BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

August 16, 2016

Council Chamber

CONVENE: 9:02 a.m.

PRESENT: Councilmember Riki Hokama, Chair
Councilmember Mike White, Vice-Chair (in 9:03 a.m.)
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member
Councilmember Don Couch, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member
Councilmember Michael P. Victorino, Member (out 11:20 a.m.)

STAFF: Michele Yoshimura, Legislative Analyst
Traci Fujita, Legislative Analyst
Yvette Bouthillier, 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.: Sananda Baz, Budget Director, Office of the Mayor
Mark R. Walker, Deputy Director, Department of Finance
Guy Hironaka, Real Property Manager, Department of Finance
Keith Regan, Managing Director, Department of Management
Brianne Savage, Deputy Director, Department of Parks and Recreation
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Simon Russell, President, Hawaii Farmers Union United, Haleakala Chapter
Mike Ottman, Surfrider Foundation
Lawrence Carnicelli, REALTORS® Association of Maui, Inc.
Rodney Kilborn
Tiare Lawrence
Lezley Jacintho, Malama Hamakua Maui
Grant Chun, Vice President, A&B Properties, Inc.
Randall Endo, Esq., Vice President, Development, A&B Properties, Inc.
Others (6)

PRESS: Akaku: Maui Community Television, Inc.

Melissa Tanji, *The Maui News*

CHAIR HOKAMA: . . .*(gavel)*. . . Okay, we shall bring this meeting to order. This is the Council's Committee on Budget and Finance regular meeting of 16th August, 2016. Present this morning of the Committee are Members Mr. Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

CHAIR HOKAMA: Good morning, sir. Ms. Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR HOKAMA: Good morning. Ms. Cochran.

COUNCILMEMBER COCHRAN: Aloha. Good morning, Chair.

CHAIR HOKAMA: Good morning. Mr. Couch.

COUNCILMEMBER COUCH: Aloha. Good morning, Chair.

CHAIR HOKAMA: Ms. Crivello.

COUNCILMEMBER CRIVELLO: Aloha and good morning, Chair.

CHAIR HOKAMA: Mr. Guzman.

COUNCILMEMBER GUZMAN: Good morning, Chair. Thank you.

CHAIR HOKAMA: And Mr. Victorino.

COUNCILMEMBER VICTORINO: Good morning, Chair.

CHAIR HOKAMA: Mr. White is excused for this meeting at this time. We have one item only, Members, this morning as agendized is a consideration of land acquisition. Before we do that, we shall go through the Committee's rules as well as the process for public testimony this morning. So anyone wishing to provide testimony on the agendized item which is one item only, please make yourself known to the Committee Staff or the District Offices. We'll provide you with three minutes and three minutes only to provide testimony on this item. You will address your comments to the Chair, not to the audience and not to the Members. We will assist you with your time. On your three minutes, it's like a street light intersection, green means speak, yellow means be prepared to stop, and red means you will stop. I will continue to control decorum in this Chambers. So including myself, let us all turn off our noise-making devices for this meeting please as a courtesy to one another. With that, we also recognize Mr. White's present this morning.

VICE-CHAIR WHITE: Good morning, Chair.

CHAIR HOKAMA: Good morning, sir. So with that, we are going to take public testimony at this time, Members. We'll start with the Chamber and I would like to ask Simon Russell if he would please come forward and share his thoughts with us please. Following Mr. Russell will be Mike Ottman.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. RUSSELL: Good morning, Mr. Chairman --

CHAIR HOKAMA: Good morning.

MR. RUSSELL: --honorable Members of the Council. Thank you for hearing my testimony today. I'm here in my capacity as the president of the Haleakala Chapter of the Hawaii Farmers Union United. Our jurisdiction ranges approximately from Huelo to Makena. We represent family farmers that want to sustain vibrant and prosperous agriculture communities across that region of Maui. There's also two other chapters of the Farmers Union on Maui. I just, I provided some written testimony today. I'm not going to read it verbatim. But essentially we have some suggestions and one of the primary issues we see in this region of Hamakualoa is the homeless population, and I just want to share my own experience. While I was on my way to a farm one morning, about 6:00 a.m., I farm, I manage 4 farming operations in the region, fruits and vegetables, about 31 acres on 4 separate parcels. And it was 6:00 a.m. and I picked up a hitchhiker in the rain, and it was a homeless women who was almost naked under a t-shirt and she actually robbed me in my car, she stole my wallet, and it became a real hassle. I had to call the police and force her not physically but, you know, through speaking to her, you must give me my wallet back or the police are going to, you know, come and take it. And it's just an example of some of the social problems in this area. And I think it's really wise to pay attention to it because as the sugar plantation closes down, we're going to have lots more open land where homeless or houseless people can take up residence in the bushes or the gulches. And we ought to pay close attention to what happens when a large agricultural operation winds down here on our island. So I think the community through the nonprofit Malama Hamakua is doing an amazing job and engaging the community and the different user groups of this area. I personally have been talked to by Mayor Arakawa to help an organic ag park get started on some of this land. And I just want to make it clear that the Farmers Union while we do support organic, that's not all we support. You know we're not the Hawaii Organic Farmers Union, we're the Farmers Union, so we support farmers, ranchers, fishermen to build these communities that we believe need to happen in our Ag District. And we support all permissible uses of the Ag District and, you know, agritourism included. And so we want to see this area really be a place where the community can come together, the surfers and the fishermen, and the cultural practitioners, and the farmers. And so we support all of that. And we've been there from the beginning with Malama Hamakua to support what it is that

your, this land that you're purchasing, you know, it's a lot of money. So with that, I'll take any questions.

CHAIR HOKAMA: Thank you very much, Mr. Russell, on your testimony this morning. We appreciate that. Members, questions for Mr. Russell on testimony he has shared this morning? Mr. Russell, we thank you very much for your comments.

MR. RUSSELL: Thank you, Mr. Chairman.

CHAIR HOKAMA: We'd like to ask Mike Ottman if he would please come forward, share his thoughts, and following Mr. Ottman would be Lawrence Carnicelli.

MR. OTTMAN: Good morning --

CHAIR HOKAMA: Good morning.

MR. OTTMAN: --Councilmembers. My name is Mike Ottman. I'm on, I'm here on behalf of my family, my community and Surfrider Foundation. I'm going to keep it brief. There's a number of different things I was thinking about but, you know, hearing what Malama Hamakua had to say and looking at what the County is saying, what the Mayor is saying, I know there's a lot of complexities to this. And I woke up this morning, I was kind of serious. My wife goes have fun with it, you know, try to have some fun with this, and 'cause she knows I'm a little intense. So I'm going to try to have fun with this process. Ultimately what I envision is a win-win-win situation where I know it's, you know, in terms of the County buying this land and thinking this thing through, but in talking with many members in the community, with Malama Hamakua, with Surfrider, with Maui Tomorrow, with many others, I'm seeing a common theme. And but the focus here is Surfrider, you know, there are over 250,000 members nationwide. We have a pretty deep set of resources and the ability to raise money, and I've gotten Surfrider national's commitment to focus this campaign and to raise awareness and to raise money. And ultimately Surfrider where yes, we want to protect the water, but we all understand or maybe you don't but we all need to understand is that 90 percent of ocean pollution is non-point source which means that everything flows down the land in a certain way and goes into the water. Our water is a very important resource on island, not only for fishing, for surfing, but I don't want my kids to get sick. I know everyone wants to swim in the pristine waters and keep that. So if we look at the end result in mind, to keep the water safe, that in turn comes back to the land and ultimately developing a community-based plan that looks at what we need to do to raise money which we have the ability to do. So I hope to work with Surfrider and with you, and with the other groups to raise money that will build awareness, to begin testing the waters, not only the ocean but the streams and the waterways, to test the soil to see what we're up against, and if we start turning over this soil to understand what's going to happen to the ocean. So ultimately our goal is to kokua, to step up, provide resources, money, to help develop the management plan and to provide money annually to help support that management plan. Thank you.

CHAIR HOKAMA: Thank you. We appreciate that offer of financial support, Mr. Ottman, so thank you so much for your testimony this morning. Members, questions for the gentleman on testimony presented? Having none, Mr. Ottman, we thank you again for your thoughts.

MR. OTTMAN: Thank you.

CHAIR HOKAMA: We'll ask Mr. Lawrence Carnicelli if he would come forward, and following him would be Rodney Kilborn.

MR. CARNICELLI: Good morning, Chair. Good morning, Members. My name's Lawrence Carnicelli. I am actually testifying on behalf of the REALTORS® Association of Maui as a registered lobbyist. And yeah, I've spoken in front of you guys a lot of times before but never in this capacity so I'm kind of nervous today for some reason, in this capacity representing 1,500 families and the affiliates. But the REALTORS® Association is in support of the purchase of this property. We feel as though there is an opportunity here now to purchase something that is pristine, that is...oh also I do have written testimony before you but I'm just going to kind of talk here. But is we feel like this is, you know, if this goes into development, it'll never come back. When I testified before you before, I brought up Ulysses S. Grant who made the very first national park and it was followed suit all over the world. And I'm not saying that this is a national park but what I'm saying is that there's a significance to that, of setting lands aside that are needed to do that. And the REALTORS® Association is behind that as long as there is a plan in place to take care of the land. You know to us we feel as though if this land was to be purchased and just go fallow and end up with junk cars and, you know, meth addicts and trash, that's really not what this is for. So we've been in, working with Malama Hamakua, the Surfriders, Sierra Club from day one and we are, we're backing the plan that's there. The one concern that we have though is in, from the time it's purchased to the time we implement that plan, you know, there's a gap between that and how are we going to be able to steward the land. So I think that that's a big part of it for us is to really truly steward the land, not just buy it and land bank it and say that we did something good, which is something good, but we are in favor of purchasing this land. And so that's just what I want to have on the record. So thank you very much.

CHAIR HOKAMA: Thank you very much, Mr. Carnicelli. Members, any questions for the gentleman? Yes, Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you, Mr. Carnicelli, for being here and congratulations on the new job. You're a brave man.

MR. CARNICELLI: Thank you.

COUNCILMEMBER BAISA: Anyway, in regards to this purchase today, you mentioned a plan, and I share your concern because I'm concerned that we pick up a huge piece of property that could be, well obviously is a very huge liability for the County.

MR. CARNICELLI: Right.

COUNCILMEMBER BAISA: Do you have any idea when this plan is...I'm not familiar with it, when it assumes that somebody will be there to steward it, watch it, and worry about things like dumping and illegal people being there? And any idea?

MR. CARNICELLI: Well, I know that they've already put, there's already an entity in place --

COUNCILMEMBER BAISA: Yes, we know that.

MR. CARNICELLI: --to do that. As far as, you know, the implantation of the plan, I think that maybe Simon might be able to speak to that better than I would. I'm not sure as far as when it would be implemented. I know that it's going to be sooner rather than later, but as far as an actual timeline, I don't actually know that.

COUNCILMEMBER BAISA: Okay. Chair, I guess we can further dig into this when we get into deliberation. I'm kind of curious to know about the plan and who's, what kind of funds...

CHAIR HOKAMA: We will have representatives of the Administration that will share their thoughts with the Committee this morning.

COUNCILMEMBER BAISA: All right. Thank you very much. I'm concerned about who's going to pay for all this. Thank you.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER BAISA: Thank you very much.

MR. CARNICELLI: Yeah.

CHAIR HOKAMA: Any other questions for Mr. Carnicelli, Members? Having none, thank you very much.

MR. CARNICELLI: Thank you, Chair.

CHAIR HOKAMA: You did a great job this morning. We'll ask Mr. Rodney Kilborn if he would please come forward, share his thoughts with us, then we'll go to the District Offices.

MR. KILBORN: Aloha. Good morning.

CHAIR HOKAMA: Aloha. Good morning.

MR. KILBORN: Aloha mai. Aloha kakou. Mahalo to all your assistants over here. Councilmembers, you guys the best. Those of you that leaving us this year, aloha. Thank you for all your good service. I really appreciate. Chairman, you the best. I

mean I hope you not going be tight with this money stuff for us guys to purchase but I know you get one good heart. But besides that, I'd like to say mahalo to A&B over here for being here, because they really good people too and I support them for many years. So mahalo yeah, you two guys back there. Here I stand today is just to say aloha and mahalo for you guys. Mahalo for your support, Mr. Guzman, you went really put some really strength behind, yeah, for us guys to purchase this land. Of course I'm here for the BF-91. I spend many years there. If anybody know that place in Lot No. 1, I not saying I'm the only one but I'm pretty much familiar with the place there. But I not going take any more time than this. The two gentlemen before me had said it all. And I'd just like to say one more last word, mahalo nui to all you guys. Thank you.

