditure of more than \$1,000 they have to come to Council for that? It kind of, it's no clear that the Director can essentially give a concession to a company like Diamond or whomever.

CHAIR GUZMAN: No, if...

COUNCILMEMBER COUCH: And then they can go through all their stuff and whatever the receipts, the revenues less expenses comes into this fund. Here, the way it's written, it seems like every penny that goes into the parking goes into this fund and then in order to spend anything they have to come to Council if it's more than \$1,000.

CHAIR GUZMAN: I see what you're saying. Yeah.

COUNCILMEMBER COUCH: That's, am I reading that wrong?

CHAIR GUZMAN: Mr. Ueoka?

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MR. UEOKA: Chair, I, were you, I'd like to discuss this further with you before the language of this. Typically for these types of funds, if you want to just give the Director of Finance the ability to use it, the key language, I believe, is appropriated upon receipt. If not, I think all expenditures need to be set forth in the Budget Ordinance. So we probably have to work on that further. Thank you, Chair.

CHAIR GUZMAN: Yeah, I see where you're coming from.

COUNCILMEMBER COUCH: Yeah.

CHAIR GUZMAN: It's like if we were going to contract with, let's say we take over the Diamond contract --

COUNCILMEMBER COUCH: Correct.

CHAIR GUZMAN: --and we have to pay Diamond their percentage of whatever it is on the contract, let's say 30 percent of the gross, via this, what you've just stated, and I realize what you're getting at, we would then need to go to Council for approval to allow their share to be appropriated.

COUNCILMEMBER COUCH: Right.

CHAIR GUZMAN: Yeah, I see what you're saying.

COUNCILMEMBER COUCH: Or if you need to make an expenditure to maintain the parking lot, that kind of thing.

CHAIR GUZMAN: Okay, yeah. This is, and I thought of this as either we, you know, if in fact that the concession lease that we have with Friends of Mokuula if it's not passed then there needs to be a gap measure to be able to deal with the Diamond parking lot and if in fact we do begin digging up the parking lot to restore the artifacts underneath the parking lot, we're going to need to close that down and if we want to, we can go ahead and create another parking lot on, that's nearby that's on the EO land, Executive Order land and create a parking lot there and by having an ordinance in place and saying look, whatever monies we collect, it's really actually going back into the property. So I think it would be easier for DLNR to approve a new lease, I mean a new concession to allow use of a parking lot concession. A new one. Mr. Ueoka?

MR. UEOKA: Thank you, Chair. For that issue, if that were to happen, we'd probably need to work with the Council and the whichever department's charged with this but we still have the requirements under State and County laws regarding concessions and there are requirements when we enter into a new concession. Also, I guess, if the problem is how the payment to the vendor would work, I could understand if we worked it into the concession agreement where they keep their cut and they just turn

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over the portion to use then that would go into the fund so you wouldn't have to worry about direct payment to them. But of course, as Mr. Couch mentioned, there would be issues regarding maintenance and that type of thing. Thank you, Chair.

CHAIR GUZMAN: Okay, so at this point, I think, you know, I'm bringing it forth so you can look at it, have time to digest it and I won't call any action at this point. I just wanted to introduce it to the Committee because we will be discussing the FOM lease as we proceed further into the year. So, Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, if you wouldn't mind, I'd like to give some comments on 0.060, please?

CHAIR GUZMAN: Yes.

COUNCILMEMBER HOKAMA: I would just ask for your consideration that maybe some of the appropriate agencies this Committee may want to have comment from would be potentially State Historic Preservation, the County's Cultural Resource Committee, and because we're talking about Mokuula and its proximity to the ocean, maybe even the US Army Corp of Engineers.

CHAIR GUZMAN: Okay.

COUNCILMEMBER HOKAMA: Again, I just ask that that would be agencies for consideration, Chairman. That's all.

CHAIR GUZMAN: Yes, I think that's a good idea. We'll ask for some input on that on this proposed ordinance. So that being said, Members, this is the introduction of this ordinance. We will get back to it at a later date. Ms. Cochran, do you have anything to say?

