

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**M I N U T E S**

**Council Chamber**

**June 17, 2019**

**CONVENE:** 9:05 a.m.

**PRESENT:** VOTING MEMBERS:  
Councilmember Yuki Lei K. Sugimura, Chair  
Councilmember Riki Hokama, Vice-Chair  
Councilmember Tasha Kama  
Councilmember Kelly T. King  
Councilmember Alice L. Lee  
Councilmember Tamara Paltin  
Councilmember Shane M. Sinenci

**STAFF:** James Krueger, Legislative Analyst  
John S. Rapacz, Legislative Attorney  
Stacey Vinoray, Committee Secretary

Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)  
Mavis Oliveira-Medeiros, Council Aide, Hana Council Office (via telephone conference bridge)  
Zhantell Lindo-Dudoit, Council Aide, Molokai Council Office (via telephone conference bridge)

Don Atay, Executive Assistant, Councilmember Shane Sinenci  
Evan Dust, Executive Assistant, Councilmember Tasha Kama

**ADMIN.:** Michael J. Hopper, Deputy Corporation Counsel, Department of the Corporation Counsel  
Scott Teruya, Director of Finance, Department of Finance  
Michael Du Pont, Deputy Director, Department of Transportation

**OTHERS:** Curt de Crinis, Managing Director, Columbia Capital Management, LLC  
Wesley Lo, Chief Executive Officer, Hale Makua Health Services  
Plus (4) others in the gallery

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

---

CHAIR SUGIMURA: . . . *(gavel)* . . . Good morning, welcome to the Multimodal Transportation Committee. Today is June 17<sup>th</sup>, it's 9:05 a.m. I would like to welcome everyone to this Committee meeting. Just for your information we have no *Akaku* video but we are on audio. We were notified by *Akaku* that the only desk that they could see on video is Mike Molina's desk and Stacey Vinoray, the Secretary. So,

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

they're putting us on no video but hopefully, if people are interested they can listen in. My name is Yuki Lei Sugimura, I am the Chair for this Committee. Thank you, Riki Hokama, Vice-Chair, for being here.

VICE-CHAIR HOKAMA: Good morning.

CHAIR SUGIMURA: Good morning. Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha and good morning, Chair.

CHAIR SUGIMURA: Aloha, good morning. Alice Lee.

COUNCILMEMBER LEE: *Bon dia*, and that's from Brazil. Good morning, Chair.

CHAIR SUGIMURA: You're amazing. Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka, Chair.

CHAIR SUGIMURA: Aloha. Kelly King.

COUNCILMEMBER KING: Aloha, good morning.

CHAIR SUGIMURA: Good morning. Tamara. Sorry, Tasha Kama. Tamara Paltin, I did that.

COUNCILMEMBER KAMA: Good morning, Chair.

CHAIR SUGIMURA: Good morning. Everybody, thank you for being here. We have one item on our agenda and I'd like to appreciate all of you who have made the time to be here. The non-voting Members, Mike Molina and Keani Rawlins-Fernandez are not present but they're welcome to attend. From Corp. Counsel, Michael Hopper, thank you for being here. Director of Finance Scott Teruya is going to be part of the presentation along with Curt de Crinis who's our bond financing person. We have Wes Lo who is the Chief Executive Officer of Hale Makua Health Services who will contribute to the conversation about financing, public financing. Committee Staff, James Krueger, thank you for your hard work to get us here. Stacey Vinoray, Committee Secretary, and we also have John Rapacz who's our legal Staff who's sitting here listening in, right, John? District Offices, I think we have no testifiers but we'll confirm with them. Zhantell Lindo-Dudoit from Molokai, Denise Fernandez, Lanai, and Mavis Oliveira-Medeiros from Hana. We have one item on our agenda today which is MT-18, Funding Mechanisms for Multimodal Transportation in Maui County.

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

CHAIR SUGIMURA: Are there any testifiers?

MR. KRUEGER: Chair, there are no testifiers signed up in the Chamber.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

CHAIR SUGIMURA: Thank you. District Offices, Molokai, do you have anybody there to testify, Zhantell?

MS. LINDO: Good morning, Chair. There are no testifiers at the Molokai Office.

CHAIR SUGIMURA: Thank you. Denise Fernandez from Lanai, any testifiers?

MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez at the Lanai Office and there are no testifiers.

CHAIR SUGIMURA: Mavis Oliveira-Medeiros from the Hana Office, you have any testifiers?

MS. OLIVEIRA-MEDEIROS: Aloha, Chair. This is Mavis Oliveira-Medeiros from the Hana Office. There's no one here to testify.

CHAIR SUGIMURA: Thank you.

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

CHAIR SUGIMURA: We have no testifiers in the Chamber, at this time with your permission I'd like to close public testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS.

***Note: Public testimony closed at 9:08 a.m.***

CHAIR SUGIMURA: Thank you. Thank you, Members.

**MT-17 FUNDING MECHANISMS FOR MULTIMODAL TRANSPORTATION IN MAUI COUNTY (CC 19-125)**

CHAIR SUGIMURA: Okay, we have one item on our agenda today, and the last meeting that we had which was on June 3<sup>rd</sup>, by the discussion that went on I think it was Vice-Chair Hokama who asked at the end so what are the next steps? As we talked about the various programs and things that were going in the community as it related to a Walkability Action Institute held on April 22<sup>nd</sup> to the 26<sup>th</sup>. A presentation was done by Lauren Armstrong and Pam Eaton and Nolly Yagin and Lauren Loor from Healthy Eating, and basically talked about the programs that they're doing and instituting which is a more walkable community that tied into this Committee and the kind of other programs that are going on regarding the transit-oriented development which you did have a presentation early on about that. The question about what's happening or what would happen next is relevant, because these things would cost money and how would the County finance it. So, that is the subject matter for today's meeting. The goals that were set out through the presentations were excellent and it

# MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

June 17, 2019

---

would be good for a healthier community as it ties into Mr. Hokama's Committee. So, at that...with that last question that was posed, we created today's meeting and the people who will be presenting is Scott Teruya from Finance as Scott Teruya has jurisdiction over community facilities district and other financing opportunities. Curt de Crinis is Managing Director for Columbia Capital Management, LLC, and he will talk to us about different financing options that he has access to or that we could have access to. So, at this time I would like to designate as a resource person Mr. de Crinis under Rule 18(A) of the Rules of the Council with no objections.

COUNCILMEMBERS VOICED NO OBJECTIONS

CHAIR SUGIMURA: Thank you. So, at this time does Scott Teruya want to come down here also? So, Scott, maybe you can do some opening comments and then....wherever you want to sit. And then Curt can take over with his PowerPoint presentation. Thank you.

MR. TERUYA: Thank you. Good morning, Chair and Members. Scott Teruya, Director of Finance. We're just here to provide any comments that the Members may have regarding financing. We brought Curt de Crinis, he's our current advisor under contract to give a little more detail so that the expertise can be here regarding different type of financing that would be optional to the County. So, I'll leave it with Mr. de Crinis.

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

MR. DE CRINIS: Thank you, Scott. Thank you, Chair. We prepared a PowerPoint presentation, I want to walk through it and it's very general in nature. Part of it is just generally what kind of bond financing is available in Hawaii and then how does that apply to Maui and in particular transportation-type financing, like what kind of bonds can be used to fund transportation improvement. So, with that so generally in Hawaii there are five types of bond issues that are primary. So, general obligation bonds are the most obvious one that I think people are most familiar with, and those are bonds secured by the full faith and credit of a local government. Revenue bonds which are bonds secured by water, sewer, special revenues. There's land-secured bonds which are secured by special taxes and assessments. There's lease financing where a governmental entity will agree to enter into a lease and then the lease is sold to a bank or investors. And there's something called private activity bonds which are used for nonprofit types of financing and other industrial-type private activity housing and things that aren't governmental in ownership but they get tax exemption under the Internal Revenue Service.

COUNCILMEMBER KING: Point of information, Chair. Just wanted to know if we were going to have this presentation, you know, in hard copy later or...it's not on Granicus, so.

CHAIR SUGIMURA: So, it's coming. They went to make copies of it.

COUNCILMEMBER KING: Oh okay, great.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

CHAIR SUGIMURA: Yeah. So --

COUNCILMEMBER KING: I just didn't...I just wanted to know --

CHAIR SUGIMURA: --it's not in...

COUNCILMEMBER KING: --before I start taking copious notes, so thank you.

MR. DE CRINIS: Okay. So, the first thing is to talk a little bit more about general obligation bonds. As I mentioned it's the full faith and credit of the local government so all the taxes, all the revenues, everything is pledged to pay those back. They're issued by counties and the State. The maximum term is 25 years. There's also a variation of general obligation bonds called reimbursable general obligation bonds which are allowed for water and wastewater and also for Highway Fund apparently that that's possible too. And those are basically bonds that have a...can have a longer term, they can be 35 years. They're still general obligation bonds and they're...and the enterprise, like if the Department of Water services which has issued reimbursable GO bonds here on Maui, they are obligated through the rates and charges to pay the General Fund back. The General Fund is still the backstop for it, but the, you know, the money to pay that, to reimburse the General Fund comes from the rates and charges. It's, you know, there's more flexibility in those kind of bonds 'cause they can be amortized over ten more years so there's more leverage if you were doing that type of financing. In Hawaii, the general obligation bonds, the ratings run from AA- to AA+ and Maui's at the top of all the issuer...general fund issuers in Hawaii. Revenue bonds are secured and repaid by a pledge of special revenues, so example in Hawaii, there's harbor revenue bonds, highway, airport, sewer, water, University of Hawaii, Hawaiian Home Lands. There's a number of different revenue sources and bond issues out there that are secured by different types of revenues. The maximum term is 30 years under Hawaii Revised Statutes. Generally, the revenue bonds are highly rated. In Hawaii, they run from A+ to AA+ so they're almost equally rated to GO bonds, very close.

CHAIR SUGIMURA: Curt, one moment.

MR. DE CRINIS: Yes.

CHAIR SUGIMURA: Tamara, you have a question?

COUNCILMEMBER PALTIN: Yes, please. I just was wondering, is that the ones, the special...or the revenue bonds, is that the ones that made the rental car parking garage?