CHAIR HOKAMA: Mahalo. Members, any questions for the gentleman? Having none, thank you for taking the time to be here this morning. Ms. Lono, is there anyone in our Hana District Office that would like to give testimony this morning?

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

CHAIR HOKAMA: Thank you. Ms. Fernandez, is there anyone on Lanai that would like to present testimony?

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

CHAIR HOKAMA: Thank you. Ms. Alcon, anyone on Molokai would like to share testimony this morning?

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

CHAIR HOKAMA: Thank you very much, ladies, for your assistance to the Committee. We'll return to the Chambers and ask if Ms. Tiare Lawrence would come forward and share her thoughts with us please, and following Ms. Lawrence will be Lezley Jacintho.

MS. LAWRENCE: Aloha, Members.

CHAIR HOKAMA: Aloha.

MS. LAWRENCE: I'm here today to support the purchase. And I want to tell you something that I did get the opportunity to sit in the community meeting with Malama Hamakua and the feeling that was there was there was bringing the farmers and the fishermen, and the lineal descendants. It felt so good to be among that type of community that was very passionate about preserving this beautiful place. And in regards to what Councilmember Baisa had mentioned earlier, I think moving forward, maybe it's really important to consider a public/private partnership, working with local nonprofits that can help steward the land. I know there's a lot of concern but I can tell you from

sitting in this meeting and seeing all the different people that was there that people are ready to work, they're passionate about the future of Hamakua and, you know, addressing the homeless issue and the drug problems that are currently down there. And some of the ideas and I just want to take this time to share some of the ideas. The beauty of this meeting was, you know, there was talk about maybe bringing the lineal descendants and connecting back to their homelands, maybe a cultural center. And then the farmers were all excited and the fishermen were all excited. And take that into consideration when you do make your decision is that there's a lot of people at stake and a lot of people are energized and they want to work hard for the future of Hamakua. And, you know, $9 million, I know that's a lot of money but look at the benefits long term of open space in such a beautiful place. So please support the acquisition and consider a public/private partnership. Thank you.

CHAIR HOKAMA: Thank you, Ms. Lawrence, for that recommendation and suggestion. Members, any questions for Ms. Lawrence on her testimony presented?

MS. LAWRENCE: Thank you.

CHAIR HOKAMA: Having none, thank you very much for being here. Lezley Jacintho please. Is there anyone else that would like to give testimony, please make yourself known, and we are happy to provide you your opportunity to share your thoughts with the Committee.

MS. JACINTHO: Hi, aloha, Councilmembers.

CHAIR HOKAMA: Aloha.

MS. JACINTHO: I just want to mahalo everyone for adopting this into the budget, and hopefully...

CHAIR HOKAMA: Kala mai, may I ask you to please state your name for the record?

MS. JACINTHO: Oh, my name is Lezley Jacintho.

CHAIR HOKAMA: Thank you.

MS. JACINTHO: I am part of the Malama Hamakua group that has been meeting and also part of the HCA, the Haiku Community Association, I'm a board member of the Association. And we, you know, we are very interested in having this place purchased for the open space and for the good use of our community, to bring back the cultural sites 'cause there are many cultural sites that have been left out and forgotten. And we also have one of our board members from the HCA and also part of Malama Hamakua today that took out a group from the Montessori School to start to clean out the entrance to one of the heiaus. So we'd really like you folks to, you know, put this into your budget, and we have lots of people that are, you know, willing to back it, people that are willing to get out there already and start cutting trees and starting to mulch, and clear areas. We definitely have a lot of things to work with, with the drug

use and dumping of cars, but I'm sure if we all come together as one group and we could definitely make it happen and, you know, prepare a good future for all our keiki. Mahalo.

CHAIR HOKAMA: Mahalo. Members, any questions for Ms. Jacintho? Having none, thank you very much for being here. Is there anyone else who would like to give testimony? Please make yourself known at this time. Having none, Members, with no objections, we shall close public testimony for today's meeting.

COUNCILMEMBERS: No objections.

. . .END OF PUBLIC TESTIMONY. . .

CHAIR HOKAMA: We have also received written testimony. With no objections, we shall receive that for the records also.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay, thank you very much.

ITEM 91: ACQUISITION OF FOUR PARCELS TOTALING 267.7 ACRES AT KUIAHA, HAMAKUALOA, MAUI (CC 16-147)

CHAIR HOKAMA: May I direct you please to BF-91, Members. It is under the heading of Acquisition of Four Parcels Totaling 267.7 Acres at Kuiaha, Hamakualoa, Maui. With this item, Members, we have received couple of items, one, we have a Communication 16-147, from Director Agsalog, transmitting the proposed resolution to acquire four lots in the Haiku Sugar East Subdivision. We also have an August 3, 2016 correspondence from Corporation Counsel, with a revised proposed resolution entitled Approving the Acquisition of Four Parcels Totaling Approximately 267.7 Acres at Kuiaha, Hamakualoa, Maui, Hawaii. And let's see. And at this point in time, we are looking at a proposed price tag of $9.495 million for the acquisition. You have received documents under your item for your review if you are using Granicus or if you are using the manual like myself. This morning we do have representatives from Alexander and Baldwin that are, will be sharing their presentation with us. We have two gentlemen, Mr. Grant Chun, Vice President for A&B Properties Maui, as well as their other senior management officer Randy Endo of A&B Properties Maui. So I'd like to introduce them to the Committee and our community, and ask them if they would start their presentation for us please.

MR. CHUN: Thank you, Chair Hokama. Good morning, everyone, and thank you very much --

CHAIR HOKAMA: Good morning.

MR. CHUN: --for having us here this morning. It's our pleasure to be here with you all today as a resource to support you in your review of this action before you. As you know, this particular proposed acquisition received much input and support from the community during your annual budget process. We congratulate you on your vision in providing for this acquisition through the County's budgeted Open Space Fund, for the purpose of maintaining these parcels for the public's benefit for generations to come. We had previously listed these parcels for a sum in excess of the contemplated sales price to the County, and you will note that it has actually appraised for a sum higher than that price as well. However, we are pleased to be a partner in working with the Council and the Administration in effectuating this transition at the terms reflected in the proposed resolution. We were reflecting just a minute ago that it's really wonderful and all too rare where all the stars are aligned this way where the community, the Council, of course the Administration, and the seller, A&B are all in sync on their shared interest and desire in being able to see this initiative through and to be able to share in the work that it'll take to preserve this area for the community for the future. So we are hoping for an expeditious review and approval of the proposed resolution so as to authorize and best situate the Administration to work with us on moving this transaction forward this quarter. My colleague Randy Endo is the person that is actually most conversant concerning these particular lands, as well as the deal that is before you today. So I'm going to turn over the mic to him and he'll provide you with a brief overview with some slides. Thank you again for having us here this morning.

CHAIR HOKAMA: Thank you, Mr. Chun. Mr. Endo?

MR. ENDO: Thank you, Chair. Good morning, Councilmembers and Committee Chair Hokama. My name is Randy Endo and I'll just be giving a brief five-minute overview of the property and some of the critical points of the sale. So switching to the next slide. Just a quick locator map showing where the property is. For those of you not too familiar with the area, it's past Hookipa and then past Maliko Bay, and basically in the vicinity of the Valley Isle Memorial Cemetery. So next slide.

CHAIR HOKAMA: Mr. Endo, you need a pointer or a light, laser, or something to assist you?

COUNCILMEMBER COCHRAN: It's not going to work.

COUNCILMEMBER COUCH: It doesn't work on it.

CHAIR HOKAMA: It doesn't work?

MR. ENDO: Oh, I can go up with my finger if anybody needs me to point anything out.

CHAIR HOKAMA: Okay. Sorry to interrupt.

MR. ENDO: No, no problem. So this is the, I just included this for comprehensiveness. It's just a copy of the subdivision final plat which has been approved by the County. And moving on. This is a little bit easier to see, oblique aerial photograph with the general

boundaries of the lots shown. So I've marked Lots 1, 3, 4, and 5 which are the subject of today's resolution. And also pointing out that the Jaws Lookout is very close to Lot 1 but is not actually on Lot 1. So this is just another oblique aerial image taken from the ocean side, showing the boundaries of Lot 1 in orange and it's 182 acres. Sorry, yeah, you can go. So the next photo is a more recent photo looking mauka to makai, basically showing Lot 1. And following that is another photo of Lot 1 primarily but also seeing some of the other lots taken from the ocean side looking up. Lot 3 outlined in orange in this photo is 33.8 acres. Lot 4 is just shy of 38 acres. And Lot 5 is 13.5 acres. Again, this photo is basically showing the same properties taken from the most, Paia Town side of the subdivision looking eastward and it's a more recent photo so you notice you don't see any more of the pineapple rows or cultivation. And this is just another photo of primarily Lots 3, 4, and 5 looking mauka. And as far as the sales details, as we've already...people have already mentioned, the price is 9.495 million. Appraised value was 9.78 which is about close to 300,000 below...sorry, above the sales price. And just for historical purposes I've put the list price, the most list pricing and the appraised values per lot. And finally we're proposing or hoping to close by September 30 of this year. And that last slide is more for, if there's questions on the access easements.

CHAIR HOKAMA: Can you --

MR. ENDO: Thank you.

CHAIR HOKAMA: --go back to that easement picture again for us?

MR. ENDO: Sure. Okay, if...so this diagram shows two things. If you look at the purple and the green line, that just illustrates the current access easement to get to the Jaws Lookout. So it's for the benefit of the public. The green sections are on Lot 1 and the purple sections are on the neighboring lot, not, which is not part of the sale. Basically the access easement follows the top of gulch of the Kaupakalua Gulch area. Then on the lower section, the blue line represents what was the old way that access went for all lots, 2, 3, 4, and 5, but as part of our working through this with the County to make things better, instead of having the County have to drive through Lots 1 and 6 which you would not own...sorry, not 1 and 6, 2 and 6, we granted a separate access easement which is generally represented by the red line. So coming off of Nahele Road you have a separate access easement just for the County's use. So that was just recently recorded. And then the blue line would then just be the access for the Lot 2 owner.

CHAIR HOKAMA: Are there any other infrastructural or utility easements that traverse multiple parcels?

MR. ENDO: Easements will be reserved for the existing Haiku Ditch which traverses Lot 1. It's primarily a tunnel in the top land areas but it does daylight in the gulches so we've reserved access easements for our EMI staff people to go down in there to do servicing and maintenance. As far as utilities, the red line would be both access and a utility

easement for any future utilities that anyone would or the County would want to bring onto the property. Currently there are no water meters servicing any of the parcels.

CHAIR HOKAMA: Okay, thank you. You have anything else to present, Mr. Endo? Is this...

MR. ENDO: No, that's it. Thank you --

CHAIR HOKAMA: This is it?

MR. ENDO: --Chair.

CHAIR HOKAMA: Okay. Yes, Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. While we're on this map, does the access easement include the use of the Jaws Lookout?

MR. ENDO: Yes. The easement which is the green and pink, I don't know if I should have said purple, or pink or purple, whatever that is, is for the public to get and use, to reach the lookout and to use it to the view the surf at Jaws.

VICE-CHAIR WHITE: Okay. Because it looks like it flares at the lookout point. I'm just wanting to make sure that that lookout area is included in the easement.

MR. ENDO: Yeah, this is a little bit rough, it does include the lookout area.

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

MR. ENDO: Yes.

CHAIR HOKAMA: Okay. Yes, Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Just I think you mentioned in the presentation that the lookout is not part of Lot 1, is that right?

MR. ENDO: That's correct.

COUNCILMEMBER COUCH: So the easement kind of goes in and out of our, if we were to purchase this it would go in and out of the County property?

MR. ENDO: Yes. The access to get to --

COUNCILMEMBER COUCH: The green portion?

MR. ENDO: --the Jaws Lookout would meander in and out of Lot 1 but the lookout itself is not on Lot 1.

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

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. So the property owner of the other side at this time is you folks?

MR. ENDO: Yes, it is.

COUNCILMEMBER VICTORINO: Okay. And I guess my question would be do you have any immediate plans to do anything with that land that would jeopardize the accessibility of the lookout itself?

MR. ENDO: We don't have any set plans for that property at this point. It has been on the market in the past. But regardless of whether it's sold or not, that access easement and the lookout will always be preserved 'cause the easement's already recorded.

COUNCILMEMBER VICTORINO: So that no one can, who be a follow-up purchaser or the purchaser of that land could not close that access to the public itself?

MR. ENDO: That's correct. There are relocation rights included in the grant of easement, so if somebody needed to, because of for whatever reason needed to reroute the road through the middle or something like that or whoever is the landowner would have the right as far as the exact location of the easement in the future. It could be moved but it would always have to reach the Jaws Lookout.

COUNCILMEMBER VICTORINO: So they could be moved but the accessibility from the top all the way to the lookout would be preserved even though it may be changed somewhat?