VICE-CHAIR COCHRAN: Yeah, thank you, Chair. And yes, appreciate you really thinking way outside that box and coming up with something very, very unique and creative I feel. So this has not been signed off yet?

CHAIR GUZMAN: No.

VICE-CHAIR COCHRAN: So Corporation Counsel, okay. And then you mentioned, yes, I'm looking at it, parking concessions located on County property in Lahaina. Do you think that we could, I mean, I understand you're doing this because this particular concession and the money goes back into the land but say some of our other County parking lots we want to also garner money from, so to not just limit it to Lahaina, I guess. But I mean, I understand. So I don't know if that changes, like we have the municipal parking. We have the parking across from Kamehameha III, which is free three-hour parking. I mean, I know it's been discussed to start charging because parking's a premium in Lahaina. And that is our lot and we always can use more

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funds. So that could be an option so anyways that kind of came across my mind to not completely limit it to Lahaina but I understand this could just be a step to see how this rolls out and, you know, how we can make it a go. But I think overall I really like the idea and so, yeah, just the first take on this I appreciate your submittal, your proposal. Thank you, Chair.

CHAIR GUZMAN: Thank you. And we'll look into that. I wanted to make it more specific so that I wasn't sure whether other parts of the County, those revenues would be appropriate to focus only on that particular project.

VICE-CHAIR COCHRAN: Sure.

CHAIR GUZMAN: So I left it limited to those two parking concessions that we have in Lahaina narrowly tailored for it. But if the Committee at a future date wants to expand it then I'm open to that and we could redraft it but at the time, right now presently I just want to introduce the bill so that we can, when it becomes mentioned again in a different item, everybody's very well aware of there is a plan, okay? So, Members, I will, without objections defer that Item?

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER.

CHAIR GUZMAN: Thank you, Members.

EAR-36 SPECIAL IMPROVEMENT DISTRICTS (CC 15-165)

CHAIR GUZMAN: Moving on to our last and final Item, this is our Special Improvement District, CC 15-165. And I believe we have some representatives here. The Committee is in receipt of County Communication 15 165 from Councilmember, Chair, excuse me, Chair Mike White transmitting a proposed bill entitled, A Bill for an Ordinance Amending Title 3, Maui County Code, Relating to Special Improvement Districts. The purpose of the proposed bill is to authorize the County by ordinance to establish a Special Improvement District to provide and finance supplemental services and improvements to the district area. The Committee may discuss and consider whether to recommend passage of the proposed bill on first reading with or without revisions. The Committee may also consider the filing of the County Communication 15-165 and other related actions. This proposed bill was requested by Chair White and supported by the Paia Town Association. I anticipate that we will need more than one meeting to examine this idea. Today is just like the other bill, an introduction. We will be working from a revised proposed bill. The revisions were in conformity with our legislative standards, which has been submitted to the Department of Corporation Counsel for approval. Today we have the President of the Paia Town Association Board, Mr. Martin Brass, and the Executive Director, Ms. Sugata, to explain their

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association's interest in this bill and I guess they're going to give us a presentation on, and also relate the community's support for this idea. So before we begin, may I ask Mr. White if he has any comments?

COUNCILMEMBER WHITE: No comments at this time. I'm just very happy to have this come before us. I'll have some comments after they make their presentation.

CHAIR GUZMAN: Okay, very good. Thank you. Mr. Brass, if you don't mind. If you could introduce yourself on the record and then begin with your presentation.

. . . BEGIN PRESENTATION . . .