MR. DE CRINIS: I am not sure. I don't know. Possibly, I'd have to look into that. I'm not sure how the State financed that.

COUNCILMEMBER PALTIN: Okay. Sorry, thanks.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

MR. DE CRINIS: But it could very well be that. I don't think it would have been only that, it might have been part of a transportation revenue bond, highway...transportation bond revenue issue that probably included many other kinds of revenues, because I don't think just the parking...the contracts from the parking companies could have supported the repayment of bonds for that. So, it's probably part of some other bond issue.

COUNCILMEMBER PALTIN: Three hundred forty million, too much for just that kind of revenue?

MR. DE CRINIS: I think so. I don't know, I'd have to research that.

COUNCILMEMBER PALTIN: Thanks.

CHAIR SUGIMURA: We can ask the State that question. You got that, James?

MR. DE CRINIS: The land-secured bonds, these are bonds secured by a tax lien or a special tax on real property. Examples of that are community facility district bonds and improvement bonds. Not common in Hawaii but they have been issued. CFD bonds were issued by Kauai County in 2006 for a project on Kauai. And improvement bonds have been issued by Maui County, Hawaii County, and the City and County of Honolulu but mostly in the '80s and '90s so they have been done but they haven't...not been done since, you know, in the recent past.

COUNCILMEMBER PALTIN: Do you know why?

MR. DE CRINIS: I think part of it has just been a resistance to forming districts that end up taxing local people for, you know, or developers for different things, and they're...I've heard from different developers it's a hard process to go through with the different governmental entities. And I think some of the...a lot of these things would be done for public infrastructure for a development project or...and maybe a community wanted to put in sewers or streets. It's very process oriented 'cause you have to work through local government, you have to get a bond issued, you have to get it approved. It's very public, and I just don't think it's been really embraced in Hawaii to do those kind of bonds. I don't think...there's no problem with investors buying them, it's just hasn't been done. In California it's very common to do that type of land-secured financing but not in Hawaii, at least not yet.

CHAIR SUGIMURA: Ms. Lee?

COUNCILMEMBER LEE: Chair, I can answer that question 'cause I was there. Twenty-five years ago, I introduced and got the original CFD bill to the Council. We worked on it for over a year. We were ahead of Kauai and all the other counties. And this was in 19...probably in 1995, 1994-1995, and what happened is it passed committee, passed first reading, and then it was returned to committee after that because some Members on the Council did not want to support that bill. That's what happened. So, 27 years

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

later we finally have an enabling legislation that we can use as a financing tool for various kinds of projects. That's what happened.

CHAIR SUGIMURA: Okay.

MR. DE CRINIS: Thank you. So, lease...I'm sorry, Kelly.

COUNCILMEMBER KING: Oh no, I was just saying that I was going to say the same thing that we passed enabling legislation last year, and it was our Chair, Committee Chair who brought it back to the Council, so thank you for that.

CHAIR SUGIMURA: Thank you. Mr. de Crinis?

MR. DE CRINIS: So, lease financing, that's another type of financing that's very common in California but not very common in Hawaii, but it's financing where by entering into a lease, especially, you know, basically a lease purchase agreement with a leasing company or even there's other ways of structuring this, that's financeable with banks and investors. They issue what's called certificates of participation and that's sold just like bonds. Department of Transportation has some agreements like that that are financed and banks are interested in that kind of financing, so that's just another source. I don't know that...how much sense it makes here because of your GO authority, but it is another type of financing that is done if you didn't want to do it with GO bonds. And the last general category is private activity bonds which are basically private project. The Internal Revenue Service carves out certain types of projects that are qualified for tax-exempt financing. They're not supported by taxes. The government is not guaranteeing anything, but it...they're secured by the, whatever the underlying private entity is. A good example would be a hospital bond where those are issued through a governmental entity so the hospital can get a tax-exempt interest rate, but the security for the bonds is the hospital or the university or a private school. Generally, those are the types of bond issues that are done that way, 50(c)(3) [sic], they have to be nonprofits to be tax exempt. And those are generally issued by the State. Also, there's types of housing bonds that can be issued tax exempt. Like low-to-moderate-income rental housing can be financed through tax-exempt bonds. Again, the project has to support it, but if it's issued and it meets the Internal Revenue Service rules, I think it...then it can be sold tax exempt which is a real benefit to a developer because they're getting the money a lot cheaper than if they went to the bank. But they still are responsible for having a good enough credit to pay it back, and again the government is not guaranteeing any of that. There's also other exempt facilities for pollution control, there's a whole laundry list of different types of projects that are governmental in nature, but they're private projects and the bonds are secured privately. And those are...most of those kind of bonds are issued through the State, and if they're...and I know of in, on Maui if there's a project like that, it would probably require some...it might have to go through a State agency or it would possibly have to have some State legislation in order to issue that type of bond. So then, so the next, the second part of this presentation is how does this apply to Maui and in particular to transportation. So, you know, GO bonds are, you know, the most...that's basically how Maui has financed just about everything since the mid-

# MULTIMODAL TRANSPORTATION COMMITTEE

## Council of the County of Maui

June 17, 2019

---

1990s. So, and the, you know, the Maui's, Maui has a very strong bond rating, the highest in the State. It's very high nationally, it's AA1, AA+, AA+ so that helps make sure you get the lowest possible interest rate, and it's secured by the General Fund and the full faith and credit of the County. And that's generally, you know, the County is 80 percent of the revenues come from property taxes, so it's sort of very property tax type of credit which is a very strong credit from an investor point of view. And there's very high coverage because of the nature of things and the level of debt. And GO bonds can fund just about everything and certainly all of the types of transportation improvements you might be...the County might be looking at like traffic safety, transit streets, walkways, docks, parking, bikeways. I just picked out some examples but pretty much any type of public improvement can be...it's allowed under...yes, I'm sorry.

CHAIR SUGIMURA: Ms. Paltin?

COUNCILMEMBER PALTIN: Thank you. I just was wondering in the order from when it goes to an application to getting the entitlements and the permits and then building it out, at what point would you...like say you're permitting a subdivision or a project district, at what point would you use this mechanism to say like maybe a condition of a bike path or sidewalks through the project, would you do it before they get their entitlements or?

MR. DE CRINIS: Well, I don't know if you would use, necessarily use GO bonds for a private...you might for private development financing.

COUNCILMEMBER PALTIN: Like if it's a 201H and they're getting exempted from a bunch of stuff but you still want to have sidewalks and bike paths.

MR. DE CRINIS: Well, GO bond is the, is generally a type of bond that is issued for just a general County public improvements, and if that includes sidewalks in a development and a developer is not responsible for paying for it and if the County's going to pay for all that, the GO bonds could pretty much be issued at any time. They're not specifically timed to what's going on with a development, because they're not tied to the development, they're independent of the development. But it's a policy issue for the County to decide whether it wants to finance it that way. And the way the County does its financing is on...a lot of it's done on a reimbursement basis. The County has a policy where it advances up to \$55 million from the General Fund for projects, public projects, and, you know, and then it sells bonds to pay itself back. That has been...at least that's how it has been done which has its own complications but that's been in the past how, you know, how things are financed. So, if you were doing those kinds of improvements, it may not even require a bond issue, it may just be an authorization in the budget to advance money for that project, and the bond issue may come later to reimburse it.

COUNCILMEMBER PALTIN: So, they pay back for getting like sidewalks or something would be all the taxpayers would pay back the money?

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

MR. DE CRINIS: On a GO bond, all the taxpayers in the County are responsible for paying back GO bonds. It's not specific to any particular project.

COUNCILMEMBER PALTIN: Okay. So, that's why you wouldn't want to use it just for like one subdivision, because not everybody wants to pay for that one subdivision's sidewalk.

MR. DE CRINIS: Well, maybe, I mean maybe, maybe not, but that's a policy question and that's where the CFD we'll get to in a minute, there are other financing tools that maybe you would want to use if you didn't want everyone in the County to pay for it.

COUNCILMEMBER PALTIN: Thank you.

MR. DE CRINIS: So, revenue bonds are the...okay, I'll go to the next category that apply to transportation on Maui. And it would be...I don't know that it would...the County would want to do this but it is possible to...and the County hasn't...the last time the County issued revenue bonds was for a water project in 1991, but since 1991 Maui has not issued any revenue bonds. The City and County of Honolulu does issue revenue bonds regularly. But if you did, the revenue bonds could be issued for transit-type projects. And it's possible, I've talked to bond counsel...a bond counsel about this and who researched it a little bit in Hawaii law and the State has done it, it is possible to bond the Highway Fund. We confirmed that legally but it looks like it would work, and the State does it to finance these types of projects. I don't know that you'd want to do that 'cause a GO bond may be a better way to do it but it's possible. It's certainly possible for sewer and water. Other types of revenue bonds, you know, it's worth at least mentioning are P3-type financing where you have a private company involved in your partnership for maybe building a transportation project. You know if it was maybe a toll road is a good example, I'm not saying...or toll tunnel. I'm not saying that you would do...would go in that direction, but those kind of...there are public-private-type deals out there for transportation projects in different parts of the country that are called P3. So, that's where a...the private...a private sector and the public sector get together, and the private sector basically does the project, but it's still a governmental bond 'cause it's owned by the government, but you have a private sector company doing the work and building it. So, I don't know if that's appropriate here but that's just another...

CHAIR SUGIMURA: One...Ms. Paltin and then Kelly King after.

COUNCILMEMBER PALTIN: I just was wondering, these bonds, we couldn't use them to do State projects unless the State was putting money up? Like say from the Pali to the southern terminus, we couldn't do that because we're the County and that's a State highway or unless we work out an agreement, we're working together?

MR. DE CRINIS: Well, I don't know, that gets into a complicated issue of jurisdiction, but I mean if there was a joint project and the State was...didn't have the budget to do it and they wanted more money, maybe they would agree to do something jointly with

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

the County if the County is putting up money to do it. I mean I won't speak for the State of Hawaii so I don't know.

COUNCILMEMBER PALTIN: But it's possible?

MR. DE CRINIS: Well, I mean if legally you could sell the bonds, raise the money, and it was part of a bigger project and the State was financing a part of it and the County was, it would make...it would seem like that would be doable. I mean again I...you'd have to really look carefully at that 'cause it's probably very complicated I would think.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Ms. King?