MR. ENDO: That's correct.

COUNCILMEMBER VICTORINO: And it wouldn't be forced upon the land that we're purchasing, it would still stay on the land that it is presently traversing?

MR. ENDO: Right. The right of relocation runs with the land, so whoever is the landowner of Lot 1 could make certain modifications to its sections on Lot 1. And whoever's the landowner of the other piece would have the similar right as to his lands.

COUNCILMEMBER VICTORINO: Okay. I just want to make sure we go through this exercise and we purchase this land, that Jaws is not somehow cut off down the road by some other purchaser of this property adjacent to Lot 1. So that was my concern. Thank you. Thank you, Chair.

CHAIR HOKAMA: Okay. Mr. Guzman, any questions on this presentation at this time?

COUNCILMEMBER GUZMAN: No, Chair. I'm very familiar with the area, I've been there twice, one with Grant and Randy, second time on a different occasion with Chief Murray.

CHAIR HOKAMA: Okay.

COUNCILMEMBER GUZMAN: So accordingly, Members, the easement path is...on the other side of that is a huge gulch so it's very difficult to, you know, move it, you know, more towards the gulch. It probably, if there were any type of movement it would move towards Lot 1 for a more straight path, because it gets a little bit, you know, windy [*sic*], curvy, as it exists right now. And there's a lot of, you know, curves in the road there. But if we wanted to make it more safe, you could just go straight on the border line of the border there instead of zigzagging and basically going on the edge of the gulch there. 'Cause you're only...when you look across, you're like whoa, you know. But anyway, that could be changed at any point so --

CHAIR HOKAMA: Okay.

COUNCILMEMBER GUZMAN: --I'm satisfied. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Crivello, questions on what was, on the presentation at this time?

COUNCILMEMBER CRIVELLO: Not at this time.

CHAIR HOKAMA: Okay, thank you. Ms. Cochran? Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Okay. We're going to have additional comments provided to the Committee and then we can have additional questions, Members. Yes, Mr. Couch?

COUNCILMEMBER COUCH: This was on this, you're still asking for questions on this presentation? I have one more.

CHAIR HOKAMA: If you have one, please present it.

COUNCILMEMBER COUCH: Yes, Mr. Endo, on Lot 5 on some of the pictures, it shows that there are some structures. Are those structures still there?

MR. ENDO: No, those structures have been removed. Those are a part of Alex Body's program where he had children, youth programs there but it's since been removed.

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

CHAIR HOKAMA: Okay. Anyone, any other questions at this time, Members? Mr. White?

VICE-CHAIR WHITE: One more while we're on this slide. What is the width of the easements?

MR. ENDO: The width of the red new easement in favor of Lots 3, 4, and 5 is a minimum of 40 feet wide.

VICE-CHAIR WHITE: Okay.

MR. ENDO: And it gets wider at some areas.

VICE-CHAIR WHITE: And then what about the other one?

MR. ENDO: The other one I could find out for you --

VICE-CHAIR WHITE: Okay.

MR. ENDO: --and get back to you. I think it might be a little narrower.

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

CHAIR HOKAMA: Okay, thank you, Members.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Yes, Mr. Victorino?

COUNCILMEMBER VICTORINO: I'm sorry. Along the same lines, what is the minimum width, Mr. Endo, as far as these easements? What is the minimum that we could go or that you guys would allow or that we would allow? Do you know if there's some kind of ordinance that handles that amount of the easement itself, the minimum width?

MR. ENDO: My general understanding is there is no set minimum --

COUNCILMEMBER VICTORINO: Okay.

MR. ENDO: --width for the easement, it really would depend on the intended purpose --

COUNCILMEMBER VICTORINO: Okay.

MR. ENDO: --of the road.

COUNCILMEMBER VICTORINO: Okay. Thank you for that clarification. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Regarding the gulches, gentlemen, on one side of Lot 1 and then the Lot 6 above 3, 4, and 5, I would assume that's all State Conservation classified lands. Is that a good understanding for the Committee? Mr. Endo?

MR. ENDO: Oh, I'm sorry. I was looking up an answer to the other question. You mean the makai of Lots 3, 4, and 5?

CHAIR HOKAMA: Yeah, all the gulches.

MR. ENDO: Oh, all the gulches.

CHAIR HOKAMA: Yeah.

MR. ENDO: No, all the gulches...

CHAIR HOKAMA: So that parcel there, the one above?

MR. ENDO: That's all in Agricultural District.

CHAIR HOKAMA: The gulch itself is in Ag?

MR. ENDO: Yes.

CHAIR HOKAMA: I swear you get more than 30 percent slope on some of those faces which would automatically go Conservation right? No? So even --

MR. ENDO: That's not...

CHAIR HOKAMA: --the large parcel abutting Lot 1 is Agriculture, that gulch?

MR. ENDO: Yes. Basically everything is in the Agricultural District, both State and County, except for small areas right along the shoreline.

CHAIR HOKAMA: Okay, okay. And in those lots that you still retain ownership, do you have current leases or other permitted users on property that need access or has --

MR. ENDO: No.

CHAIR HOKAMA: --certain contractual agreements regarding potential traverse-ment of Lots 1, 3, 4, and 5?

MR. ENDO: No, there are no current tenants on any of the lots.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR HOKAMA: Well, we can talk about those after the departments give their point of view. Okay, Members, so you have no further questions at this time for A&B representatives so I'm going to ask the Administration to give us their comments on, their thoughts regarding this acquisition request before us this day. So I'll ask

Director Baz from, Budget Director from the Office of Budget to give us some comment on this item please?

MR. BAZ: Good morning, Mr. Chair, Members, happy to be here. The purchase of this, as you know, was approved in the budget so there's no financial amendment to the budget required. So this is just the resolution to authorize us to purchase the land with the amount of funding that's already been set aside for it. We have the Director of Finance here as well as his staff, also the Deputy Director of Parks and Recreation. And the Managing Director is available should there be any specific questions about the property itself. And so I will turn it over to our Deputy Director Mark Walker.

CHAIR HOKAMA: Okay. Before we have Mr. Walker, our Deputy Director of Finance give his thoughts, the Chair would just say for your understanding, we've scheduled this for today and this is the only item this Committee is going to deal with today. Depending on the outcome of today's meeting, if needed by this Committee, the Chair has already circled September 2nd I believe as...September 1st--thank you--as the backup for an additional meeting if this Committee requires additional response, there's a request of at least three Members for site visit. Then the Chair has enough time to grant your considerations of request. My understanding of our Charter and our laws is that this proposed resolution requires only one reading. So I'm going to ask Mr. Ueoka if the Chair is correct in his understanding of the requirements of passage of this resolution.

MR. UEOKA: Thank you, Chair. Yes, I believe you are correct. Thank you.

CHAIR HOKAMA: Okay. Therefore, if we need the September 1st meeting, we've already planned and scheduled so that by September 16th...wait, 16th's meeting--thank you, Staff--Council can take action in time to make the closing deadline. So I just share that as how we are scheduling this item. We've given it enough time, we've scheduled time to make sure we can do a good job of vet-ment and review of all the issues, the benefits. And if there are potential disadvantages or liabilities, I will discuss that. Because it's been interesting the testimony, if you read, some people want us to buy all the lots. There's people who question the wisdom and say we should buy some of the lots. So part of the job today is to vet, ask your questions of the various representatives of department, property owners. If there's questions you have for potential organizations that would have some management thoughts, we can ask them for their thoughts if they are present. Any questions for your Chair on how we plan to proceed on this item? Okay, with that, Mr. Walker, Department of Finance, comments please?

MR. WALKER: Thank you, Chair, Committee Members. I think most of the salient points have been covered in the presentation by the Alexander and Baldwin representatives. The only thing I would add just for the Committee's benefit is from a recent history perspective, the land was started in pineapple cultivation in the '50s and the bulk of it has been out of production for at least five years and some of it more than that. Other than that, that's all I have to share at this point.

CHAIR HOKAMA: Okay. Mr. Baz, you have anyone else that's going to speak for Administration this morning regarding how the County plans to proceed on the assumption that the Council passes this acquisition resolution?

MR. BAZ: Yeah. Mr. Regan will be joining us here in a minute. And then we, the Parks Department is here just basically to answer any questions that you might have. So call, yeah, Keith Regan if he can come join us now, our Managing Director.

CHAIR HOKAMA: Okay. So we welcome Managing Director Regan. And we also have Deputy Director Savage of the Parks Department present should you have questions for her Department. Mr. Regan, good morning, and we welcome you and look forward to your comments.

MR. REGAN: Good morning, Chair. Good morning, Members. It's an honor to be here this morning to discuss this item. At this point in time, you know, the Administration is looking forward to acquisition of this property as proposed by the Council. We appreciate the Council pushing this forward, and it's our job now to carry out the policy of the Council and to acquire this property and work with the community to determine what are the best options for this particular parcel. And we look forward to that process. We look forward to involving the community and being part of that. So at this point in time, we have no specific plans for the property, we just look forward to these public meetings, and once the property is acquired, and determining how we're going to move forward and what's the best use. So that's really the only opening comments that I have about this. I hope that we do move forward in the acquisition of this property. I think this is an outstanding parcel, number of parcels that speak clearly to the County's vision of protecting open space. And these lots are just amazing pieces of property that really are going to provide a lot of opportunities for this community to do some amazing things out there. So look forward to the acquisition and any questions that the Members may have. Thank you, Chair.

CHAIR HOKAMA: Thank you, Mr. Regan. Had hoped for little bit more meat on that bone.

COUNCILMEMBER GUZMAN: Chair, I...

CHAIR HOKAMA: Hold on, Mr. Guzman.

COUNCILMEMBER GUZMAN: Okay.

CHAIR HOKAMA: But it is what it is so we thank you for your comments, Mr. Regan. For the Committee's understanding, if acquisition moves forward, who would be as you understand it the primary department that will take jurisdiction of the property? Will it be Finance under the Finance Director? Will it be under Parks? Where do you see the assignment of initial responsibility being handed to?

MR. REGAN: You know, Chairman, thank you for the question. You know Finance is really good at acquiring properties, but I don't know about, you know, providing oversight and management to this particular property, if that was the right place. And no

offense obviously to the Department of Finance, I think they do an outstanding job in their responsibilities. But, you know, this is essentially passive park land when you think about it, right, at this point in time. So if there were a department where it would be most suited it would be the Department of Parks and Recreation. Now I say that but with that would come a commitment to provide some resources to the Department so that they could, you know, properly manage and work with the community on this particular parcel. And so I think at this point in time, the most appropriate Department would be the Department of Parks and Recreation, but we're going to have to provide some additional resources so that this project moves forward in the most appropriate way.

CHAIR HOKAMA: Okay, thank you for your comment, Mr. Regan.

MR. REGAN: Oh, Chair, if I could also...

CHAIR HOKAMA: Yes.

MR. REGAN: Yeah, we've been having some internal discussions about maybe some resources that exists within the Mayor's Office that might be able to assist the Department of Parks and Recreation. And so we were thinking about maybe Rob Parsons and perhaps Kenneth Yamamura who have, you know, some experience in dealing with these kinds of properties, to enlist their help to assist in moving this forward and working closely with the Parks and Recreation Department. So thank you, Chair.

CHAIR HOKAMA: Thank you for your thoughts, Mr. Regan. Mr. White, questions at this time to the --

VICE-CHAIR WHITE: Not at this time. Thank you.

CHAIR HOKAMA: --Director? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you for being here, Mr. Regan. I understand where we would have to have the coordination or the oversight from a department that, for all of these acreage. Is there a consideration for the conversation or dialogue to go further from the community-based efforts that, or it's, I've seen Malama Hamakualoa, and if they're a nonprofit? Often, you know, it's the heart and soul of the community that can really fill the, what I've heard, the cultural richness, the environment, and how it can be put back to production if it means in agriculture. And perhaps some resources in turn could be provided for this kind of community-based organization. Is that any kind of consideration that may be taken into by the Administration?

MR. REGAN: Yeah, thank you. Chair?

CHAIR HOKAMA: Director?

MR. REGAN: Absolutely, and this is a partnership, right. This is a true public/private partnership when you think about it, right. So enlisting the help of 501(c)(3)s, nonprofit organizations who want to be a part of this, who have deep connections to this property I think is very important for us. We recognize that. And having been involved in some of the conversations over the years about this particular property, I know that there are lineal descendents that have a very deep interest in protecting this. There are very important sacred cultural sites on this property that we have to really protect and preserve, and I think it's important when you can involve organizations who have that deep connection to that. Because they have this responsibility, right, it's their kuleana, right, to protect that. Definitely want to involve organizations like that, you know, in this process. And, you know, I think that the County does a good job at certain things, but our nonprofits and our organizations do great jobs at other things. And I think that's where we have this synergy where we can come together and address this. You know I have friends and family members that are interested in making sure that this property goes forward, that we protect it. I have...like the Kuloloio's is, as an example are friends of mine and, you know, they have deep connections to this property and so I feel that when I talk to people and when the Mayor talks to people. And so we definitely want to involve all parties who are interested in making sure that we protect this property, absolutely.