MR. BRASS: Thank you, Chair, and thank you, Councilmembers. This has been a long-awaited time for us. I think Noelani and I have met with each of you at some point over the last six months. This is work that's been in process for at least probably the two years that I've been involved with the Paia Town Association. It originally came from a strategic plan that have been funded in part by OED and through the Mayor's Office and through some private funding. What I was going to show you today is a presentation that we have prepared that's specific to Paia. My understanding is that the course of this legislation needs to have a general approval to put it on the County Code and then once that approval's in place, then any specific improvement district can petition to create that district for an allocated area. So this, I'm kind of, you have a copy of this. There are some things here that are specific to Paia. I'll try to remain general in terms of how we see the improvement district and what the benefits are for an improvement district, not to Paia but really to any community that chooses to institute such a structure. Generally speaking, the improvement district involves three steps. There's a funding step, which comes from private monies. Whether that could be commercial property owners, it could be residential property owners, it has to be a property owner. It's publically assessed. So public departments, typically tax, sends out the assessments, collects the funds, and then distributes those funds to an administration that is privately set up. So the, any of these that are being assessed that are mandated by the County Code regulation. There are approximately about 1,000 of these in place in the United States. We have two in Hawaii. There's one in Kailua, Kona, which is a mixture of commercial and residential property owners and they roughly have about an \$800,000 annual budget and there's one in Waikiki, which is predominately the hotels and some of the commercial businesses and I believe their budget is somewhere around \$2 million, \$2.5 million annually. So what do these districts do? Generally, they are in place to help promote a particular town or area, to help maintain cleanliness, to help promote safety. One of their big benefits is creating sustainable source of revenue. One of the things I've seen just being a part of Paia Town Association, we're always subject to donations or fees from merchants, from property owners, from what the Budget mail out through OED Grants or through other County monies. It's very difficult to have a long term planning basis when you're wondering where your next budget, or how your budget will be filled in the coming quarter or year. It provides some organization and management to community efforts.

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It allows for constituents to come together to voice their concerns and to give us a funding mechanism and a management capability to enact those initiatives to address those concerns. It helps generally speaking in the sense that we've looked at and as our consultant had advised us, it generally enhances property values, sales and occupancy rates go up, business owners benefit, the residents benefit, commercial property owners benefit. It helps to promote distinct identities. It gives us a chance to leverage our resources. I think it also has, certainly for the community, it helps to create a unified voice for that community. And one of the things we've been trying to accomplish with PTA is get constituency and input from residents, merchants, business owners, and really try to understand what's affecting Paia and what can we do and that's certainly something that is across the board applicable to SIDs. They are typically for a defined period of time, anywhere from five to ten years and the ones in place have a very high renewal rates on the order of 99 percent. So they usually do not go away once they're in place. The constituents and supporters of these districts are long-standing. Typical services, physical improvements, street beautification, maintenance. In Paia, we've started a bi-annual street cleaning. We've set up five trash cans that are being emptied twice daily. It helped, the SID can help with things such as small business and retail development. We sponsor special events. There's a small business Saturday during the holiday period. There is Paia gives, which is a charitable event that we do as well where every local merchant donates to an identified charity. There are things that SID allows, again, from funding mechanism addressing parking management, traffic mobility, the bypass for Paia is an up and coming concern. It's something that will require some type of advocacy. It allows for capital improvements. There's some district signage that's available and ultimately helps us with communication and awareness and to a degree education of Paia, the community, its history, its legacy. SID administration addresses a number of different areas. Advocacy is an important one given certain events that, or issues that might face the community. Parking, traffic for Paia for certain, security is another issue that's come up in the last six months, that's almost been consistently raised. We have beautification efforts in place. Small business retail development, marketing, community building and these are all items which properly managed with a budget that goes beyond a six to twelve month fundraising period can really have true long-term impact. And I think that's one of the best uses for these types of structures. The example that's in this layout is for Paia specifically. We have a proposed budget of \$150,000 and on the next page you can see how that breaks down. Again, this is proposed. Nothing's been set by any means. The, one of the concerns that people have with SID was well how do you manage the money? How do you know what the uses are for? It's very clear what the uses are for. The budget's public. The participants in the SID certainly representing this will understand this is what their assessment is by property, how that assessment is determined. This is where the assessment, the fund that it goes into and how that fund allocates those monies by line item. One of the things that the current SID legislation that you have before you mandates is the statute requires a number of things. One, the organization needs to be a non-profit organization. The majority of the board for that organization needs to be comprised of commercial property and business owners and it needs to include a