COUNCILMEMBER KING: Thank you, Chair. So, I just wanted to know if you...if we've used that P3 model in the State of Hawaii and if you can give us an example?

MR. DE CRINIS: I am not aware in Hawaii if whether the State or the City and County have done that. In California, I can give you an example. We're working...one of my clients is Riverside County in California, it's a big county, and right now they're using a P3, they're issuing P3 bonds to finance three different libraries. And the way that's being done is they...a developer is actually building the libraries and the libraries then will be leased to the county and the county will...and the lease payments are what's going to be used to pay off the bonds and those bonds are issued tax exempt. And so it basically is a county-type bond issue, the county owns the project, the bonds are tax exempt, that's reflected in the lease payments, but the county didn't have to go through its purchasing department to do the work. So, the work was done by a private company so it was done...the argument...it has to be investigated on a case-by-case basis to make sure there's value in doing it. But in this case, the assumption is that the private company can do it faster and cheaper than if the county went and went through its purchasing department and its labor unions and its, you know, public works process. That it could be done more cheaply than if...and more quickly than if they did it. So, that's an example of a P3-type financing. So, it's a tax-exempt bond issue, issued through a governmental entity to build a public...in this case three libraries, but it's done by private business to at least get it built.

COUNCILMEMBER KING: So, can I follow up, Chair? So, in that instance you said that it was owned by the county, but they still have to lease it back even though they own the project?

MR. DE CRINIS: Well, they're...they...it's...they lease and lease back. They're...they own the land, they are leasing the land to the private developer who's building all the libraries and they're leasing it back from them. So, it's...

COUNCILMEMBER KING: Wow, that's complicated.

# MULTIMODAL TRANSPORTATION COMMITTEE

## Council of the County of Maui

June 17, 2019

---

MR. DE CRINIS: It's a complicated structure but it works and it meets the tax exempt requirements so the bonds are tax exempt. And again, the only reason for doing it is, well, as mentioned that it may be less expensive and quicker to build the project than if the county itself was doing it.

COUNCILMEMBER KING: Okay. Can I...can you...do you know if that model was used to fund Kamalii School in South Maui when...that was the first to my knowledge --

MR. DE CRINIS: Yeah, that...

COUNCILMEMBER KING: --public-private partnership --

MR. DE CRINIS: Right.

COUNCILMEMBER KING: --to build a public school. It was also the first one that was done ahead of schedule and under budget.

MR. DE CRINIS: Yeah.

COUNCILMEMBER KING: And then we never did another one again and I don't know why.

MR. DE CRINIS: Well, yeah, I think it was a developer here in Wailuku that --

COUNCILMEMBER KING: Right.

MR. DE CRINIS: --did it. It was --

COUNCILMEMBER KING: It was Everett Dowling.

MR. DE CRINIS: --Everett Dowling, and...

COUNCILMEMBER KING: So, do you know if that model was used to build that school?

MR. DE CRINIS: I think the concept was used. My daughter went to, she actually went to school there, grade school. But...

COUNCILMEMBER KING: Probably with my son.

MR. DE CRINIS: That was my understanding is that was the concept that was used to build that. I don't believe bonds were issued specifically to build that.

COUNCILMEMBER KING: Oh.

MR. DE CRINIS: I think the State of Hawaii Department of Education just said okay, you build it and then we'll buy it from you.

COUNCILMEMBER KING: Oh.

# MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

June 17, 2019

---

MR. DE CRINIS: So, I don't think...I don't believe it was financed specifically through a bond issue but it could have been.

COUNCILMEMBER KING: Okay. Can you check into that? Just because I think that's a really interesting model that we...I was on the Board of Education back then and for some reason we never...it was one of the most successful projects I think the Department of Education ever did and then we never did another one.

CHAIR SUGIMURA: So, James, can we check on that? Yeah.

COUNCILMEMBER KING: Thank you. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Ms. Paltin?

COUNCILMEMBER PALTIN: So, in that P3 model how do they choose who the private developer is? Is that how they go around the procurement?

MR. DE CRINIS: No, no. They...in this case that I'm working on now, they go out to RFP. So, the county went to, went out to RFP to find a developer, and then the developer, whoever meets the criteria, there's...that gets retained to do it. And then the county says okay, we're going to have you build this project. If you build it to all the specs that we want, we'll lease it back from you. And then...

COUNCILMEMBER PALTIN: And then how does it save the money, how do they decide on the money? Is it put out in the RFP?

MR. DE CRINIS: Well, there...I mean that's a complicated analysis, because the county has to satisfy itself that in fact it is cheaper to do it that way, and that's not an easy analysis. But that's the idea behind the P3. That's the idea behind P3, that's why a governmental entity would do a P3, right? A public...

COUNCILMEMBER PALTIN: So, you don't put a dollar amount in the RFP, just the criteria that you want to get meet...met?

MR. DE CRINIS: Yeah, and then the people responding to RFPs they bid, they say well this is what we can build it for.

COUNCILMEMBER PALTIN: Oh, okay. Right.

MR. DE CRINIS: And then but then it gets very complicated because then you get into okay, you built it for this but how much are you going to lease it to me for, right? So, it's, you know...

COUNCILMEMBER PALTIN: Okay, thank you.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

MR. DE CRINIS: It's complicated, and, you know, I would say it's done but it's, you know, some governments would debate whether they're actually saving money, because by the time they, you know, 'cause you have a private entity in there that's making lease payments from the county for having built it and manage it and so forth and is that really cheaper, you know, so you kind of get into those issues. Okay, so but revenue bonds generally like I said they're highly rated too, they're pretty close to GO bonds, not quite as strong, but investors are very comfortable buying GO...revenue bonds as well. So, then there's, you know, special improvement district bonds, SIDs which, you know, are...have been used. And they're...in this case I think, Councilman Paltin, that gets back to I think your earlier question is well, if it's a private development, you know, how...what's the best way to finance something that everybody in the County doesn't want to pay for and you want to provide an incentive or you want to provide assistance to a developer. Those, you know, those types of bonds, you know, can be issued, and they're public improvement bonds generally because they're assessments, they're not taxes, they're generally...legally speaking there has to be a much stronger relationship between benefit and the assessment. So, I think it's most appropriate for streets, sidewalks, maybe parking, water and sewer, things where there's a very direct benefit to what is being financed and what is being assessed. So, and that's an important distinction because, you know, it's not something that is generally benefitting the entire community, it's very specific. And these are...these types of districts could be very defined. It could be a development, it could be...for example, years and years and years ago, I worked on a project in Sausalito to underground utility lines in Sausalito, and that was all...there was two or three neighborhoods that wanted to underground their utility poles. And that's how that was done. So, all those neighborhoods agreed, okay, we want...we're tired of looking at our utility lines looking out over the San Francisco Bay and so we're going to underground all those things. And so everybody agreed and agreed to assess themselves for the cost and then bonds were sold to do the work. So, that's, you know, an example of...and it could be for other communities that I've worked on that it's been done for street improvements, it's been done for putting a sewer line down a street, you know, things like that that are very specific to a neighborhood or an area.

CHAIR SUGIMURA: Ms. Paltin?

COUNCILMEMBER PALTIN: And so the formula for the specific improvement district, is it straight equal like how many people divide the cost or is there a different...

MR. DE CRINIS: Well, the way it works is you...the, you know, again these are County projects so the County has...hires what's called an assessment engineer, and that individual or firm goes out and they do a assessment report and they try and determine benefit. So, they may do it based on square footage of the lot, square footage of the frontage of the lot. So, they try and make sure there's an equitable assessment so that each property owner is getting a relatively equal benefit to each other depending on how big the lot is or what. So, that's...and then and that all gets...ends up being approved by the government entity. Like say the County would approve all that and the County may not agree with what the assessment engineer, how they've done that. And those kind of discussions also involve the property owner

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

so there's hopefully it seems fair to everybody. Not everybody might think it's fair but, you know, that's what they try to accomplish in that process.

COUNCILMEMBER PALTIN: And then the end result is the formula?

MR. DE CRINIS: Yes, it's an assessment spread it's called, it's a spread of the assessment to the benefitting property owners.

COUNCILMEMBER PALTIN: So, even like something like deferral agreements you could get an assessment spread and then see how much each party owes? Similar concept?

MR. DE CRINIS: It could be like a reimbursement agreement. Is that what you're referring to?

COUNCILMEMBER PALTIN: Yeah.

MR. DE CRINIS: Yeah. That, I mean it's kind of the same idea. But there's, you know, that...there's a whole process. Some of it is in the law that has to be followed in order to do any...to do that. And if you formed a district and everyone...and then there has to be a protest...there has to be a hearing and, you know, on these kind of projects if over half the people protest and say they don't want it, they don't agree with it, it's dead. If they don't then you the County could decide to go forward or not go forward. And if you do go forward then you could either collect the assessments and do the work, you could sell bonds, you know, that's how that type of financing would work.

COUNCILMEMBER PALTIN: Cool.

MR. DE CRINIS: And, you know, these kind of districts can be initiated by the County, they can also be petitioned by property owners so you could have, you know, a bunch of properties in a neighborhood come and petition something like that. All right, the next way of...next item is community facilities district which I know the County has...had approved in January, and we were, you know, working in the last couple of years trying to get this to move forward. I think now Maui is finally the last county to have this enabling legislation but I think all the counties have it. But like I mentioned earlier only Kauai has used it. There's a lot of talk about it and it's very, I think very useful. It's very common, again, in California to use the CFD financing, I'm working on a couple right at the moment. You know one is for a parking transit center in Santa Clarita, and then the other one is for a Del Webb project down in Rancho Mirage where they're putting in all the water and sewer infrastructure in the streets and underground utilities. So, you know, it's relatively common in California. It can be used for transit, transportation, so forth. It's more appropriate for more sort of types of improvements that benefit not exactly the property that's being assessed so it's a tax, it's not an assessment. So, tax has a different...you have a lot more flexibility with a tax under the law which is why the community facilities district is a good use for the types of projects that are not, you know, the sewer in front of your house, right? So, they could be used as we've been talking for beach restoration, that's...for police and fire stations, transit, transportation, parking, you know, just, you know, a

# MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

June 17, 2019

---

whole laundry list of types of improvements that are authorized. And this list actually comes out of your ordinance so, you know, this is what's authorized that you could do. Of course the, you know, even if you can do all these things...and you can do streets, sewers, and all the things that an assessment district can do can be done this way as well. Again, it's a special tax levied on a defined area, so, you know, you really...like for example in the beach restoration projects that we're...been talking about for some time now, you know, there's a group of property owners that know that they need to have certain kind of improvements done and they don't feel they can finance it on their own. So, you know, the County could from a policy standpoint if it chose to, assist them in that process through a CFD and they could agree to tax themselves and then...through a CFD formation and then bonds could be sold and the money could be used to do the work. But again, this only works for public improvements, you cannot use these kind of tools for privately-owned improvements. They have to be improvements owned by the County.