COUNCILMEMBER CRIVELLO: Thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. We're going to go down the line for all Members to have their opportunity. I was remiss, I forgot to go back to Mr. Guzman. So, Mr. Guzman, my apologies, questions, sir?

COUNCILMEMBER GUZMAN: Actually I don't have any questions but I just wanted to elaborate on the Managing Director's comments. Yeah. In regards to the community meetings that's been going on for several months, we've had a very good, dynamic, unique situation where we can actually show, at least this could be a model of government/non-government partnerships. The, you have surfer groups that, on Lot 1 area. There's certain areas of Lot 1 near the Jaws area that they're interested in. You have the agricultural community that are very interested in organic as well as non-organic farming that would also be utilized in Lot 1 which is the area closest to the roadway. And so that would be looked at as another area of interest. Of Lot 4 you have the traditional cultural sites, and also on Lot 3 there are a lot of trails that the biking enthusiasts as well as equestrian groups and clubs are also interested in. So at these meetings you have a lot of these user groups getting together, sharing ideas, and one of the ideas is stewardship agreements, you know, different areas responsible for their nonprofit. And then currently right now the Haiku Community Association is acting as the fiscal entity right now collecting or at least managing their finances until they can approve collectively a 501(c)(3). Eventually with the help of the land trust would eventually then come into play as part of their umbrella. So there's a lot of working parts to this, and people are excited. So I just wanted to give you a little bit more meat than was initially stated in the opening comment. The Mayor's Office has a taskforce assigned to this as well. I think Jock and Mr. Regan are part of that. So it is true that, what mister, what Grant said is this is one project where all parties are

onboard. So it's just a matter of fine tuning and getting things together. I just wanted to add that too. Thanks, Chair.

CHAIR HOKAMA: No, thank you, Mr. Guzman, for your comments. Mr. Victorino, you have a question at this time?

COUNCILMEMBER VICTORINO: No, I think I for one...I forgot we have a new tool that I have to adjust to. No, I agree with the analysis and what has been said thus far. And I think I wait for your recommendation, because I think this is another prime example of this County taking a proactive approach in keeping open space and the users of these various areas in mind. Like we've done in other areas throughout this County, whether it was Central Maui, West Maui, South Maui, it doesn't make a difference. East Maui now this is their moment and this 267 acres will be well used and I think well managed with the various groups that are out there. I think I want to thank Mr. Regan and the Administration. Thank Mr. Guzman for his help. But more importantly, we've only taken the first step and that first step is really identifying, the second step is purchase, and then the third step is really putting the plan in its final conception and...not final conception but in its final form so that we can move ahead. But I don't want the land sitting there...what I...being fallow and just sitting there like we have Launiupoko and some other areas. I'd like to see us actively use the land, and there are people that want to use the land as Mr. Guzman has described. And so that's another means of also some financial resources to continue to perpetuate and to improve and maintain these areas. So I think this is a win-win all around, Mr. Chair. So I'll wait for your recommendation. I'll hear what others have to say. But I'm thankful that the community, our government, and I want to thank A&B for their generous bringing forward of this land and giving us first divvy on getting this 267 acres, Chair. Thank you.

CHAIR HOKAMA: Thank you. Mr. Regan, I know that wasn't really a question but if you would like to give comment on Mr. Victorino's statement, I'm happy to let you share some thoughts.

MR. REGAN: I, no, I have nothing else to add, but...

CHAIR HOKAMA: Okay, thank you. Mr. Carroll, questions at this point in time? Ms. Baisa?

COUNCILMEMBER BAISA: I have mixed feelings about this. Like everybody else, I love the idea of us preserving open space, I think it's very important. You know it's kind of heartbreaking when you drive around and see that our beaches are all not that accessible anymore and there are not enough of them. The ones that we have are inaccessible. And so I thoroughly relate to that piece of this. But I am a little concerned about the expectations that we might have about what we can do with this because of where it is. You know does it have any infrastructure? I heard somebody say there is no water service. I'd like to know that. Is there any infrastructure in the area?

CHAIR HOKAMA: Mr. Endo, Mr. Chun, can you respond to Ms. Baisa's inquiry please?

MR. ENDO: Thank you, Chair. Randy Endo again. There is no water service and there is electrical power in the vicinity but nothing brought onto the property right now. So...and of course there's no sewer. So at this point, there is no infrastructure currently servicing the property except for if you want to count the access roads, the dirt roads to get you onto the property.

COUNCILMEMBER BAISA: Right. And, you know, not being an active ocean person, I have never been out there. I have seen pictures and videos, and I mean it's absolutely gorgeous when they're having surfing competitions and all of that. But how does that happen? If we become the owners of this, is that still going to happen? And really there is no facilities out there, how is that managed? I'm really concerned.

CHAIR HOKAMA: Mr. Endo?

MR. ENDO: Thank you, Chair. Randy Endo again. As far as the current process that we do, as A&B as the owner, we do engage with--sorry, I forgot the name--the world surfing association or league and other surf organizations that then run the big surf meets which occur not very frequently, maybe once or twice a year at the most. When the big surf comes in at Jaws, then we, they basically are allowed to take over control, manage the transportation and the safety of the area, and they manage the crowds during the event is what we've done in the past. Going forward, of course everything would be different now. While the lookout site is still going to remain for now on A&B land and we could grant them a license to use that area of the lookout, the County would have to be involved now. Because obviously people would still have to drive through the County property before you get to the lookout. So it would require some coordination and a cooperative agreement between both A&B and the County to continue.

COUNCILMEMBER BAISA: Okay. Well, you know, I do think that that's a cost that we have to think about, and we have to make sure that there is some stewardship. Because, you know, we all know Parks and Recreation is overdone. They have just so much responsibility and can't...they have a very difficult time keeping tracking of everything, and I'm empathetic because I know that there's a lot of facilities that they're trying to manage. And to give them something that has as much liability as this has attached to it, I think we need to think about who are we going to give this responsibility to, who is going to overlook this so that this becomes what the dream is for it, and there's a lot of dreams. I mean I've listened to this wonderful thoughts that people have about fishing and growing stuff, and, you know, doing all this stuff, but we have to be a little careful about we don't bite off more than we can chew. You know this is not the first time we've sat since here I've been in here in ten, this is my tenth year here and we've dealt with other open space, and we've talked about who's going to come in and who's going to manage it. And that's always been something that we've looked at very carefully. I remember when we were acquiring Kaehu Bay, we had a group of people that had come and actually presented about what they were going to do and how they were going to do it. So we had a comfort level that there would be oversight. During the purchase of Lipoa, the same thing happened, we had many, many groups that

were coming here to commit and we knew who they were, and we knew their leadership and we knew their plans. So all of that is going through my head. It's not that I'm opposed to this, not at all, but I'm just, want to make sure that we know what we're doing. Because we're responsible to our taxpayers. Thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: No questions at this time but I hear what Ms. Baisa is saying and it, that same discussion was going on with Lipoa Point also and Honolua --

COUNCILMEMBER BAISA: Right.

COUNCILMEMBER COCHRAN: --and it's still going on. So and yeah, so not anything at this point, Chair.

CHAIR HOKAMA: Okay.

COUNCILMEMBER COCHRAN: Unless I'm just scrolling through Title Guaranty's paperwork with the initial communication to this body, and there's, it's breaking down each lot. And one lot, it doesn't name the lot but it's the 13.514-acre lot and it says that it may have back taxes owed on this property. So I wasn't sure who that question would go to and if we know how much that is that would be...it says attention is invited to the fact that the premise is covered here and may be subject to possible rollback or retroactive property taxes. So...

CHAIR HOKAMA: Mr. Endo, can you respond to --

COUNCILMEMBER COCHRAN: And I have the tax map key --

CHAIR HOKAMA: --Ms. Cochran's --

COUNCILMEMBER COCHRAN: --here.

CHAIR HOKAMA: --query please? And this is regarding Parcel 83.

COUNCILMEMBER COCHRAN: Yes.

CHAIR HOKAMA: The TMK parcel number is 83, 13.514 acres.

MR. ENDO: Thank you, Chair. Well first of all, I can state that definitely there are no back taxes owed in the sense of the annual real property taxes paid on the property. We have...we receive tax clearances and we, as a company, we pay all of our real property taxes on an annual basis and we try not to miss any lots that we owe money on. As far as rollback taxes, I don't believe there would be any rollback taxes. But to the extent there are any issues in that regard, we could resolve them with the Finance Department prior to closing.

CHAIR HOKAMA: Ms. Cochran, would this be in regards to any agricultural dedication requirements that you're concerned about on the taxation?

COUNCILMEMBER COCHRAN: No, I just wanted...I mean is that a huge amount? I was just scrolling and just --

CHAIR HOKAMA: Yeah, no, no, no, you know, yeah.

COUNCILMEMBER COCHRAN: --reading the details on each parcel and that popped out, because no other parcels states this in notes from Title Guaranty but this one in particular does.

CHAIR HOKAMA: Right, right.

COUNCILMEMBER COCHRAN: So that was just my query, my reason.

CHAIR HOKAMA: Okay. We'll reconfirm also with Finance Department if they are...from the Department side if there's any issues regarding taxation.

COUNCILMEMBER COCHRAN: Yes, that would be good.

CHAIR HOKAMA: We can follow up.

COUNCILMEMBER COCHRAN: Great, thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I do have several questions on the legal part, but right now we're talking with, we're talking about infrastructure, et cetera. Just for Mr. Endo, does Lot 2 or 6...those are the 2 lots that are owned by somebody else at this point, is that correct?

MR. ENDO: That's correct.

COUNCILMEMBER COUCH: And do either of them have water?

MR. ENDO: No, not at this time. Lot 2 is the one that's closer to the ocean and Lot 6 is the one that the blue line is on, and both of them do not have...well actually I'm not 100 percent sure but I'm pretty sure Lot 6 doesn't have. We never actually owned that parcel. That's owned by the Hisashima family. Lot 2 we did sell and that does not have any water service.

COUNCILMEMBER COUCH: Okay. And...

MR. ENDO: Although they're drilling a well.

COUNCILMEMBER COUCH: Oh, okay.

MR. ENDO: Yeah.

COUNCILMEMBER COUCH: The next question is I'm assuming that's on the meter list, that, those parcels would be on the meter list or is that a different water system?

MR. ENDO: Thank you, Chair. It, I'd have to check, to be honest, to see if these parcels are on the Upcountry water meter list or not.

CHAIR HOKAMA: Mr. Regan, would you be aware of the status regarding that question? You're on.

MR. REGAN: Sorry, I'm just --

CHAIR HOKAMA: You're on.

MR. REGAN: --getting used to the microphone too. You know, I don't have that information with me right now, but we can certainly speak to the Water Department to determine whether or not those parcels are on the list and get back to the Committee.

CHAIR HOKAMA: Okay. What I would ask you, the Members of the Committee at this point in time hearing your question, Mr. Couch, is if you have additional, all Members, if you have additional questions regarding the Department's due diligence and what were their findings, please bring them up at this time. Because I think it's important for us to hear their findings of the due diligence process that I would assume we did prior to this consideration. So --

COUNCILMEMBER COUCH: Oh, okay.

CHAIR HOKAMA: --part of that would be issues like what is --

COUNCILMEMBER COUCH: Water meter list.

CHAIR HOKAMA: --the status regarding water meters, any outstanding taxes, are there any current additional liabilities we have not been told of --

COUNCILMEMBER COUCH: Yeah, that's --

CHAIR HOKAMA: --regarding --

COUNCILMEMBER COUCH: --my other list of questions I have.

CHAIR HOKAMA: --illegal tenancy, illegal disposal of goods, HAZMAT materials, illegal drug cultivation, or whatever it be. That's the kinds of things we need to know.

COUNCILMEMBER COUCH: That's my other list of questions too along those lines. I'm guessing it's either Management or Finance or Corp. Counsel.

CHAIR HOKAMA: I'll ask Director Regan if he can maybe share some thoughts on the --

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: --Administration's due diligence process.

MR. REGAN: Yeah.

CHAIR HOKAMA: Mr. Regan, can you share --

MR. REGAN: Thank you, Chair.

CHAIR HOKAMA: --some comments please?