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certain number of County officials. In this case, we have the Director of Public Works or their designee, Director of Finance or their designee, the Mayor or Mayor's designee, and our Council representative, who for Paia would be Mike White. So we're looking at oversight, accountability, and responsibility. And we think that's necessary. In that case, this would be a five-year plan and a five-year schedule of assessments. The example that follows is a picture, is a map of Paia Town and you'll see the different colors here, which represents, this actually came from the Tax Department. I think these are different tax codings [sic]. We have approximately 65 individual TMKs that would be participating in the SID and those 65 TMKs are held by 39 owners. So ultimately 39 individuals would be committed to funding the SID. The, in, I'm just checking the number here. This, the numbers here at the bottom do not include the new development that's coming into Paia. We have a post office project that's being developed. There are two new buildings in the Paia Town Center. The gas station was redeveloped and there are at least two more other buildings that haven't been updated. Effectively, it's about 150,000 square feet of GLA or gross leasable area in Paia. The thinking is that if we charge \$1 per square foot per year, that would get us through our budget for \$150,000. That's the mechanism for Paia. Certainly any district can determine what mechanism they want to put in place. Ultimately, the participants who agree to this mechanism will understand how the assessments are calculated and what that impact is upon them for their particular lot. We're here today to help answer questions, help give some insight in terms of what we've learned in understanding how these districts are helpful. Again, my understanding is that the resolution that's before you is to create a general resolution to the Maui County Code and then subsequent to that any specific district that wants to organize and establish a SID has to come back and petition to County Council again. And the last page here is an example of the petition. This is the one we propose to use with our constituency and I think, how many people do we have so far that have petitioned?

MS. SUGATA: About five.

MR. BRASS: Five landowners. The, I've spoken to a good number of the property owners and so has Noelani. Five have specifically signed. We had a petition that was established last Friday night in anticipation of this meeting. Twenty-five people have signed the petition for that and that's a cross-section of residents, merchants, and landowners. I have not gone out and actively marketed this because we still have to get this legislation in place but I've just heard consistently committed support to having something like this for Paia. And that's my quick overview.

MS. SUGATA: I'm good. Thank you.

. . . END PRESENTATION . . .

CHAIR GUZMAN: So, Members, do you have any questions at this point? Mr. White?

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CHAIR GUZMAN: Okay.

MR. UEOKA: Thank you, Chair.

CHAIR GUZMAN: So you can actually use the monies for let's say community centers, things like that and if that were to be applicable? That's applicable in this ordinance that's before us? This proposed ordinance?

MR. UEOKA: Thank you, Chair. I'm not sure how much this applies to capital improvement type projects. It's more for maintenance, security type of stuff.

CHAIR GUZMAN: So this, okay. Okay, I got it. Any comments from the Planning Department?

MS. McLEAN: Thank you, Chair, yes. Michelle McLean, Deputy Planning Director. I actually wearing two hats today, one is the Deputy Planning Director but also as a member of the Paia Town Association. There are a couple of County representatives on the association board, Chair White and myself. I'm also a Paia resident so I've been involved with this in the timeframe that Martin talked about. He did a really good overview and as you just described this is really an enabling ordinance. It doesn't create a special improvement district anywhere. It just opens the door for individual communities to come in. And so it's when those individual communities come in demonstrating the support of their business and business property owners and defining their SID to be about that's when you can get into the scrutiny for that particular area. Our small town planner, Erin Wade, is also here. She actually has experience in working in a community that has had a SID so if you do have questions on that and she is available as well. Thank you, Chair.

CHAIR GUZMAN: One brief opening statement if you'd like.

MS. WADE: Thank you. In terms of the small towns in Maui --

COUNCILMEMBER COUCH: Could you move closer to the mic, please?