COUNCILMEMBER KING: So, Chair?

CHAIR SUGIMURA: Yes?

COUNCILMEMBER KING: Quick question. Thank you. So, the...since you brought up the West Maui issue with the Kahana, I guess you're talking about the Kahana --

MR. DE CRINIS: Yeah.

COUNCILMEMBER KING: --condos over there. It's my understanding is that they're going ahead with beach renourishment. They're going to pay for it themselves. I don't...I haven't heard that they're going to try to involve the County with this kind of...because isn't it...I mean Maalaea is looking at this for their sewage issues over there, to potentially build a sewage treatment plant or a pump station that could attach to another sewage treatment plant. And that's going to be then at some point handed over to the County for...to run and maintain, I'm assuming. But how would you do it for, like the beach renourishment in West Maui is not, I mean everything in the water basically is owned by the State of Hawaii, DLNR oversees that. So, how would the County be involved in that?

MR. DE CRINIS: Well, that's been discussed at some length and it's still not fully resolved yet, but I know that the thinking there is that the State--I was on a few phone calls with the State on this a couple months ago--you know, the State would grant an easement to the County to do the work offshore. And if the County was going to be involved, it would be involved, it would have to own the groins that, whatever the structures are that go out in the ocean would have to be owned by the County. And it could be possibly maintained by the property owners, I don't know how much maintenance would really be needed. And it would require an agreement with the State of Hawaii to do something like that. And if it...if the improvements were...if it could be worked out that those improvements are in fact public then they could use a CFD to tax themselves...agree to a taxation, they shouldn't even tax themselves, to agree that the County will tax them for...sufficiently to support a bond issue to do the

# MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

June 17, 2019

---

work necessary to do the beach restoration. So, that's what the thinking is, and it's...that...it's a complicated project to see if that can even work or whether the County even wants to be involved, even wants to do it. So, there's...it's complicated but the situation in Kahana, you know, I don't know that the property owners there...

VICE-CHAIR HOKAMA: Chair?

CHAIR SUGIMURA: Yes?

MR. DE CRINIS: I'm sorry?

CHAIR SUGIMURA: One moment.

VICE-CHAIR HOKAMA: I would appreciate if de Crinis would stay on transportation. You have a very narrow scope of what we can talk about today. Okay. So, we ain't talking about beach replenishment, we're not talking about sewers today, it's about transportation. So, limit the discussion to transportation. I think we can get this done 'cause I have...we have other people I want to hear from.

MR. DE CRINIS: Okay.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER KING: Okay, well thanks for the explanation. I guess that's a forthcoming issue.

MR. DE CRINIS: Okay.

COUNCILMEMBER KING: Okay.

MR. DE CRINIS: Sorry to digress.

COUNCILMEMBER KING: I didn't know about that. That's okay.

MR. DE CRINIS: Trying to answer your question.

COUNCILMEMBER KING: It was my question. Thank you.

MR. DE CRINIS: Okay. So, that's how the CFD would work. And again that could be initiated by the County or by, petitioned by property owners. The last category would be bond financing as we had mentioned earlier for private activity bonds. Again, that would be hospitals and schools and, you know, the different categories. And also included in tax-exempt private activity bonds is surface transportation projects which receive Federal assistance for toll roads, bridges, and tunnels, so there are exemptions in the Internal Revenue Service regulations that allow bonds to be issued for privately-owned projects. There...you can get allocation now, there's an exemption for

# MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

June 17, 2019

---

that. I don't...I think that would be a very complicated thing to do but it's just pointing out it is there. And that's the end of the presentation, so.

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

**(Note: Presentation ended at 9:49 a.m.)**

CHAIR SUGIMURA: Thank you. Mr. de Crinis, thank you very much. Just so all of you know, *Akaku* is back on so you're on camera. Anyone have any more questions for Mr. de Crinis? Ms. Paltin?

COUNCILMEMBER PALTIN: I just was wondering, you know, is it only like roads and sidewalks or is it also transportation like bus systems and like that too that you can get the monies for?

MR. DE CRINIS: Well, if you're talking about bonds, if...GO bonds could be issued to buy buses. It's possible that highway bonds could be issued to buy buses. I don't know that you would want to do that, whether that's economical to do but...or a lease financing could be...or placed with a bank to finance buses. So, there's three different things that could be done.

CHAIR SUGIMURA: Thank you. Anybody else have any more questions? Mr. Hokama, your light is on.

VICE-CHAIR HOKAMA: No, Chair. I mean what he told us is what we've known for years as our options of how to finance. Our problem is we have no plan, and I think that's part of the discussion we should have today on how do you adjust financing until you get the plan done. Thank you.

CHAIR SUGIMURA: We'll get there. Any other questions? Seeing none, thank you. Thank you very much. Mr. Teruya, you have any comments before we move on? Thank you both for being here and, yeah, more discussion in the future. And the beach nourishment is a big issue so I'm sure we'll be talking about that in the future. Thank you. Oh, Ms. Lee?

COUNCILMEMBER LEE: Thank you, Chair. Question for the Finance Director. Following up on Mr. Hokama's concern, I too am wondering, I mean nothing is going to come to fruition until we have a plan or plans to utilize these various financing tools. So, who's going to be keeping track? Like for instance, you know, I'm hoping that we will use maybe CFD financing for a bypass, and then somebody else wants some other kind of financing in some other area for, I don't know, a sewer treatment plant. Somebody wants...so who's going to be keeping track of all of these various tools that will...could possibly, you know, be initiated very close together?

CHAIR SUGIMURA: Mr. Teruya?

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

MR. TERUYA: Thank you, Chair. And thank you, Member Lee, for that question. Well, there's several different ways. Coming back from GFOA, it's very clear that the County should have short-term, mid-term, and long-term plans as of, you know, debt financing, et cetera, community plan, what's going to be allowed in certain areas, what are we trying to do, how we're going to finance it. That discussion with member, I mean with Mayor Victorino has not been done yet; however, that is something that we should be looking at. I have mentioned too, I think Councilmember Hokama understands how City and County of Honolulu transferred or just created a new division, land management. Whether or not that is something that the County of Maui should do so that we have a long-range plan, I think he's well aware of that you need to have not only long-term plans but short and mid-term plans as well. How are we going to handle and finance all of the things that we want to do, not only project specific but as a whole how land development, how transportation and other things are going to tie in together. We have the CFD process to pay for it and finance it. GO bonds may also be an alternative that you rather look at for lower interest rate borrowing. So, there's various ways that maybe this body needs to look at as well as to what they want to...how they want to finance it.

COUNCILMEMBER LEE: If I may --

CHAIR SUGIMURA: Ms. Lee?

COUNCILMEMBER LEE: --follow up? Thank you, Madam Chair. So, we will also need to know what the cap is, you know, per budget year so that we have a running total of where we are, and maybe some years we can't afford to use any of these tools. So, you, right now it'll be your Department if we don't have another department tracking all of these things?

MR. TERUYA: Chair?

CHAIR SUGIMURA: Yes.

MR. TERUYA: You know I'm not aware of what Finance has as existing policy on what they want to do as far as long-term debt, but it is something that definitely I believe I would take up as far as a long-term plan as to how we're going to structure our debt, what's our capacity, what can we borrow, and then have that come back to the Mayor for discussion and passed down to this Council as far as how we're going to handle a plan looking forward not only 5 years but 10, 20 years down in the future. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Bingo from Ms. Lee 'cause I think she brings up a good point that I think Department confirmed in the presentation is our fiscal discipline strength and that is why we have the bond rating we do. We were very smart over the last 20 years how we approach debt and cash financing. We have the benefit. So, one of the benefits now is that when...even though we've gone to competitive bond borrowing as

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

we've done in the past, maybe we are now in a good position 'cause I think Ms. Lee brings up the point that maybe for a future bond 'cause I still think GO bond is the way to go for Countywide projects. Hard to beat on the interest, the ability of this County, our standing in the market, it's hard to beat at this point in time. But the advantage is we may be now able to negotiate a better borrowing than go competitive bidding because of our strength, and work certain things to this County's benefit in a negotiated borrowing. Okay. So, that is something that needs to go back on the table. It's more work for the Department but we are in a good position, Director. So, I would have us look back at not only competitive but negotiated borrowing, Chair, to finance our... 'cause for me, next . . . *(inaudible)*. . . it's over 500 million minimum, okay. And I don't know where we're going to get that cash at this point in time. So, we gotta look at drivers, Chair, and I think Mr. de Crinis brings up with this issue of transportation, again, I bring it up all the time but it's still going back now to regional planning for us to be able to forecast what the CAFR, the bond raters, and everybody else looks at is what is your plan borrowing schedule. How are you going to approach it, what is your cash drivers? And unless we develop a civic economic engine, we develop healthcare engines, we ain't going to make it just with the visitor dollar, Chair. So, I would ask the Department to start looking at those areas already. Thank you.

CHAIR SUGIMURA: Excellent point. So, is this something, Mr. Teruya, you could look at, regional planning for borrowing schedule?

MR. TERUYA: Chair, I'm not sure if we're the Department that discusses the regional schedule, but we are definitely going to be bringing this up to the Managing Director and the Mayor for discussion. Thank you, Chair.

CHAIR SUGIMURA: Mr. Hokama?

VICE-CHAIR HOKAMA: Yeah, and I bring that...and I apologize for interrupting. But we've come to a point where we need to make a call, and the Council is going to need to support some kind of adjustment in structure because we're going to need a land management division.