MR. REGAN: Yes. So I'm just looking at the property and thinking back to the discussions that we've had as we were going forward to acquire this particular property. There are, you know, some minor issues with regards to people on the property but nothing that we haven't, you know, had to deal with in the past and nothing that would be a show stopper if you want to call it for the acquisition of this particular property. I think with regards to the water issue, as I mentioned, I'm just going to, I'm following up with Water Department right now as we speak. I've asked them to, you know, provide us that information. I think it's an important question. But again, you know, it's not something that really should prevent us from moving forward and acquiring this property. It is a big issue for, in terms of infrastructure if we're going to do something more active with the property. But at this point in time, I really feel that, you know, based on our due diligence that we've done, that given the size of the property, the location of the property, the potential for the property, you know, the positive impact for the community with this property, that those are, those issues that I brought up are minor issues that we can work through. We saw nothing in our due diligence in that process that basically told us to stop. So we think that this is a good property. We think that this is something we should move forward on, and that there will be challenges as was mentioned. I mean I think Councilmember Cochran brought up some good points about other properties that the County's acquired that we've worked with nonprofit organizations to try to take some ownership, but that's just part of the process, you know, and that's a natural part of the process. And again, I don't think that those are issues that are going to prevent us from being able to move forward. The infrastructure question that came up by Councilmember Baisa is also a very good question, and it's something that we've talked about internally. But speaking with some of the, I'll call them users or people that are familiar with this property, they've been able to utilize the property as it is now without a lot of that infrastructure. So, you know, for what's being done out there now, it's not like they need to have these infrastructure, right, to be able to do these things. It would be nice I think at some point in time eventually that if we could provide restroom facilities or, you know, someplace, maybe shower facilities, something like that for users of Jaws, you know, and when those activities are happening or this park. But that's way down, you know, way, way down the road. But again, getting back to the initial point and question,

that based on what we've conducted up to this point in time, there's nothing that is telling us we shouldn't move forward.

COUNCILMEMBER COUCH: Thank you for that. And I totally agree that, you know, we need to get this land and work with the organizations that have stepped up, especially some of the ones that want to provide us funds--of course we always like hearing that--or provide funds to help clean the, keep the land going, so not a problem with getting that land. I have no problem and I think it's something we should do. I'm just trying to see some of the issues that have come up in me in looking at the appraisal and a few other things. One of the things that stuck out for me is this used to be pineapple land, is that correct?

MR. REGAN: Yes.

COUNCILMEMBER COUCH: Okay. In the appraisal, Exhibit 2, Page 6, it says values estimated in this report are based on the assumption that the properties are not negatively affected by existence of hazardous substances or detrimental environmental conditions. Has somebody gone through and...from our side and taken a look at some of the soil samples and stuff to make sure that, that assumption is good?

MR. REGAN: I'm going to defer to A&B on this one. I'm going to let them provide you an answer.

CHAIR HOKAMA: Mr. Endo?

MR. ENDO: Thank you, Chair. We have provided to the Department of Finance a copy of a Phase I report which covers this property basically indicating that the property has a clean report with no hazardous materials.

COUNCILMEMBER COUCH: That's really good to know. The other thing, Mr. Chair, stop me if I'm asking too many questions and you want to go to others. But...

CHAIR HOKAMA: Okay. Why don't you ask this question and then we'll let others have their opportunity.

COUNCILMEMBER COUCH: Okay. Interestingly, in the agreement, on Page 4 of the agreement, Section 2.3, there's a section in there I'm just concerned about or is this something normal? But it says threat of condemnation, buyer acknowledges that the seller has agreed to convey the property to the buyer pursuant to the terms of this agreement under threat of condemnation. What does that mean? Are we threatened to condemn the land or you...I'm not sure. That sounds like this is a forced sale kind of thing so I'm wondering why that's in there.

MR. ENDO: Thank you, Chair. I think I could answer that if you want or you could go to --

CHAIR HOKAMA: Mr. Endo, why don't you respond.

MR. ENDO: --Corporation Counsel. It's something we have like to have in our agreements at the recommendation of our attorneys. I think we've done it in the past for the Waiale purchase. It's more of a technicality. It's not like you folks are really angry at us and threatened us, you know, in that sense. It's kind of not meant to be that way. It's a technical tax issue. It simply allows us to basically 1031 the money onto another property. So with that clause in the agreement...it's not a 1031 because it's a government purchase so it's under the Section 1033 of the Internal Revenue Code. It allows us some ability to take the money and reuse it in a, on another property.

COUNCILMEMBER COUCH: And if I could just get a nod or something from Corporation Counsel, that's, that doesn't affect us at all?

CHAIR HOKAMA: Respond on the record, Mr. Ueoka.

MR. UEOKA: Thank you, Chair. We're not aware of any effect it has on the County. Thank you.

COUNCILMEMBER COUCH: Thank you. Thank you, Chair. I have more after.

CHAIR HOKAMA: No and that's fine. I think the Members, you are asking some very good questions, because for me--and that's something I'll, we'll have the department give comment to--most of us who have been around long enough pretty much know what the plantations bought Ag land for. This is agriculture, we've been told that over and over, and we're going to pay over $100,000 an acre for Ag land with no infrastructure? Is that we want pricing to be set at for Agricultural lands? Can put a house on a $100,000 acre of Ag land, convert it to Urban and Residential. Interesting dilemma we're in, Members. What I'm going to do is take a mid-morning break. Part of...also is I'm going to ask Ms. Savage as the Deputy of Parks to come also come down and give us her thoughts of how the Department may want to move forward upon acquisition and take, being given the responsibility of day-to-day operational management of how they foresee moving forward. As well as try and give us a response because I think one of the concerns both from this Committee and the community is how long will it take for a management plan to be put into place? I don't think we want to wait years for a plan. So with that we are going to stand in...

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, before we break, I just want to...I had a quick question with Mr. Endo's comment back to Mr. Couch in regards to the land, soil samples or what...he's...my quick question is who, was there a company, outside company that did the testing and gave that clean bill of health report? Or did your company...or how...I just wanted to know who got your testing for you.

CHAIR HOKAMA: Mr. Endo, can you respond please?

MR. ENDO: Thank you, Chair. Yes, the Phase I environmental report was done by the firm of Bureau Veritas. So it's an outside environmental...

COUNCILMEMBER COCHRAN: Sorry, sorry, what was the name again?

MR. ENDO: Bureau Veritas. V-e-r-i-t-a-s.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Okay, we're gonna take a break at this time, Members. So we shall reconvene at 10:35. . . .*(gavel)*. . .

RECESS: 10:19 a.m.
RECONVENE: 10:36 a.m.

CHAIR HOKAMA: . . .*(gavel)*. . . We shall return to order. Joining also at this point in time is Deputy Director Savage, Department of Parks and Recreation, County of Maui. So before we continue questions, Members, I'm going to ask Ms. Savage if she would like to, at this point in time, give any opening comments from her Department's perspective regarding this consideration this morning.

MS. SAVAGE: Thank you, Chair. Good morning, Members. From a Parks and Recreation perspective we're always supportive of additional open space and conservation land and any inquiring acquisition of those types of properties. We think it's a really important part of a healthy park system which then equates to having a healthy community and all the different types of environmental components that can be built into an overall system. Specifically for this proposal, the Parks Department really hasn't been involved in the process so I'll do the best I can to answer questions as they come up. We have not participated in any onsite inspections up to this point, again, or any of the different meetings or planning or management proposal meetings. So that's kind of all I have to start off with. Thank you.

CHAIR HOKAMA: Okay, thank you, Director. Is it something that the Department feels to do prior to Council taking final action on this consideration which would be the site, onsite maybe review and inspection? So that you could possibly maybe give comments to the Council instead of the Committee of some recommendations, whatever it may be. For security, we would ask you to consider temporary gates of various lots for, from a security standpoint. Again, I just throwing things out, I have no idea 'cause I haven't read the due diligence report from Finance yet. So is some of the areas of my concern more of what is the unspoken liabilities or disadvantages. If there's issues at the ocean side regarding shoreline erosion, whatnot, we'd like to know about it. Potential requirements of safety zones along the cliff side or the pali side, we would like to know that. Are there additional traditional native access or gathering right points that either Na Ala Hele organizations have designated or made known to the general community public? We would like to know that also. Is there anything at this point in time you could share with us regarding those areas of, that I brought up? Mr. Ueoka?

MR. UEOKA: Thank you, Chair. If we're going to get into any specific points of liability, I'd request executive session to go over those in a controlled environment if you're going to get into specific liability issues. If that's okay with you, Chair. Thank you.

CHAIR HOKAMA: No, I understand your advice, Mr. Ueoka, and the Chair thanks you for that kind reminder. But at this point in time, the Chair is more concerned of just general issues, not, nothing specific, because I don't see anything specific before Council or a specific committee at this point in time. So just general issues for the general area.

MS. SAVAGE: Thank you, Chair. So with this parcel if it's going to be moving into, or parcels moving into Parks and Recreation, we would want to identify what kind of the existing management plan is that A&B is utilizing, look at some of the costs that are involved in that process and the amount of time and just frequencies. And so we would want to get that information from them relatively quickly so that we can look at what does that translate into Parks Department budget, manpower, and dollars so that we were able to provide that information back to this body for your guy's consideration. At this point, we don't have additional staffing or resources or, you know, contingency monies intended to go in and address any existing or inherited perpetuating situations that might be a part of these properties. So we would need to get in there, do some site inspections ourselves, go through kind of what more the inventory and existing circumstances are, talk with the other landowners in that area, get acquainted with the groups that are interested in doing different work out there, and kind of begin that process so that we can get a good understanding if we're going to be the primary Department from a management perspective so that we're able to better maneuver through that process.

CHAIR HOKAMA: Okay, thank you. One of our public comments earlier this morning was about non-point-source pollution concerns. So at this point in time, your Department, you're not aware of any documentation or communication from let's say State Land and Natural Resources, Department of Health, regarding any potential non-point issues regarding the potential parcels for acquisition?

MS. SAVAGE: Yeah, none that we're aware of.

CHAIR HOKAMA: That's good news to hear. Mr. White, questions to Ms. Savage at this point in time, sir?

VICE-CHAIR WHITE: No questions for Ms. Savage, but I do have one for the, for A&B later.

CHAIR HOKAMA: Okay, yeah, I'll return, we'll cycle back to you, Mr. White. Right now, Members, questions for Director Savage? Mr. Guzman?

COUNCILMEMBER GUZMAN: Oh, no.

CHAIR HOKAMA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah. And, Ms. Savage, I guess the quick question for you is in the regard that when given the responsibility if this land is purchased as the primary Department, not the only department at this time but probably the primary Department, would you be willing to work with all the various groups that have come forward to make sure that whatever is intended and the plans that have been put together to this point, the community meetings...and have you attended any of those community meetings as far as this planning group is concerned? Have you?

MS. SAVAGE: No.

COUNCILMEMBER VICTORINO: Okay, okay.

MS. SAVAGE: Neither the Director nor myself have been...

COUNCILMEMBER VICTORINO: Okay, okay. And that's fine. That's fine. But you would be willing to sit down and work as quickly as possible to formulate what I would call a plan for all parties concerned so that we take control but they'll be a big asset to us to have that care, custody and control, and the stewardship of this land? You guys would be willing to do that?

CHAIR HOKAMA: Department?

MS. SAVAGE: Yeah, thank you, Chair. Yeah, we would look at coming in and again, just identifying who all those partners are. A lot of different projects, facilities, and especially as we move more into larger parcels, we need partners within the community in order for us to be the best stewards of different pieces of property.

COUNCILMEMBER VICTORINO: Well, thank you. And I truly believe in hearing the testifiers and hearing, you know, during Budget session and all the different people during our Budget hearings in Haiku, I think there's a lot of groups that are willing to step forward immediately and help us. So it makes me a lot more confident in bringing this forward and moving this purchase. So thank you miss...Savage. Gee, oh my God, I'm so sorry. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Carroll, any questions for the Department at this time? Ms. Baisa?

COUNCILMEMBER BAISA: Yes, Chair, and thank you. And thank you, Ms. Savage, for being here. I think that it's important for all of us to understand and I think I'm correct that there is no ocean access from these parcels that we're acquiring or we're thinking of acquiring?

CHAIR HOKAMA: Department?

MS. SAVAGE: I would not be able to answer that question.

COUNCILMEMBER BAISA: Well, it's my understanding and I know we have people here who know a whole lot about this that the surfers have to get to Jaws by going to Maliko and they take boats over. My concern is, what is this going to do to Maliko, you know, if we get it and it becomes more popular? I heard well, it's hardly used now except for big surfing events, but what about, do you see any increased use if we get it, decreased use? I really don't know. You know the problem is the people that do this all the time know, but we're the decision makers and we're not really that familiar with the daily use or the daily problems or what they're dealing with, and that would be helpful, Chair. Maybe somebody from this group that is involved with this could give us a better idea.