MS. WADE: Oh, I'm sorry. In terms of the small towns on Maui, we thought that this could be a tool in the toolbox not necessarily that all communities would want to use but that it could be an opportunity to fund additional parking. Additional parking is actually one of the things that we, I've seen funded pretty regularly in what on the mainland is often called the business improvement district. So here it's required to be a special improvement district, but also the services, specifically services, wayfinding, signage, those kind of things, banners, beautification is really, really common to use this fund for. And it's something that if the businesses were alternatively in a shopping center, you would pay the shopping center a fee to provide for. But where in a small town there's that, there isn't that consolidated administrative mechanism to

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provide for that so the BID or SID acts as that administrator essentially. And, of course, the property owners agree to pay within that district so.

CHAIR GUZMAN: Mr. White?

COUNCILMEMBER WHITE: Yeah, I'd just like to point out. This is really quite similar to what takes in place in our resort areas. And they were, the resorts like Wailea, Kaanapali, and Kapalua were all set up by one owner and they were set up in such a way where they have, like in Kaanapali, which I'm most familiar with, we have the Kaanapali Operators Association and all landowners in Kaanapali contribute to that entity. That entity provides a trolley, it provides landscaping, it provides, you know, for cleanups, it provides various, you know, various other activities as well and we also pay into Kaanapali Beach Resort Association, which is the marketing arm. But those were set up by the landowners at the inception of those developments. When you have everyone, you know, there's a common core, a common focus, and a common direction, so basically the way I look at this is this is an after the fact setup, which a single owner can't do because there's, as was said, there's 30 different people. Well, if you've got a bunch of them that want to participate and yet you have others that don't, this at least allows a mechanism for that to happen where it simply can't be put together. So to me, this is something we need to do because it's allowing some of our small towns to have that same ability to work together that our resorts have. And it's, you know, quite honestly, it's critical to our moving ahead both from the point of view of keeping the resort looking the way it should look and having the ability to market it the way it needs to be marketed and none of us have any choice but to participate. In this, at least you have a choice to participate but it provides a framework with which to collect the money and spend it in ways that are good for the group.

CHAIR GUZMAN: Do we have any comment from Finance Department regarding the concept of the Special Improvement Districts? No comments? Okay. So, members, if you have any more questions, I just wanted to give this out. This has already been signed as to form and legality by Corporation Counsel and that is attached to the Request for Legal Services dated May 13, 2016. So this is the bill that we will be working on in the next few meetings. So please read up on it and we will continue our discussion at the next several meetings. But this will be on the next agenda. Members, any other questions? Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, thank you. I would ask if your Staff might, everybody's busy, I know that, Chairman, but your Staff might want to check into our Committee records. Council talked about tax increment financing back in the 80s and 90s. All the counties did in Hawaii. There's a reason why it really didn't go forward throughout the counties and so I would say we need to go and find out whether those comments, those factors that impacted the decisions back then are still pertinent and valid today. May not be. But it was not supported well by the counties during that era. Thank you.

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CHAIR GUZMAN: Okay, thank you. And we'll, so noted, we'll do that research and provide that information to the Committee Members. So without any further questions, without any objections, I'm going to go ahead and defer this matter?

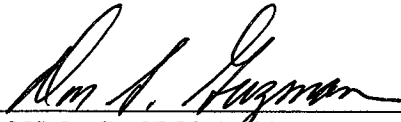
COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER.

CHAIR GUZMAN: Thank you, Members. That will conclude today's agenda and I thank everyone for being patient and working very diligently through the items that we had before us. So this will adjourn our EAR meeting. Thank you very much.
... (gavel) ...

ADJOURN: 4:10 p.m.

APPROVED BY:



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

ear:min:160517:krr

Transcribed by: Kekai Robinson

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CERTIFICATE

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

DATED the 9th day of June, 2016, in Kou, Maui, Hawai'i

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above the printed name.

Kekai R. Robinson