CHAIR SUGIMURA: Agree.

VICE-CHAIR HOKAMA: Okay. Whether it's going to be all the lands along the corridors of transportation programs, whether it be the bypass from West Maui or whatever it be, it cannot just be parks anymore that gets dumped with everything else. So, I think we need to come up with a strategy, a policy that more than likely with Charter currently and Mr. Teruya as Finance Director in charge of the inventory of assets, that might be the right fit for a division of land management. We can see if City and County's model fits us. I think we need to tweak it for Maui's needs, but that might be the route to go for better use of our inventory down the future, as well as maintain it for our future transportation right-of-ways. Thank you.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

CHAIR SUGIMURA: Thank you. I think we can discuss a Charter amendment. It was discussed the last term and it didn't make it out of the committee level, but we can bring that back and kind of tweak it, the land management...

VICE-CHAIR HOKAMA: See, that's an internal thing, yeah, of structure, Chair, so, you know, maybe you need maybe Mr. Hopper to start seeing is that really a Charter requirement to do a division within the Department that has already the parameters of authority.

COUNCILMEMBER KING: Chair, are we getting off topic again and --

COUNCILMEMBER KAMA: Yeah, we are.

COUNCILMEMBER KING: --getting to broad? I thought we were staying on multimodal transportation issues for financing?

CHAIR SUGIMURA: It was regional planning for transportation and I kind of --

COUNCILMEMBER KING: Right.

CHAIR SUGIMURA: --took it off but I think it's relevant. We need to think about this in terms of how this is going affect all of us.

COUNCILMEMBER KING: Maybe for another...

CHAIR SUGIMURA: Anyway, any more questions, Members? Ms. Paltin?

COUNCILMEMBER PALTIN: I just was wondering for this types of financing like the CFDs and like that, is the debt service cap like the 55 million separate? Is there a different cap for these kind of things or is there no cap or what's the limit of money?

CHAIR SUGIMURA: Mr. Teruya? Oh, Mister...

MR. DE CRINIS: Thank you.

CHAIR SUGIMURA: Mr. de Crinis?

MR. DE CRINIS: If a CFD...an assessment...there is no specific cap but it's the cap basically is what are the improvements needed to be financed, the cap is the dollar amount of what the work is and is...can the properties that are being assessed or taxed, can they support it, will the property owner support it, does it make sense. So, that's --

COUNCILMEMBER PALTIN: Thank you.

MR. DE CRINIS: --more how that would be.

CHAIR SUGIMURA: Thank you. Any other questions, Members? Seeing none, thank you very much for your presentation. I think there's lots more that we can discuss and --

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

MR. DE CRINIS: Thank you.

CHAIR SUGIMURA: --explore with you. So, thank you, Mr. Teruya and Mr. de Crinis. Next, we have Wes Lo. All of us know him from Hale Makua but he's ventured off into something pretty exciting. And Mr. de Crinis and Mr. Teruya was talking about basically public infrastructure financing, and Mr. Lo has brought to the community ohana, is it called ohana zone financing?

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

CHAIR SUGIMURA: Opportunity zone. And I asked him to come because and he can talk about some of the public or private money that's available if we have a plan. I think going back to what Mr. Hokama is saying that we need to have a plan for all of this, and, Mr. Lo, maybe you could talk about how what you're doing can tie into some private money that are interested in dealing with your project and how it could impact, you know, transportation. It's on.

MR. LO: Madam Chair?

CHAIR SUGIMURA: Yes.

MR. LO: Councilmembers, thank you. I'm going to preface my comments. I am not an expert at all these things I will be talking about, but I have been venturing into different possibilities for other types of financing that are available. So, I have done a little bit of research and I have had a lot of discussion so with that I have sort of covered myself I think, covered my tail a little bit. So, I'm going to start just quickly with the notion that's been floating around a lot called opportunity zones and new market tax credits. These are actually to stimulate economic growth. They are Federal tax credits that are provided. They have their different nuances. They are not broadly available right now. I want to first point out the opportunity zones they have not even passed the final rules on it yet, so it's not quite available. And there are some Census tracts limitations and it's for low-income areas. Right now I think there's part of Molokai and some small areas from Spreckelsville in Kahului and Haliimaile and a small area in Wailuku are the only places that are currently available under the new opportunity zone tax credits. There is something that is available right now called new market tax credits. I did not have a map of it, there's interactive maps so you can click on Census tracts, but it looks like predominantly the same areas by and large. And, you know, I'm happy to distribute some of the information so you can check the areas. But I would caution that these are not some form of free money or availability to do a lot of things. These are actually, it appears to me more meant for private businesses to develop and access financing in low-income, low-and-moderate-income areas. And there are...seems to be some...there's not that much control from the government side and then there's a lot of restrictions. Usually you have to go through some community development financial institution to access these things. They are a form of financing and, you know, it has to be paid back. And much like many of the other vehicles out there, there always is risk, and the investors in these funds can pull

# MULTIMODAL TRANSPORTATION COMMITTEE

## Council of the County of Maui

June 17, 2019

---

their money back out at five, seven, and ten years. I don't know if many of you are familiar with the term EB-5 monies, it's very similar. I mean the money is there, it can be used, but eventually it can be taken back out so you have to be broad in your use of funding there. So, but those are available. I do not in my research see that that is really available for municipal-type projects in themselves. So, if you're looking for those to fund transportation, exclusively transportation, public transportation, complete streets, TOD types of things. It does not appear that that would be a private entity that would be building that, that would be a municipal or a County facility doing that. So, I liken that as they're just a tool in the toolbox and not some form of, you know, savior for cost for the County. So, with that I'm going to just digress a little bit. In my mind, there's certain ways that you can finance transportation, whether it's TODs, I mean and you can even be broader and community projects like affordable housing, whatever. One would be to use State, local, or Federal tax dollars, so you have the ability to do general obligation bonds, revenue bonds, or CDBG monies or, you know, so and so forth. You can use exactions where a developer comes and wants to do something and you go through like a 201H or whatever, and they can exempt it or you can tell them no, you need to build these streets or these things or contribute. Or there's things that are...there's private foundations out there and they have a lot of money apparently and but they don't usually fund municipal projects so it would have to be part of a larger project that has some kind of community benefit. So, we've been toying with this a little bit and I have been active with the Lauren Armstrong and Lauren Loor and, you know, the whole transit-oriented development things, et cetera, and we've talking about well, how do you move forward on something and where it's not all County dollars that are required. And we were instructed by these private foundations that there's actually a lot of money out there if you have a plan. And I think Mr. Hokama was at a meeting we had where they basically said is you come up with a plan and there has to be some benefit for some...for these foundations, and many of these foundations are huge foundations like Weinberg and the Kresge Foundation, and they are now looking to find benefit from things like social determinants of health, things that are going to make us healthier because that's going to save healthcare costs, so on and so forth. And that includes complete streets and transit-oriented development, so they're encouraging us to look at transit-oriented development as part of a project. But they're not willing to throw money at us quite yet either until we have a plan, and so therefore we are currently in discussions with them around potentially, you know, the Kahului Community Center on what could be built there and how could we include the makings of transit-oriented development and complete streets in that. And cobble together financing from all sources as opposed to either a County source or a private source to make the development cheaper and to start the catalyst for some types of project. So, I think it...I think there was comment made about a regional plan is your financing sort of has to follow your plan and start trying to understand how you cobble it together, because I think there is no one...unless you go general obligation bonds which I don't think the taxpayers want to necessarily see everything funded by the government. You know you have to sort of figure out how to go that. So, we're sort of down that path right now. I'm going to sort of stop there and open it up. You know I'm not sure what questions you would have regarding this. I have been pretty involved in this discussion right now.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

CHAIR SUGIMURA: Thank you, Mr. Lo. Very exciting work 'cause this is a public-private partnership kind of discussion that's going on so I think it's very appropriate that you can present information to this Committee. Anybody have questions for Mr. Lo? Ms. King and then Ms. Lee.

COUNCILMEMBER KING: Thank you, Chair. So, just a real quick question, I have actually had some experience with the new market tax credits and the EB-5 program, and they're both loan programs so they're not, you know, they're really not grants or free money. But I'm not real familiar with opportunity zone funding. But when you said...you made the statement that they haven't made the rules yet, are...when you talk about they is that the Federal government or the State government?

MR. LO: Madam Chair?

CHAIR SUGIMURA: Mister...yeah.

MR. LO: From my understanding that it was passed by...I think have something here. It was passed in 2017 by the Tax Cuts and Jobs Act, and they just have proposed rules right now by the Federal government, and we understand that those rules will come out in September. But then again, I do think that it's basically...it's going to be loans and there's no funds in there right now. I know that there is a community development financial institution that's trying to start a fund around social determinants of health right now from a lot of the major banks and the health insurers right now to at least fund it and then they will look for projects.

COUNCILMEMBER KING: Okay. So, yeah, 'cause my...oh, so there's no money in the opportunity zone program? Because my understanding was that this is for private projects, basically they're private projects in low-income areas and that the investors in those projects would get a tax credit for investing, and they're economic development, they're public benefit projects. So, really what it is, it basically is giving these investors a tax break. Is that at the Federal level?

CHAIR SUGIMURA: Mr. Lo?

MR. LO: Madam Chair? My understanding yes, it'll be at the Federal level.

COUNCILMEMBER KING: Okay. So, that would be bringing in people to the areas that you mentioned to develop projects that are in those areas that could...that have an economic development purpose but are public benefit. And then...so I'm not sure...I mean I...for me I'm not sure where the County comes in, because the County would not be driving this. Unless we're putting people together, unless we're asking private developers to take a look at a certain project and then helping them find investors or something, but it's not County tax money.

CHAIR SUGIMURA: Mr. Lo?

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

MR. LO: Madam Chair? Yes, exactly. At least that's my understanding of the program. It's meant for...so investors will bring in money, and then people who are interested in building a project in a low-income area could build...start a business or, you know, do a grocery store, whatever. But it does not appear that it's really for County municipal projects like a complete street or transit-oriented development. Having said that, I do believe with the plan, you can cobble it together where maybe the developer or something could, you know, be developing something in that area that could benefit by economies of scale with the County so on and so forth. So, that's sort of the plan part.