CHAIR HOKAMA: Okay, we can ask for some comment. I will ask A&B representatives if they can also give comment. Are you aware, gentlemen, of any makai access to the proposed lots of consideration? Mr. Endo?

MR. ENDO: Thank you, Chair. Yes, there currently is a way to get to the ocean from the Jaws Lookout so it wouldn't be on Lot 1, you would actually be heading slightly east down into the gulch, and then you can access the ocean that way. They also do launch from Maliko Bay though so you are correct also but...

COUNCILMEMBER BAISA: Chair? Chair? I'm having a real difficult time with Mr. Endo in the back. Could we ask him to come forward?

CHAIR HOKAMA: Sure, sure.

MR. ENDO: Oh, sorry about that.

COUNCILMEMBER BAISA: He's short like me so it's hard. Short, just maybe a little taller.

CHAIR HOKAMA: And then if maybe Mr. Baz can help you and put on a slide that makes sense for you to maybe assist you with your comments, Mr. Endo.

COUNCILMEMBER BAISA: Yeah, and if they have access, how do they get down there, they have to climb down a pali?

MR. ENDO: Yes. So let's see, maybe I can talk really loud and I'll just point...

CHAIR HOKAMA: Take the portable mic. Take the portable mic.

COUNCILMEMBER BAISA: We have to have the mic.

MR. ENDO: Sorry about that.

COUNCILMEMBER BAISA: For the record.

MR. ENDO: Okay. So if you are here at the...sorry, wrong one. If you're over here at the lookout which is just on the edge of Lot 1, there is a way, a trail you can actually

drive...walk down with your board and reach the ocean. In addition, if you're just talking about access to the ocean regardless of the surfing issue, you can also access the ocean from this side over here.

COUNCILMEMBER BAISA: And that is lot...

MR. ENDO: Basically --

COUNCILMEMBER BAISA: Who's lot is that?

MR. ENDO: --it's Lot 5 and then a portion of Lot 1. Yes.

CHAIR HOKAMA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: That's it for now. Thank you.

CHAIR HOKAMA: Okay, thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Are we, in reference to miss --

CHAIR HOKAMA: Savage's.

COUNCILMEMBER COCHRAN: --yeah, Ms. Savage?

CHAIR HOKAMA: Yeah, as it regards to Parks.

COUNCILMEMBER COCHRAN: So I just...sorry. I thought they were going to sit side by side. Just looking at this, you know, the potential use and collaboration with public/private, our department such as yourself. Would this be...I just want to know like are you folks involved with Kaehu Bay and how that's being maintained or...at all, the Parks Department per se, at all?

CHAIR HOKAMA: Department?

MS. SAVAGE: Chair, I don't believe so.

COUNCILMEMBER COCHRAN: Okay. So you folks don't have any participation in any of these open space lots that we've purchased that, you know, we all want as parks and things of that nature. So you folks have not been part of any of these lands that we so far have purchased?

CHAIR HOKAMA: Department?

MS. SAVAGE: Chair, it's, I think it's a kind of complicated situation as far as management. I think there's a lot of times struggles. We get called in sometimes to assist if there's, you know, specific efforts. Sometimes there's, you know, conversations that we're a part of, but it's, I think it's indicative of a larger just management issue for these types

of properties that, you know, whether it's something that the Parks Department needs to look at establishing some...you know what I mean? If it's a division or a section function that assists in overseeing, you know, open and conservation space because it's a very different management that's needed for these properties than there is for a ball field or a beach park with restrooms and a parking lot. And oftentimes in the conversations that we've had and I can revert back to the master planning process we're going through at Kanaha right now is a great example because there's all of these different desired uses and appropriate uses, different things that need to be preserved and protected in different ways that's battling with a desire for park space. And the definition of park space in people's minds can be very different. And so I mean to directly answer your question, no, we're not a part of these, you know, management of open space, but yet we are responsible as the Department for a lot of these open space parcels. And so we're in a position already right now where we're asking a lot of questions with how do we restructure ourselves to be able to be better stewards of these properties. And knowing that in order for that to happen, we have to engage with the nonprofits and a lot of the partner organizations that already exist in our community in order to gain the knowledge from them in order to be proper stewards of those properties. So it's, again it's a conversation we have pretty regularly in the last few months within the Department, and we're trying to figure how do we, again, is it structuring ourselves a certain way, or is it looking at, you know, maybe consultant-type relationships to start off with. But it's a larger issue that we're wrestling with right now.

COUNCILMEMBER COCHRAN: Okay. Well, I appreciate your response and also appreciate that you folks do recognize there's, you know, an issue happening and concerns and you're looking to address that. So thank you. Thank you for your efforts. And however this body can be a part of assisting you, by all means, you know, I'm sure we're very open to that. 'Cause here we're looking to purchase more acreage and we already have others sitting. So you just stated that not much of a huge plan in place at this time. But all right, well, thank you for your comments, Director. Thank you, Chair.

CHAIR HOKAMA: Thank you, Ms. Cochran. We've been notified by Director Taylor of Department of Maui Water Supply that currently none of the four lots are on the water meter wait list. It is not on the wait list.

COUNCILMEMBER BAISA: It's not?

CHAIR HOKAMA: It is not. Okay.

COUNCILMEMBER BAISA: Thirty years.

CHAIR HOKAMA: That is your Chair's understanding upon receiving Director Taylor's information. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Ms. Savage, for being here. Before I ask a question, I do want to remind the Members and maybe I've been a

little bit hard on the Administration on some of these questions, but we're the ones that initiated this process through the Budget. I know I seconded Mr. Guzman's motion. So I want to thank the Administration for moving forward with our initiative so. But this is our chance to do our due diligence now so that's why we're asking some of the harder questions. But this is our initiative so I want to thank everybody for getting it done pretty quick. So I appreciate that. You've had, you have some practice, if you will, with public/private partnerships. Maui Raceway Park is a good, is kind of an example. It's, you know, we lease it out to certain different groups. So do you see any issues with working with these groups? I mean there's three or four groups that have already expressed interest both here and in Haiku when we went through the Budget hearings. So and they're already meeting on how they can do that. Do you have any problems with working with a group like that, or do you think that should be done in a different department?

CHAIR HOKAMA: Department?

MS. SAVAGE: Thank you, Chair. Just for I think some clarification with the Maui Raceway, that's actually a work-in-progress. There are no existing lease agreements for those users out there, and we've been pushing since as long as I've been with the Parks Department to get the master plan finished for that site. Because the master plan has to be completed in order for the agreements to then be submitted back to the State for review before they can be executed. So it's just one of those things that we love working with that group and we work with them very closely as the Parks Department and all those different users, but it's a challenge to maintain and manage those types of larger complexes with a lot of different groups and usages, if you don't have the formalized documentation in place. With that being said, there has...and even before I was a part of Parks, I know there was a lot of discussion about what's the best way to manage a site like Raceway Park, because there's multiple groups that are interested in participating. And I would foresee this being the same type of a situation where it's not just one group, maybe collectively a group but there's different individuals. And so that's what we would have to go and look at is, is this one entity that we can look into more of a management type of relationship with, or are there multiple different entities that all have their own specific interest? So then the question is how do we tie all of those together so that we're not managing multiple agreements or multiple relationships? Is it kind of a coop, you know, type format that this, the multiple groups are willing to establish? So those would be the types of things that we would need to move forward with and explore with them, and then explore with our Corp. Counsel on what's going to be the best way for us to kind of tie all those pieces together.

COUNCILMEMBER COUCH: Okay. If I can put my two cents in, having dealt with the Raceway Park user groups myself, it's worse than herding cats on that one so it would be better to head it off, you know, not have separate groups established, have an overall management nonprofit and then have them work on the different entities. So let's learn from our prior issues. So yeah, I understand your issues at the Raceway Park. So thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Crivello, questions?

COUNCILMEMBER CRIVELLO: Not right now.

CHAIR HOKAMA: Thank you. Mr. White?

COUNCILMEMBER CRIVELLO: Not right now. Thank you.

VICE-CHAIR WHITE: Thank you, Chair. I want to thank the Administration for taking the initiative to follow through with the move towards bringing the groups together. And I know the Administration is following up on, as Mr. Regan said earlier, our policy decision to set aside the fund. So I appreciate them moving on this. And I look forward to the discussion, because it is, it's going to be a challenge to have various groups come together in ways to use the land to the community's benefit. I'd like to point out that the Haiku community is a very unique one in that, you know, when we were faced with the removal of the playground at the 4th Marine Park, the community came together and said if you help us with the funding, we'll make it happen, and that park will reopen this Saturday. And so there's a lot of energy...there's a lot of desire to see this happen. To say that it's a piece of cake and a cakewalk is wrong, but I think with the Administration's willingness to take the initiative and I'm sure that Mr. Guzman will in his Committee have further discussions on how we can assist in putting together a structure that would make some sense, I think we have a shot at it. And I'd like to think that we are doing something not only to preserve open space which is one of the primary purposes of this fund, but we're able to do so in a way that will allow for cultural use, for sporting use and for ag use, and others that may come about. So I appreciate the Administration's willingness to take the lead in this and assist with this process.

CHAIR HOKAMA: Thank you, Mr. White. I look forward to Mr. Guzman's leadership in his Committee also, because I think one of the items I would hope we can discuss in the future is the effectiveness of land trusts on properties we've already acquired, and whether or not they are fulfilling the mission, especially regarding public access to public lands.

VICE-CHAIR WHITE: Yeah.

CHAIR HOKAMA: And how are dealing with by our State Constitution the right of our native Hawaiians to have their traditional access and gathering rights still be provided for in a meaningful way? So, you know, I think that's something we should have a review of, because we've acquired a lot of hundreds of acres in the past, spent millions and millions of dollars, and now we all get various comments about whether it's been good or bad. So but maybe it's time for us to review that general subject about how effective is the land trust doing their mission for us. Mr. Guzman, questions for Ms. Savage at this time, sir?

COUNCILMEMBER GUZMAN: No, I don't have any questions, just maybe a comment or so to clarify some points. On Lot 4 which is more cultural sites on there, there are

gathering traditional trails and I believe also one or two trails go to the ocean. So just to let you know that there is access on Lot 4.

CHAIR HOKAMA: Those are recognized by Na Ala Hele, Mr. Guzman?

COUNCILMEMBER GUZMAN: Yeah.

CHAIR HOKAMA: Okay, thank you.

COUNCILMEMBER GUZMAN: Thank you. So the, but those are traditional gathering --

CHAIR HOKAMA: Right.

COUNCILMEMBER GUZMAN: --trails.

CHAIR HOKAMA: Yeah, understood.

COUNCILMEMBER GUZMAN: So they're very sacred or at least important, so just to clarify that. I have nothing further. I think that by all the meetings that have been done in the last several, I think, nine or ten months with the Haiku Community Association and the other interested user parties that it's a great starting point. And a lot has been discussed and it's, for me, it really, you know, at this point has at least a direction to go forward in. I know that the land trust is also involved, will be involved at some point. So I think all of this can be done. We have to remember that I guess two of our Members will be leaving us, and this would be a great legacy for them to leave behind for generations to come. It would be their last gift to the County and I would appreciate the support. Thank you.

CHAIR HOKAMA: Thank you. Mr. Victorino, any questions before, I know you have a requirement at 11:15 so I'll ask if you have any last questions you'd like to pose at this time?

COUNCILMEMBER VICTORINO: Not so much a question but I would thank Mr. Guzman for those comments, and legacy, besides that, really is the fact that here we have a great opportunity. We have, whether it's Surfriders, the Haiku Community Center, the equestrian group, land trust, like Ms. Lawrence said, many stakeholders that are willing to come forward and help us, the Farmers Union, Malama Hamakua. All these different groups and many others that I've not mentioned are willing to come forward. This is a community effort. It only behooves us to get the land so we can make the rest come to fruition. You know whether I leave office today, tomorrow or next week, it doesn't make a difference, this needs to be done and needs to be done now. And, you know, and I hope today we will take action on it, because it's so important that we get that first step done. We were fortunate, we had the State buy Lipoa Point, we've got Launiupoko, we've got Kaehu Bay, we go on and on and on. I agree, sometimes maybe not enough forethought was given, but in this area, these groups have been meeting for a number of months, and for years, they have been working there. And I look at what Alex Body had put out there and his farm, working with the kids, the challenged

youth. And this is another portion that I would like to honor his memory for all the good work he did in this community for so many years. There's more reasons why we should than we shouldn't. Yes, we need to check this, we need to...and we can all do that. And between approval and first reading, if anything else major came up, I would like to hear it so that we could mitigate it at that point. A&B has done their due diligence. I think the County has done their due diligence. It's our turn. We put the money, we said we wanted it, Mr. Guzman came see me three or four times, said I want this. I says okay, I got no problem with it. I want it for him but more important I want it for the people of East Maui so that Mr. White and all the rest of them will have something next year to work on to make it a better place for all of us. Thank you, Chair.

CHAIR HOKAMA: Thank you. Maybe I should ask for discussion then I might get the questions.

COUNCILMEMBER VICTORINO: Yeah, no more questions.

CHAIR HOKAMA: Every time I ask for questions, we get discussion, so.

COUNCILMEMBER VICTORINO: No more questions.

CHAIR HOKAMA: Okay. Mr. Baz, are you aware of any other issues that we might need to have a discussion on, whether it be from Health Department, DLNR, Land and Natural Resources, Department of Ag, whether there's existing issues from plantation era, whether it be DDT, _____, DBCP, urea? Any issues that we need to know? Any other things regarding additional sodium or chloride contents, nitrates issues? I mean we are next to the ocean. So --

MR. BAZ: Mr. Chair...

CHAIR HOKAMA: --is there any issues that we need to be made aware of prior to making decisions?

MR. BAZ: Not from my understanding. You know the report that was provided to us from A&B, the Environmental Assessment has provided to us, you know, that there's no outstanding issues that we understand from an environmental perspective. Yeah, it's near the ocean so I don't know how much would grow over there, but that's a different issue that I'm sure the farmers can work on crops that do work close to the ocean. And that's not going to be a problem for them. But no, from my perspective, there is no other outstanding issues that would prevent us from acquiring this property for open space. If we have plans for it in the future then, yeah, that's when we have to decide whether or not, you know, we have to do more due diligence before we say yes, it's going to be an ag park or it's going to be...who knows, it could be an active park out there. We don't have a whole lot of park space in East Maui so, on the North Shore there. So, you know, the future use, we'd definitely have to do more due diligence before utilizing it for those purposes. But for acquisition purposes and keeping it in open space, I don't foresee any problems.

CHAIR HOKAMA: Thank you for that. Are there any security issues currently or that we need to consider to mitigate potential issues that you may be aware of, Mr. Baz?

MR. BAZ: Mr. Chair, I would defer...

CHAIR HOKAMA: You know whether, again --

MR. BAZ: Yeah.

CHAIR HOKAMA: --we need security gates as put up as one immediate step to prevent all of a sudden an increase of dumping or illegal activity? Is that something we need to think about and implement quickly instead of after, too late?

MR. BAZ: Yes. Well, as far as current issues with the land and, you know, trespassing and other challenges, I defer again to A&B. But for our usage of it, I would recommend that we put up a gate so that we can, you know, restrict access to that, and then work with the individuals that are going to be accessing the site whether it's for gathering rights or whether it's for surf meets, you know, whatever the issues are, that we can work with them on providing access. But I do recommend that we put up a security gate.

CHAIR HOKAMA: Okay, thank you for that comment. Members, I'm going to take a short recess. In the recess, I would like you to think about is there any additional needs of you as a Committee Member prior to making a decision, and make it known to the Chair so that again, we have scheduled this so that there is no, what I would say, clock issue at this point in time. We have sufficient days, sufficient meeting spots to make sure we can do this well and properly, and make it before Council before the deadlines. And that's why we've started today, because there is no pressure to make a call today if you're not ready to. So I'm going to take a five-minute recess. Think about what you may need, and then when we return, you can make it known, and we'll move from that point. We are in recess. . . .*(gavel)*. . .

RECESS: 11:09 a.m.
RECONVENE: 11:20 a.m.

CHAIR HOKAMA: . . .*(gavel)*. . . Okay, we shall return to order.

COUNCILMEMBERS: Microphone.

CHAIR HOKAMA: We shall return to order. Members, the Chair's gonna ask if there are additional requirements that you need to request prior to deliberations on decision. So at this time, I'll ask Mr. White first if he has requirements or a question he would like to propose?

VICE-CHAIR WHITE: Thank you, Chair. I had, as I mentioned earlier, I had one more question for A&B, and during the break, the question I had was whether or not the

water from the Haiku Ditch might be available for use on this property. And it's my understanding from A&B and the Administration that those discussions have already taken place. No commitments, and I don't believe it's part of this deal, but I think it would be helpful if we could at least get the perspective of A&B on this.

CHAIR HOKAMA: Thank you. Mr. Chun, Mr. Endo, would you care to give comment please?

MR. ENDO: Thank you, Chair. Randy Endo, A&B. Yes, my understanding is that other people in our corporate office are having discussions with the Mayor's Administration about the potential of tapping into some of the water in the Haiku Ditch tunnel where it daylights in on either side of the gulches on Lot 1. There are quite a few complicating issues so it's not something that can be done that easily or quickly, but they are discussing it. They have ongoing the water case where they're resolving those issues with regard to the watershed State leases or licenses that feed into the ditch and other matters of that sorts. In the past, we have not normally provided water to anyone else. We normally just use it for our agricultural purposes, but, you know, they are willing to discuss it with the County to see what can be done.

VICE-CHAIR WHITE: Thank you, Chair. And that was my interest is just to get a sense of whether A&B was open to providing water if that in fact was possible down the road. So I think that makes this a little easier, and if we're going to be farming there, even though it's my understanding that the farming that took place there was largely done without irrigation because of the heavy rains in that area which I'm very familiar with. Thank you, Chair.

CHAIR HOKAMA: Thank you, Mr. White. I'm going to ask Mr. Baz 'cause during the recess we received further updated information regarding the lot. So I'm going to ask Mr. Baz he would care to give us the newest update --

MR. BAZ: Thank you, Mr. Chair.

CHAIR HOKAMA: --regarding water meters.

MR. BAZ: Yeah, thank you, Mr. Chair. So we did confirm that these lots are on the water meter list. The issues was is that they were looked at with the TMKs but they're on the lot water meter list with their old TMKs. So they are existent on the water meter list.

COUNCILMEMBER BAISA: What number?

MR. BAZ: They, I believe it's number 1,379 so it'll be a while. But yeah, they are on the water meter list for future meters as well. And I also did confirm that there are some security gates existing and so, you know, there's gates in place. And, you know, if they're not in place, maybe I would ask A&B to put one in if they're not in place for the access easements before we, as a part of the condition of sale or something.

CHAIR HOKAMA: Okay, thank you very much for that update, Mr. Baz. We appreciate it. I'm going to let Mr. Guzman be, close out the round, 'cause I know you're one of our key advocates for the consideration, Mr. Guzman. So if you don't mind, I'll ask Ms. Crivello at this point in time, is there any additional requests or questions you would like to pose at this time?

COUNCILMEMBER CRIVELLO: With the Administration, if the Administration has to get some sort of strategic plan, if something is put place, in place so we know how we're going to utilize these lands, or is it just to acquire and leave it as such? And how much involvement will there be from your community people who have passionately and, you know, pushed for us to come to this point? I think it's of value and, for us to come up with a plan as part of the process as to what we're going to come up with, Chair. We talk about cultural sites, so do we leave it dormant? Do we awaken and resurrect the stories of our culture? Do we have that as a testament to our ancestors and let it tell the story to our young people? I've heard about lands that can be farmed with agriculture or just farming gardens, and again, you come in to educate our young people. So this is why I ask if Administration have put into some sort of strategic planning as we go and disburse this $9.5 million to purchase this lands of value to our people. I'm hoping that there is sincere consideration to get some key stakeholders involved, and they're the same people who have pushed the button for why it's here today. And I think that's very, very important. So my question, do you have a plan in place? Thank you.

MR. BAZ: Thank you.

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you. You know, those are, Member Crivello, those are very good and pertinent questions and items to think about as we develop a plan. As I mentioned, right now we're, the immediate plan is acquisition. The Mayor has initiated discussions with the community for many of those items that you brought up, and we would be committed to working with the community on other items as well. So but we have initiated discussion, we are committed to working with the community. This is definitely a community-driven initiative and one that we actually will be relying on the community to fulfill its ultimate vision. And, you know, restoration of cultural sites is something that is, to me I think very, very important. You know yes, we have ag land that's available, there's a lot of other ag land that's available, but some of the heiau and the historical uses of that property are something that I think would be very valuable to retain.

COUNCILMEMBER CRIVELLO: Thank you, Chair.

CHAIR HOKAMA: Thank you for that questions. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I again want to reiterate thank you to the Administration and the Department of Management for really coming forward to carry on our initiative that we did in Budget so we really appreciate that. I also want

to thank a silent person that's been in the background doing this and that's Mr. Guzman's staff, Kathy. She approached me long before anybody in the community did and said hey, what do you think about this, and I said I'd be very supportive of it if we can get everybody on board. So want to thank her for that too. Yeah, we got a lot of things to deal with, the caretaking of the land, so and I have all faith in you guys in getting something done for that. So with that, you know, knowing that you guys are going to manage it, I really appreciate you bringing that up, and I'm very supportive of this purchase. Thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. So just, Ms. Baisa, mentioned infrastructure and I'm always, you know, following where our infrastructure is in this County. And so currently this, these lands do have electric, right? There's electricity there, there's power?

CHAIR HOKAMA: Mr. Endo?

MR. ENDO: Thank you, Chair. There is electric service in the vicinity, there's no current power brought to the lots.

COUNCILMEMBER COCHRAN: Okay. But we are signing onto easements for, utility easements for power. MECO, with MECO, I guess there's been a plan to start putting poles at one time or is going to?

MR. ENDO: No, there are no current plans but it's there if you want to bring it there in the future. So there's no current Maui Electric plans to bring power in but that could be done.

COUNCILMEMBER COCHRAN: Okay. But yet I believe we were signing onto easements for them in our paperwork currently...

MR. ENDO: Yes, that's correct. So for example, if you wanted to bring power through the red line on the first section which is on lands that will still remain in A&B's ownership, you would have the right to put your power poles and power lines on the red line even though it's not your, even though it's not the County land. So that's what the easement would allow you to do.

COUNCILMEMBER COCHRAN: Okay. 'Cause I'm reading on the appraisal, public electricity is available to the parcel; however, there is no water supply which we've been discussing and I thank Mr. White for addressing the tunnel. 'Cause I thought well there's, we got easements now, perpetual easements for your ditch and tunnel where, which runs water. And also how were the crops grown previously, they must have gotten water. So that was, but that was discussed a little bit ago. So it's telling me this, and telephone service is available and waste disposal is via septic system. So telephone, yes, but you're saying this stuff is on the main highway, Hana Highway and

if you want to run it or bring it in, you're able to tap into the services that are out there?

MR. ENDO: Yes, that's correct. So there's service in the area but you don't have a transformer, you don't have an actual meter on the lots.

COUNCILMEMBER COCHRAN: Okay.

MR. ENDO: You know so you couldn't just immediately plug in, you'd have to put in some lines connecting from the main to the actual lots.

COUNCILMEMBER COCHRAN: Okay. And, Chair, and I agree, I mean we discussed this during Budget and of course, you know, I'm all about open space and preserving, protecting, restoring, all this great stuff. You know I just would like in very near future that the Administration who's in charge of negotiations and looking to purchase lands in the future, Mr. Baz just mentioned there's a lot of other ag lands available. I would like us to get ahead of this type of situation where it's been subdivided, lots are up for sale to the public, open market, they're going for millions so then we're left with this kind of price tag. You know I'd much rather have it to where we do a general overview of this County as a whole and just said where would we like places to be preserved such as this before it starts getting subdivided out and then we are boxed into this corner, into this wall like we are today that we gotta fork out all the, multimillions of dollars for fallow ag lands that ought to be in the thousands. But of course the cultural value and all the other stuff that come with it is priceless, yes, I understand that and very much support of it. But I just really don't appreciate how, you know, this is, it's a tough call, 9.9 mil. I have an affordable housing TIG I'm trying to do things for, and this kind of money can really go a long way there. But again, we're in this situation, we have to make the best of it. But I surely would like to see, you know, Mr. Hironaka and yourself, Mr. Baz, and all the powers that be, to please look at lands way ahead before we're set with this type of situation. It's very tough. It's very tough. And I hope the taxpayers understand this too. 'Cause what we take for this is going to be adjusted somewhere else that they would like to see monies too. So again, appreciate the people, the people of makaala out there to bring this to our attention to get us here today to preserve what we all know is very, very important for future, ourselves and our future generations. But I just really don't like how we're pretty much pushed into this. But, Chair, those are my comments. Thank you.

CHAIR HOKAMA: Thank you. Appreciate your thoughts on this. I'll ask Mr. Ueoka, you have any comments regarding the easement issue that you would like to share with the Committee, Mr. Ueoka?

MR. UEOKA: Thank you, Chair. We had a chance, an opportunity to review the easements and we don't have any issues with any of them. It seems reasonable and in common practice. Thank you.

CHAIR HOKAMA: Okay, thank you. Mr. Baz, additional comments?