COUNCILMEMBER KING: So, it might be something where we could put out an RFP for a developer to do a certain piece of our plan, and then they could go out and find investors that would then get these tax credits. And then your...I mean I don't know how much you've looked into the actual rules, because I haven't seen them yet and maybe...is it in public...is it public comment time right now?

MR. LO: I believe it is. I have not actually looked at the proposed rules for opportunity zones yet.

COUNCILMEMBER KING: Okay. So, if it is and you have that link that would be great to --

MR. LO: Okay.

COUNCILMEMBER KING: --have because I would like to make a comment on that. But, you know, the State of Hawaii did something kind of like this in the last decade...the previous decade for renewable energy, it was called QHTB so it was qualified high-tech business tax credits. And a lot of stuff got done basically with investors not even really that focused on the return, because they were getting such good tax credits that basically that was their return. You know so they got the tax credits, they didn't really need to have a huge, you know, economic return from the actual project. And so, is that something...is that kind of where you see this opportunity zone thing going?

MR. LO: I think so. I think ultimately they want you to keep in the money in there for...I think it has thresholds of five, seven, and ten years before you get your money back. Kind of like the EB-5 type of thing where, you know --

COUNCILMEMBER KING: Okay.

MR. LO: --they have sort of this five-year period, I think it's a five-year period. It sounds like, yeah, that's the idea on this. I think, you know, there's a lot of debate if these programs actually are...help public benefit or not, because there's little oversight on it though. You know much like I think some of the other tax credits, I mean people just were getting the benefit of it and then it was supposedly a stimulating thing, but there's the potential for gentrification and so on and so forth, you know, 'cause there's no oversight on that. But I do believe that that's how it works. But after the five, seven, or ten years that...the investor can ask for their money back, that's why I think

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

there's this push to have larger funds across the nation that can be used so they will have a fund and will have oversight over these loans and et cetera, so.

COUNCILMEMBER KING: Okay. And that's...where the rules hopefully will go?

MR. LO: Yeah.

COUNCILMEMBER KING: Okay, thank you.

CHAIR SUGIMURA: Thank you. Ms. Lee?

COUNCILMEMBER LEE: Thank you. Mr. Lo, I...you mentioned private foundations and you mentioned Weinberg. So, I understand recently they reorganized or made some kind of major adjustments to their program locally. Does that mean they are cutting back, reducing their charitable giving? Do you know?

MR. LO: I'm not positive. I have been in discussions with them. My understanding through discussions with some of the new staff at Weinberg is that they are trying to standardize their giving across the nation now. So, the Baltimore folks are coming down next week to visit our project, the head of their grants, et cetera, and they have a focus now much like many of the foundations on social determinants of health. It's going to be housing, education, yeah, and healthy living, so, you know, so the TOD types of things. It did not sound like they were going to be cutting back. I think that they are more just going to try to be consistent with programmatic ideas. They still have I understand the 50 percent of their giving needs to be for capital also. But I think their focus seems to be a little bit different. Frankly, I will...I'm excited to meet with them next week Wednesday actually I think they're coming to visit, first time to Maui through the Baltimore folks. But I think that's more what's happening. I don't think it's...but it will be more of a nationwide thing. They do have new staff now. I think you may know Kamoia Kalama, formerly from KSB and First Hawaiian Bank, is now the head, and there's a new lady, Marisa Hayase who was on the Board of...or Department of Education previously and with Castle Foundation. And so, they're very much into housing, health, and workforce development is my understanding.

COUNCILMEMBER LEE: So, I know that they've given millions and millions of dollars to various projects on Maui. Do they also have a loan program besides their grant program?

MR. LO: I'm not aware.

COUNCILMEMBER LEE: You're not aware? 'Cause when you talked about private monies and private foundations possibly helping to fund various projects, I wonder if they also...because I believe they are a 501(c)(3) so that in order to replenish...as if they need it but, to replenish their funds if they got involved in tax programs, tax incentive programs. Do you know?

CHAIR SUGIMURA: Mr. Lo?

# MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

June 17, 2019

---

MR. LO: Madam Chair, I wouldn't know exactly about Weinberg but from what I'm understanding about what's happening across the nation is there's this, a bunch of companies called community development financial institutions and yeah, CDFIs, and they actually get money from all these major foundations like Kresge and Weinberg, I'm assuming Weinberg, I'm using these names loosely. And they will have loan funds so they're having other people administer them. So, we've been in discussion with two CDFIs, one is called Nonprofit Finance Fund and the other one is called Local Initiatives Support Corporation and they do projects across the nation. And so what they're...they're kind of, their niche in the world is to try to help everybody cobble it together around a major project. So, let's say... 'cause we met with them and they said is, Wes, quit being... thinking so small, and I'm going are you kidding, we're talking about Kahului Community Center, that's huge, and he said no, you got to think broader, you got to think transit-oriented development. Because then you start talking about complete streets, affordable... you know, everything, and I'm going well, how would we do that, I don't get it, I worry about Hale Makua. And they're saying that's where we come in is if you have a plan, sort of a regional-ish type plan, they can go find loans, foundation monies, low-income housing tax credits, and they cobble it together. Now, in fairness we've met with two of them and I was warned by the Kresge Foundation lady is make sure you shop around for these guys 'cause, you know, they...

COUNCILMEMBER KAMA: They're not the only guys in town.

MR. LO: Yeah. So, I think there are entities are out there that help you do that and I think this is the new world is rather than just looking at silos of doing... I'm going to do the project here, I'm going to do a TOD here and everybody finances it is well, couldn't we do this all together and make it more economies of scale, more efficient. And, you know, then it's a little more organized. So, I think that's what they're pressing us to do. They're almost like, you know, they're pounding me right now, like hurry up and get the plan type of thing, so.

COUNCILMEMBER LEE: Well, as soon as you find a very good CDI [sic] and who's reliable and trustworthy, let us know.

MR. LO: Yeah.

COUNCILMEMBER LEE: Thank you.

CHAIR SUGIMURA: Mr. Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Thank you, Mr. Lo. You mentioned the Kahului Community Center. Is that one of the opportunity zones projects?

MR. LO: Madam Chair? I'm 200 yards from the opportunity zone, I'm outside of it, and I'm also in the Wailuku opportunity zone, I mean just... maybe not a funny story but is I'm actually on the border and I'm not in it in Wailuku also, it stops I think at St.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

Anthony. So, neither of those are in the opportunity zone. So, that's why when I commented it's just a tool in the toolbox, there's all kinds of financing out there, these are just some tools to use to finance things. So, but we are not in an opportunity zone.

CHAIR SUGIMURA: Ms. Lee?

COUNCILMEMBER LEE: May I make a suggestion, Mr. Lo? Why don't you change the opportunity zone designation? That seem...that sounds like it'll be easier to do that.

MR. LO: Madam Chair, I think that actually the opportunity zones are, I understand, approved by the County. They were from the State but yeah, I think that's a possibility.

CHAIR SUGIMURA: Last term.

MR. LO: I would say though there are other financing vehicles out there. If you're looking for opportunity zone financing, there's USDA financing which is very low income also and there's other types of private activity bonds, et cetera. So, I mean I'm not...I don't look at the opportunity zone as the solution to it, it's just another tool, and if it happens that it's there and, you know, we will certainly look at that.

CHAIR SUGIMURA: Thank you. Anybody else have questions? Ms. Paltin, did you have your light on?

COUNCILMEMBER PALTIN: Yeah, thank you. So, when you were saying that there's lots of money out there if you have a plan, I just was wondering is there any criteria that there has to be community buy-in for the plan or could anybody have a plan and then just get money and what if the community doesn't like the plan?

CHAIR SUGIMURA: Mr. Lo?

MR. LO: Madam Chair? Yeah, I think it's going to be up to the community. I mean if the community is not buying into it, I don't think these people will provide money, et cetera. In fact, as we look at whatever we're going to do at Kahului Community Center and we don't have any ideas, we're just saying let's let it start from the community is they've been encouraging us to get a master plan with community outreach. So, I mean I think that's probably the most important part of that.

COUNCILMEMBER PALTIN: Do they have specific criteria to measure community buy-in?

MR. LO: I don't know that at this point in time. I think that obviously the County process will have really oversight over the community buy-in. I mean if the County doesn't want to approve a project then it won't. You know it has its limitations. I think that the, these companies are more interested in solutions to community issues. Again, I'm going to always go back to workforce development, affordable housing, healthy eating/active living, and complete streets. This seems to be the focus, and I think

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

there's probably different community development financial institutions that have different interests, and you just need to find the one that's appropriate.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Thank you. Anybody else have questions? Mr. Hokama?

VICE-CHAIR HOKAMA: Maybe for you, are you planning to have Transportation give us some comments as well, Chair? Transportation Department.

CHAIR SUGIMURA: I think he left. I really wasn't planning on...that's bus, right, with --

VICE-CHAIR HOKAMA: Well --

CHAIR SUGIMURA: --Michael Du Pont.

VICE-CHAIR HOKAMA: --then maybe --

CHAIR SUGIMURA: Oh, he's here.

VICE-CHAIR HOKAMA: --if you would...oh yeah, yeah. If you would ask him to join us in our discussion please 'cause I think --

CHAIR SUGIMURA: Okay.

VICE-CHAIR HOKAMA: --the Committee may have...

CHAIR SUGIMURA: Mr. Du Pont, Deputy Director for Transportation. I'm sorry, I didn't really...I'm glad you're here.

VICE-CHAIR HOKAMA: Yeah, thanks.

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

VICE-CHAIR HOKAMA: Yeah. So --

CHAIR SUGIMURA: You have a question...

VICE-CHAIR HOKAMA: --my question would be for both gentlemen, Chair. So, hearing Mr. Lo, I can see his predicament. He has something that he would like to do as a priority from his organization's standpoint, and I would agree with him. But in our discussions, it's a piece of a larger regional concerns that addresses not only transportation, the housing, the drainage, education --

CHAIR SUGIMURA: Workforce.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

VICE-CHAIR HOKAMA: --and business. I mean it's the whole ball of wax. So, for most of us, for Mr. Du Pont's side, public transportation nationwide is a loser, it is subsidized. So, has your Department made calculations on what is the maximum amount of loss that this County can afford as we move this regional plan forward? 'Cause you guys must be thinking how we're going to move people in and out of the region and whether or not we're going to need to advance certain projects. Kamehameha Avenue widening, whatever it be for this Wailuku-Kahului corridor, you folks have had those discussions and worked out some preliminary calculations of what is an acceptable operational loss for this County?