MR. BAZ: Thank you, Mr. Chair. And, Member Cochran, those are good comments. We definitely are working with Alexander and Baldwin to get some future idea of the use of the HC&S land. We are setting up a meeting with, you know, A&B's executives as well as the County departments to go over some of that future use. So that is being planned. Yes, we definitely want to prevent what we've had to do here, you know, Launiupoko, you know, all these smaller lot purchases versus bigger lot purchases if we're going to have future uses for transportation accesses or agriculture use or anything like that. So yeah, that's definitely on the top of our mind. As far as the dollar amount, you know, this was deliberated during the Budget and Finance Committee's discussions and was approved by Council, the $9.5 million so that's where we're dealing with the pricing of it. But yeah, thank you.

CHAIR HOKAMA: Thank you, Mr. Baz.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. It's been a very interesting morning and I always love it when we have an issue like this where, you know, everybody is trying our best to make the best decision here. And we're making a decision on a $9.5 million purchase. I know it's not exact but assuming it's 9.5 million. I see that pretty much as a down payment when I look at this property. And I understand the cultural value is priceless; however, in order for us to turn this into a County-owned property that we can use for recreation and not be afraid of, you know, causing liability, it's going to take some investment. Initially we're going to have fence it off. And then when we look at the issue of water, we're either going to have to truck it in there for a very long time or get very successful with wells or whatever we're going to do. But if people are going to be there a lot, we're going to have to do something. And being number 1,379 on the water list tells me that from the recent meetings we've been having in the Water Committee, that it could be 30 years or more unless some miracle happens. Because it's double where I am on that water meter list at least. So, you know, unless there's some big change in how we handle water Upcountry, that's a real issue. And then of course comes the issue of sewers right with it. You know I get worried when I hear people say we're using it as is. What they really mean is they're going in the bushes. That's where people go when there is no facility. You do what you gotta do, right? And it could be lots and lots of people. So either that or we're going to bring in portable potties that have to be maintained. And this is why I'm concerned that really we don't have a plan in front of us. We're making a decision to preserve cultural access, I think that's important, that's very important, but I want everybody to understand that this is not the investment. If we want to have all the dreams come true, there's going to be a lot more money invested behind this. And so I'm going to support this but I support it with reservations 'cause I would have liked to see a little bit more as we make this decision. And essentially that's where I'm at, Chair. And there was a comment about last legacy. I'm sorry but I'm hoping that I leave a bigger legacy than this. Thank you. This is not a bad legacy but I wish it's bigger than this. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll, questions or comments, sir? Thank you. Mr. Guzman, sir?

COUNCILMEMBER GUZMAN: Yeah, I didn't mean to offend any of the Members by that comment, that legacy. I would gladly withdraw that if any of the Members are offended by it. Just by the...this actual property was initiated...I understand where Ms. Cochran is coming from, a feeling that she's being pushed. But this was initiated by the community and I, my staff as well as Mr. White's staff listened to the community and went forward to meet with them and continuously make these meetings happen. And hopefully under the guise of direction with the Administration's assistance which they've formed a taskforce, we will then create a management plan. And so all the users are seemingly amicable in moving forward. And I would like to at least give some comfort to the Members that I, my office will shepherd this through to fruition to create a management plan. And so when we're looking at also the value or the cost of the property, unfortunately we were unable to acquire Lot 2. If we had had that opportunity to be notified earlier or had some type of system to see what properties were available, we could have had this whole area, one contiguous lot would have been bought. But unfortunately Lot 2 was already purchased. It went onto the market at a very high price and through negotiations...the listing price on the last page or second-to-the-last page, you can see that the listing price that A&B was listing it at is less than the appraised value. So then you see the appraised value, now A&B is even discounting, offering us the property for even less than the appraised value. So we are...unless you want to question the appraisal, we are getting a discount on these properties. Unfortunately, like I said, we weren't able to get Lot 2. If we had not entered into these type of negotiations or at least made an attempts, these lots would have remained on the market, and the urgency from the community was let's get involved, let's get the County involved in purchasing these properties before the other lots get sold to private owners. So that being said, I think we're really doing the people's work. I know that sometimes we have to do, you know, the cart before the horse on some of the projects, but we've done that in the past. We've purchased property wherein we've had, yeah, ideas or plans that weren't set before we purchased the property. But we won't even have right of entry unless we buy the property, so let's get a right of entry, let's buy the property. We already have like ten months of work into planning. And I think this is a great opportunity for the Administration and the Council and the community to start anew. A new Council will be coming soon. So this is a great step in the right direction to working together on a community project. So I ask for the support of the Members in passage of this resolution. I will defer to the motion for, to Mr. White since it's his district, but I would only ask that I have the opportunity to second it. Thank you.

CHAIR HOKAMA: Thank you, Mr. Guzman. I appreciate your comments. Your Chair will share a few comments. One, it is correct, this is a Council-initiated proposal headed by Mr. Guzman and Mr. White. And I want to thank Mayor Arakawa for his role in bringing this matter before us this morning. He and I have had some very good

discussions on this proposal, and unfortunately for the media it is not something we are fighting about.

COUNCILMEMBERS: . . .*(laughter)*. . .

CHAIR HOKAMA: So it's not gonna be in the paper or in the media, 'cause this is something that we generally agree of general direction and policy. And so I appreciate the Mayor's effort on this item that's before the Committee this morning. I am going to be open to a motion this morning to move this forward to the Council, but I will be sending a letter to Department of Finance, Real Property Tax Division. 'Cause I want them to have time to respond back to the Council or the Committee, my concern about how this sale will impact the valuations, because it's now going to be a comparable price lot, and its impact on other small agricultural lots, its valuation, and the ability to keep agriculture viable in this County. We looking at this proposal from one perspective. For your Chair from a taxation standpoint, zoning, and land use permitted uses, I'm concerned about how now this is going to impact the balance of the agricultural lands. Because if you look, we are going to have to reclassify either Ag or Conservation down the road to provide the zoning lands we need for a growing community. And I'm not ready to have quickly inflated values on ag lands, 'cause there's always still now a question of how viable will ag remain in this County. So I'm going to send that question to the Department and have them have time to think about it, and respond back to the Members so that you can have a well-informed base to make your decision on. Second, I think one of the things that I believe we should also consider in this transaction proposal is exactly what Ms. Baisa said. Supporting this, like I said, I don't have an issue supporting, but this is not the end of the financial requirements for this project area. It's going to take a lot more millions of dollars to move this forward, millions, okay. I already have people concerned that they are paying too much, but if we don't have revenue, we don't have chance to acquire property either. But now the question comes how do you maintain what you acquire? Like all other property owners, the County has its responsibility also to other property owners to maintain its inventory in a fair, clean, healthy manner. So when department comes for resources, whether it be manpower or financing, we need to be very cognizant that we created situations that the departments now is gonna ask for increases in department budgets. It's going to come down to the General Fund, and it's going come back down to real property taxation. I need the community to be informed about this financial impacts. This is a good thing, but to make it happen, the community is going to need to be willing to pay to make it work, nothing is free. Your Chair keeps saying that nothing is free. We may divert who pays for it. We can say it's the Federal government, but aren't we all Federal taxpayers also? We're paying for it in a way. You want to say have the State pay for it, we're State taxpayers. We're paying for it in a way. So, again, Members, my concern is now part of this transaction, the value we're going to set on ag lands, and the future of ag lands viability as well as the future impact of conversion to create what everybody has agreed to on Saturday night is the crisis although not too many solutions or ways to pay for it came up regarding affordable housing. So I bring up the financial point of view, 'cause I think it's critical for the success of this County to go down in the future. We have placed this County in a solid financial grounds over the last 15 years. We

have the bonding capacity, we have the cash flow reserves, we have a solid taxation structure that we've all worked hard to establish, and I don't want it to go down the toilet. It's too much at stake for this County. And one of the things that I like about this project, yes, this was a community-driven project mainly from Paia-Haiku, but I'm supporting it because this is a County benefit for acquisition, County benefit. Every resident of this County is going to benefit from this acquisition in my point of view so I can support it, being the Lanai Member that represents the Haiku-Paia district because this is a County benefit. So that's how I look at it, Members. If you have questions on the Chair's position or comments, please ask your questions now. Ms. Cochran?

COUNCILMEMBER COCHRAN: No, thank you, Chair. And I appreciate you looking at the taxation aspect of this, because with all the open ag lands soon to be, that's a key part of our large real property tax we're going to be...but, Chair, I actually had I guess, maybe it's a comment/question but it's the "as is" clause on the purchase.

CHAIR HOKAMA: Okay.

COUNCILMEMBER COCHRAN: And I mean I see that in many, you know, it's typical, that language. But this, I too had an opportunity to drive through some of the lands with Chief Murray and Member Guzman. And yeah, illegal dumpsites, you know, and Chief was mentioning down in the gulches the homeless populations, it's quite dangerous. They do create fires, what have you. So these kind of things are existing and so we're just going to walk in and buy as is, almost $9.5 million of money. I mean I wouldn't, you know, if I'm going to go buy a car, I at least want them to vacuum it out and kind of put a little, dust it off or something. You know but that's...it's kind of same idea where wow, maybe clean up some of this. And but again, that was probably during the negotiation period when all of that should have been hashed out. But it's, there's a lot of work. And this leads to Ms. Baisa's comments and yours, the whole maintenance and getting it up to, you know, keep it in a healthy, fair, you know, safe manner is going to take a lot of doing. So those are just my comments in reference to hopefully future purchases, look into things of that nature. And also the farmers mentioned, I know they have the report on the soils and what have you, but living around pineapple fields and all of our contaminated wells and what have you, we know the adverse effects from, you know, the historical use of the ag lands that way. So just some comments, Chair.

CHAIR HOKAMA: No, thank you for that, Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: And you are well aware from this Chair that I look at our Committee report as a very important attachment to the legislation especially when legal beagles like to test what was our intent. So as you will notice, and again if and when we push this out, please read the Committee report, because your Chair is very picky about that we are clear in our report the discussion, the comments of the Members, concerns of the Members, and the key point to clarify so there's no mistaking what our intention was

in our decision. So I plan to, Staff and I will work hard to make sure that it's very clear the direction and policy this Committee wants to set as it regards to this matter. Any further questions, Members, for either the Administration or A&B representatives at this time? Okay, if not, my recommendation is the following, and just so you know, before I...your Chair has already requested and we have received back revisions to the proposed resolution. One of the things that the Staff and I have found was that every document slightly referred to the subject parcels in a different manner. So for consistency, what we did was we revised the resolution so there's no misunderstanding between Peahi, Kuiaha, Hamakua...whatever it is we are clear all documents will be consistent on what we talking about so there's no misunderstanding. So the Chair already has done that on the Committee's behalf. In saying that, therefore, I'm recommending a motion to move to Council adoption of the revised proposed resolution. I would like the matter of the use of the parcels for acquisition, and planning to Committee on EAR to continue the requirements for implementation, as well as the management plan concerns, and finally, the filing of County Communication 16-147.

VICE-CHAIR WHITE: So move, Chair.

COUNCILMEMBER GUZMAN: Second, Chair.

CHAIR HOKAMA: Okay. We have a motion made by Mr. White, seconded by Mr. Guzman. We are under discussion. Mr. White?

VICE-CHAIR WHITE: No further discussion, Chair. Thank you for bringing this up today.

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: No further questions. No further comments. Thank you.

CHAIR HOKAMA: Okay, Ms. Crivello?

COUNCILMEMBER CRIVELLO: No comments. Thank you.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: No comments.

CHAIR HOKAMA: Ms. Cochran? Ms. Baisa?

COUNCILMEMBER BAISA: No thanks.

CHAIR HOKAMA: Mr. Carroll. Good, we are clear. No further discussion. All in favor of the motion, please say "aye."

COUNCILMEMBERS: Aye.

CHAIR HOKAMA: Oppose, say "no." We are moving this forward with eight "ayes," one excused, Mr. Victorino for a required appointment.

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Victorino.**

MOTION CARRIED.

ACTION: **ADOPTION** of revised resolution; **REFERRAL** of matter to Economic Development, Energy, Agriculture, and Recreation Committee relating to the use of the four parcels; and **FILING** of communication by C.R.

CHAIR HOKAMA: There is no further business before this Committee. So I thank you. I thank our communities for their testimony and comments. I thank the Department and Mayor Arakawa for proposing this early. We are adjourned. . . .*(gavel)*. . .

ADJOURN: 11:56 a.m.

APPROVED:

RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:160816:ds

Transcribed by: Daniel Schoenbeck

CERTIFICATE

I, Daniel Schoenbeck, 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 31st day of August, 2016, in Kula, Hawaii

Daniel Schoenbeck

Daniel Schoenbeck