MR. DU PONT: Thank you, Member Hokama. We have actually started the conversation but we have not come up with that number yet. Before Marc left on vacation, we were heavily talking about what we can do to help subsidize or how can we get private partnership to come and help subsidize some of the cost for our Department.

VICE-CHAIR HOKAMA: Okay.

CHAIR SUGIMURA: Maybe we could get a follow-up on that, James.

VICE-CHAIR HOKAMA: I know we had it in our --

CHAIR SUGIMURA: Audit.

VICE-CHAIR HOKAMA: --an audit --

CHAIR SUGIMURA: Yeah.

VICE-CHAIR HOKAMA: --our audit there's some recommendations of how much a fare box should be, but that doesn't calculate everything, yeah, Mr. Du Pont. So, would be interesting to see what range if anything the Department is considering as far as acceptable losses or subsidies, whatever you want to call it. Yeah, 'cause I think it's going to make a difference of how we approach projects. And yeah, I wanted their points because I think maybe the County should be the one leading the charge in this regional planning, Chair, and then people like Mr. Lo come in and say how my project fits within your parameter. You know my organization will take care this component within the regional plan and this is our area of strength and this is what we focus in. We're not road builders so we don't feel to be the guys in charge of the roads, but as far as nonprofit kupuna care or keiki care, that's our strength and that's what we do in this area. So, maybe --

CHAIR SUGIMURA: I like that.

VICE-CHAIR HOKAMA: --we need to be the leaders of --

COUNCILMEMBER KAMA: The plan.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

VICE-CHAIR HOKAMA: --the regional plan and we set the parameters where each component then comes in with their specific strengths as...‘cause I think part of this funding proposal that Mr. Lo talked about is driving the need for us to do things differently. And I think whether...maybe it was Ms. Lee or somebody said we got to get out of those silos, I would agree with that statement. So, maybe we need to just try this different approach, Chair.

CHAIR SUGIMURA: I like that. Ms. Kama?

COUNCILMEMBER KAMA: Thank you, Chair. So, we have to come up with a plan, right? So, a couple years ago I said we needed a housing plan so now we’re hearing that we need a transportation plan. I think you’re going to hear all along the way that what I think funders are looking for is a plan that meets all of our needs holistically. What does an individual need? He needs housing, right? He needs a job, right? He needs transportation. All of those mechanisms that makes us complete as human beings, as families, as a community, that’s the plan they’re looking for. That means that you’re correct, Mr. Hokama, we need to join forces like the nine of us in this Chamber who chair different Committees, we bring strength to the work that we do by doing this work and we put it all together, that’s the making of the plan. And then we bring resources like Mr. Lo, like Mr. Chun, and we bring them and we talk more stories with them and we add to this plan that strengthens the plan that tells funders this is what we want to do. I want to mention, you know, at this past HSAC conference, sitting at my...as one of the panelists was Mr. Jeff Gilbreath who is one...who was one of the very first HUD-certified counselors in the State of Hawaii as a nonprofit who was funded by LISC to do the work that they’re doing. And he just mentioned to us at the conference, we’re the first to hear it about the million dollars that they’ve gotten to be able to do housing and to create a housing coalition. So, you know, he has figured out how to tap into these plans that all these funders are asking for. ‘cause the money he got was from Kresge, and now he’s going to leverage that for another \$5 million. and he’s on his way to doing the work that he’s passionate about. And we should be taking, you know, those kinds of examples from people in our own community to be able to do that very same thing. So, I think Mr. Lo being here is on a...we’re on the right path, we just got to go get ‘em. Thank you.

CHAIR SUGIMURA: So, Members, all relevant. I will tell you that there is healthy living initiative, healthy family initiative that was put together through the Parks and Recreation...well. the vision from TOD and they’ve expanded it to include all the elements so we can bring all the studies that everybody’s been talking about and looking at it like a regional plan. So, right now the Planning Department and...or the TOD, transit-oriented development along with DOT which was Marc Takamori was there, Pam Eaton, Michele McLean, Lauren Loor presented the TOD plan to the Legislature and they got the \$500,000, right? I’m not too sure, do you know, Mr. Lo, if that...the TOD also includes your area with Hale Makua, the Kahului Community Center area?

MR. LO: Madam Chair, I believe it is in the circle of the TOD area. It’s just on the outward circle of it.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

CHAIR SUGIMURA: So, maybe that's the way we can activate it and bring everything together. Mr. Lo?

MR. LO: Madam Chair, if I may add, I'm sorry to interrupt. but there is some money that was...the Council appropriated this last session that we...I had a discussion with Mr. Hokama, Councilmember Hokama and Parks and Lori Tsuhako from Housing and Human Concerns that we wanted to move forward to see if we can start doing a community-driven master plan for the park. But if it works that we can work on with this, the TOD thing, I think then, you know, maybe that'll work. But I wanted to mention that I've been given instructions to hurry up and get that scope figured out that everybody would be happy with and that the scope is being driven by the reso passed last year by the Council to start planning for health and senior housing, senior center, intergenerational activities in the Kahului Community Center tax map key.

CHAIR SUGIMURA: Very good, exciting. Ms. King?

COUNCILMEMBER KING: Thank you, Chair. So, we have different...we have a lot of layers of planning going on, because at the very core we have our community plan review process going on right now, and maybe it was auspicious that we started with Molokai and Lanai because they're not connected as far as the transit-oriented development. But we also have...we have the Maui Island Plan which basically describes developmental areas and where the urban core is and where...but the...I think what we...what we're talking about now is sort of an overlay, like a transit overlay over the entire island. And then...and this needs to happen sooner rather than later because as we go through the community plan process, we want the communities to be able to look at the overlays of, you know, if we have a master plan for our parks, if we have a master plan for drain...I mean we've been dealing with in South Maui a master plan for drainage that is now 10 or 15 years old that has some very archaic ideas in it like concreting the drainage ditches which we're not...we don't want to do. But if we can get some kind of a master plan overlay for transit-oriented development across the island then as we go to these various communities, the communities can look at those plans and tweak them or say this will or won't work for our community or it will work like this if we change this or that. But, you know, what we don't want to do is go through the community plan reviews...the massive number of hours it takes for the community to get together and do this on top of the Planning Commission, the CPAC, the Planning Commission, and the Council. And then come in and say oh no, sorry you made that plan, but here's what we're going to do with the transit, you know, multimodal transit it's coming in over here, your park plan is now this. You know so we have...we...I think what we need is probably like an organizational chart as...that shows the, you know, where the transit-oriented development fits across the island, because it's not going to just stop at the corridor between Wailuku and Kahului. Hopefully it'll overlay over the whole island and everybody needs to be aware of what the plans are coming into our areas. So, anyway, I just wanted to make that point because I'm...we have a...we have community planning, then we have regional planning, then we have the Maui Island Plan, and a lot of people don't understand where all these fit together and what the actual...who's in charge of what part of that

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

plan. But we need to bring all those together so that everybody can be a part of it and you don't feel like you're getting overridden by another part of the plan. So, anyway, that's my hope for this Administration and working with...and I think this Council wants to support that, you know, that kind of planning. I think I've seen this year more willingness of the departments to work together across, you know, kind of break down some of the silos, and I'm hoping that becomes, you know, the mark of this Administration that the different departments are going to work together to build these...not just build the plans that we need but to also build the buy-in and the stakeholder, you know, community collaboration that we need to get that done.

CHAIR SUGIMURA: Thank you. Mr. Hokama? Your light.

VICE-CHAIR HOKAMA: Oh, thanks. I guess me and Ms. Paltin. I just wanted to mention, yeah, that we are going to be highlighted because as Mr. King mentioned, yeah, we have one big advantage currently, Chair, and that is our real property geospatial Internet system in place which we're global leaders in. So, on July 12<sup>th</sup> at our annual conference in Clark County, Esri which is the groundbreaking entity is going to have a big discussion on the subject of a whole new level of smart communities through geospatial infrastructure, okay, and we are cutting edge global our County. So, we are going to be used as an example of how our investment in geospatial through RPT is now leading efforts how smart technology in future planning because of the overlays and underlays that Ms. King just mentioned and how each layer then fits or is connected to one another to move certain operations as well as project benefits forward, Chair. So, one, we should at least recognize our ability that our departments have given us in capacity, as well as now being able to now lead the field in how we're going to do future smart planning in communities. So, this County is in a great position to be a leader in many different areas, and we have invested in those tools smartly, I can say, that gives us this opportunity today, Chair. So, I just wanted to share that, that I think we're in the right path and we've invested smartly in the, some of the right tools. Thank you.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER KING: Chair? Chair, could I just...

CHAIR SUGIMURA: I also...one moment.

COUNCILMEMBER KING: Okay.

CHAIR SUGIMURA: I also saw that Maui County was featured in the NACo national newsletter just talking about what RPT or Scott Teruya and his division have done with Esri.

VICE-CHAIR HOKAMA: Yeah, that's correct. So, then we've gotten the national recognition. Esri is now making it known internationally of our joint efforts in achieving where we are as a County and globally in this interspatial program, Chair. So, again, the

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

County invested some smart six figures of investment in this, and we have seven-digit returns as benefits to the General Fund and tax base so it has worked for us.

CHAIR SUGIMURA: Fantastic. So, James, when we look at this regional planning, we need to also include Finance and what they're doing.

COUNCILMEMBER KING: Can I just make a request --

CHAIR SUGIMURA: Yes.

COUNCILMEMBER KING: --from Councilmember Hokama, if you could just maybe send an e-mail out to the Councilmembers on when that breakout session is going to be at NACo. That would be great. Thank you.

CHAIR SUGIMURA: James, can you take care of that? Okay. Anybody else have any...oh, Ms. Paltin. I'm sorry.

COUNCILMEMBER PALTIN: Thank you. I just kind of wanted to clarify what we're talking about when we're talking about transit-oriented development. You're talking about like where we have our workforce housing and things to be able to catch public transportation to where they need to go, and that's like, you know, it helps with the climate change issue. And so, when we're planning things in the future, we want to plan those things to be where the public bus infrastructure and all the infrastructures are so that it's close to the various needs of the workforce. Is that what you mean by transit-oriented development?

CHAIR SUGIMURA: So, transit-oriented development presentation that was done with Pam Eaton, I think we had a panel here, is basically it designated and what they presented to the Legislature was the Old Wailuku Post Office. It has to be...because they provided, they meaning Legislature provided us that \$500,000, it has to be supported through HHFDC which is a State agency and so it has to be State, a State property to another State property which is the TOD formula. And so, they provide...the Legislature allocated or appropriated 500,000 to us, and we did another...we matched it with 100,000 in this Budget and it's to come up with the planning for the transit-oriented development for this area. What Mr. Lo was talking about is that in their planning scope, healthy living initiative is what this group has developed to also include besides the transportation, housing, healthy living, parks in this area is to have an umbrella initiative that will bring all of this together which is the regional planning about workforce development, housing, healthy living, everything to be in this transit-oriented development area. In this case in their example, it was basically Central Maui but we can certainly talk about it in broader terms. For what Mr. Lo is talking about and his project, it basically fits within the TOD area because it's within Central Maui. But your concept is right, and this is kind of exciting stuff because normally we look at things silo'd, but we have an opportunity to look at it from a broader perspective. I mean I didn't even think about Finance, what RPT has done, but that too is a big part of the discussion, so. And thank you, Mr. Du Pont, for being here. I didn't ask you to be here and I'm glad...I will tell you that he is working on the

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

audit that was done that Mr. Hokama talked about. He's working on looking and making sure we do all of it. Yes, Mr. Hokama?

VICE-CHAIR HOKAMA: So, can we maybe ask Mr. Du Pont, I know the Director is not available but has the Department started looking at things regional, more regionally, Director? I mean you've heard us talk about it, yeah, so you know the Council and its Committees are serious in our conversations.

CHAIR SUGIMURA: Mr. Du Pont?

VICE-CHAIR HOKAMA: Can you tell us what your Department has done, whether it's the corridor or potential zoning, you know, projects coming before us regarding transportation in this area?

MR. DU PONT: Thank you. So, the few projects that have come before us we are really heavily looking into it. Marc's not here but Darren Kono and myself have been looking into it to making sure that they're meeting all of our zoning procedures or what we require for them to have in their development. Other than that, we are looking broadly what we can do to help subsidize of course all of our programs and how we can make it better for the communities.

CHAIR SUGIMURA: Mr. Hokama?

VICE-CHAIR HOKAMA: So, are you looking at all the options? Because we are aware of at least one entity that took kind of a unique way and that's metro in D.C. They hire because they've started to shut down the metro X amount of hours per day for maintenance requirements because of the breakdowns. They decided to go and interestingly enough hire Uber for their ridership for some of the, especially those that are working on that shift area of downtime for maintenance. So, is that...those kind of options even in your Department's scope of opportunities?

MR. DU PONT: Thank you. Actually, yes, I am looking at creating a group right now with the west and south side managers of the hotels as well as some of the business members here on the County, and we're looking at possibly doing a van pool program that will help subsidize some of the traffic to and from Lahaina and Kihei. We're also looking at Lyft and maybe Uber for those that live outside of our districts for, especially for paratransit.

VICE-CHAIR HOKAMA: Okay. How about for, I mean we, you know, we all can see the lights every day, right, early in the morning, late at night, what about those that live more Upcountry that need to go to the west side or vice versa? Do you folks have a way of approaching transportation for those type of commuters, daily users?

MR. DU PONT: Yeah, so I'm actually meeting with the Pukalani Association on the 21<sup>st</sup>, and I've been meeting with the Kula Community Association just trying to get a feel of what the community needs. We are looking at trying to revamp our routes, seeing if the timing is working. If the timing is not working, how come, and well, what is the

# MULTIMODAL TRANSPORTATION COMMITTEE

Council of the County of Maui

June 17, 2019

---

general gap that we need, who do we need to provide the service for. So, if there's people that need to have an earlier bus rider need to get to the west side earlier, how can we fix that and how can we help them. So, we are actively looking at how can we restructure our routes.

VICE-CHAIR HOKAMA: Okay. Besides traditional wheel-based transportation, you're looking at any other type of transportation whether it be...I wish it was helicopter, kind of expensive but...

CHAIR SUGIMURA: Ferry.

VICE-CHAIR HOKAMA: Yeah, Lahaina to Maalaea.

MR. DU PONT: The only type of conversation that we've had recently was maybe doing like a Molokai ferry, trying to get a ferry back to Molokai to help the constituents there. That's kind of the only way that we've kind of started talking about that. We had...we've had talks with Biki bike to try and see if that might work maybe in the Wailuku area or Kahului areas and Kihei and Lahaina, but nothing set yet.

VICE-CHAIR HOKAMA: Okay. Well, I appreciate your comments and we look forward to some innovative recommendations from your Department, Mr. Du Pont. Thank you for my opportunity.

CHAIR SUGIMURA: Thank you. Any other questions, Members? Good discussion. We have follow ups that we will do. I will...I want to thank Mr. Lo and Mr. Du Pont. Thank you very much. Mr. de Crinis and Scott Teruya, also thank you very much for presenting. I have made a request for Staff to look at TOD funding through, that is done through the State Planning Office. As we were trying to put this meeting together with HHFDC, Craig Hirai was not available and he has a staff person that could possibly present as it would relate to this discussion. And then I'll try to pull in the person who does TOD financing, works with the State Planning Office, and we can get more information on that. But great discussion, everybody, I love how we're thinking regionally and bigger plans. Mr. Hokama?

VICE-CHAIR HOKAMA: So, may I ask you to think about two things, yeah, one maybe broadening your subject parameters, you know, 'cause I think we had some limitations on the parameters today.

CHAIR SUGIMURA: Okay.

VICE-CHAIR HOKAMA: So, maybe you want to broaden it more to planning that can take into account land use, financing, and some other components.

CHAIR SUGIMURA: Okay, will do.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

VICE-CHAIR HOKAMA: Because for Mr. Du Pont, you currently have an inventory and you managing all lands that are under Department of Transportation jurisdiction, or is this something that is still Finance responsibility?

CHAIR SUGIMURA: Mr. Du Pont? You said land?

VICE-CHAIR HOKAMA: Yes. You have no jurisdiction --

CHAIR SUGIMURA: Where the bus stops are?

VICE-CHAIR HOKAMA: --over land?

MR. DU PONT: We don't have any jurisdiction over land. If we do have a bus stop on it then I'll take care of it.

VICE-CHAIR HOKAMA: Yeah but it still comes under the County so it's still Finance Department's responsibility at the end of the day.

MR. DU PONT: I think so, yes.

VICE-CHAIR HOKAMA: Okay, okay. No, I just was thinking that, you know, I mean I'm serious about thinking whether or not it makes sense not only for Transportation but for the other departments that we really look at land management division.

CHAIR SUGIMURA: I think so. Okay.

VICE-CHAIR HOKAMA: Thank you, Chair.

CHAIR SUGIMURA: Members, anybody else? Oh, Ms. Lee?

COUNCILMEMBER LEE: I was just curious, Mr. Du Pont, you don't have control of where your buses park, the land on which it is parked?

CHAIR SUGIMURA: Mr. Du Pont? You know we can find out --

MR. DU PONT: Yeah, so --

CHAIR SUGIMURA: --that kind of detail.

MR. DU PONT: --yeah, so the land where we're...our bus stops are, we have control within 40 feet of that bus stop, but other than that, we don't have any other jurisdiction or anything around the land. As where our bus parks for, at the evening time, that is contracted to our contractors MEO and Roberts Hawaii so they control the land there.

COUNCILMEMBER LEE: I see.

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

MR. DU PONT: We have access, in our contract we do have access 24 hours a day to go and look at our buses and see our systems so we can go and manage that appropriately. But other than that we don't have any access or we don't manage the land for that.

COUNCILMEMBER LEE: Okay, thank you.

CHAIR SUGIMURA: Okay, thank you. Members, this is the end. I'm going to...Ms. Kama?

COUNCILMEMBER KAMA: I was just curious, so we lease somebody else's land to park our buses?

CHAIR SUGIMURA: Go ahead.

MR. DU PONT: Thank you. Thank you, Member Kama. So, we do not pay for the lease, Roberts Hawaii they lease their own land and MEO leases their own land for their own operations so we just park our buses on the land.

COUNCILMEMBER KAMA: Oh, okay. Thank you. Thank you, Chair.

CHAIR SUGIMURA: We can get that clarified, yeah? Bus stops and you're talking about where the buses are housed.

MR. DU PONT: Yeah, where the buses are housed we don't pay anything for it.

CHAIR SUGIMURA: That's part of the contract.

MR. DU PONT: That's part of the contract.

CHAIR SUGIMURA: But I think you're talking about the bus stops, right, is...

COUNCILMEMBER KAMA: I was talking about the...

CHAIR SUGIMURA: Oh, okay. So, you got that question answered. Members, I'm going to defer this item to continue the discussion.

**COUNCILMEMBERS VOICED NO OBJECTIONS.**

**ACTION: DEFER pending further discussion.**

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

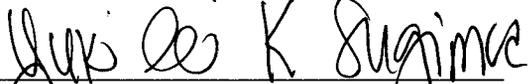
**June 17, 2019**

---

CHAIR SUGIMURA: And thank you very much, it was a very good meeting. And the meeting is now adjourned. . . . *(gavel)* . . .

**ADJOURN: 10:49 a.m.**

APPROVED BY:

  
\_\_\_\_\_  
YUKI LEI K. SUGIMURA, Chair  
Multimodal Transportation Committee

mt:min:190617:ds

Transcribed by: Daniel Schoenbeck

**MULTIMODAL TRANSPORTATION COMMITTEE**  
**Council of the County of Maui**

**June 17, 2019**

---

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 26<sup>th</sup> day of June, 2019, in Kula, Hawaii

\_\_\_\_\_

Daniel Schoenbeck