

MINUTES

of the

PUBLIC HEARING HELD ON

MAY 20, 2016

THE COUNCIL OF THE COUNTY OF MAUI, STATE OF HAWAII, CONVENED A PUBLIC HEARING ON FRIDAY, MAY 20, 2016 AT 9:02 A.M., IN THE COUNCIL CHAMBER, KALANA O MAUI BUILDING, WAILUKU, HAWAII, WITH CHAIR MICHAEL B. WHITE PRESIDING, FOR THE PURPOSE OF RECEIVING TESTIMONY ON THE PROPOSED OPERATING BUDGET AND CAPITAL IMPROVEMENTS PROGRAM FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017.

CHAIR WHITE: Good morning. This public hearing shall please come to order.

Mr. Clerk, will you please call the roll.

ROLL CALL

PRESENT: COUNCILMEMBERS GLADYS C. BAISA, ROBERT CARROLL, ELEANORA COCHRAN, DONALD G. COUCH JR., S. STACY CRIVELLO, VICE-CHAIR DONALD S. GUZMAN, AND CHAIR MICHAEL B. WHITE.

EXCUSED: COUNCILMEMBERS G. RIKI HOKAMA AND MICHAEL P. VICTORINO.

(Councilmember Hokama was not present when the roll was called; however, he arrived at 9:03 a.m.)

COUNTY CLERK: Mr. Chair, there are seven Members present and two excused. A quorum is present to conduct the business of the Council.

CHAIR WHITE: Thank you, Mr. Clerk. Was this meeting, or this hearing properly published?

NOTICE OF PUBLIC HEARING

COUNTY CLERK: Mr. Chair, Notice of this Public Hearing was published on the May 13, 2016 and the May 18, 2016 issues of the Maui News.

CHAIR WHITE: Thank you, Mr. Clerk. And will you all please put your phones on silent mode as we proceed with this.

Mr. Clerk, let's proceed.

(Councilmember Hokama arrived at the meeting at 9:03 a.m.)

COUNTY CLERK: Mr. Chair, proceeding with presentation of public testimony. We have established limited telephone interactive communication that enables individuals from Hana, Lanai, and Molokai to provide testimony from our District Offices. Individuals who wish to offer testimony from Hana, Lanai, and Molokai, should now sign up with the District Office staff. Individuals who wish to offer testimony in the chamber, please sign up at the desk located on the eighth floor lobby just outside the chamber door.

Testimony at all locations is limited to the item listed on today's agenda. And pursuant to the Rules of the Council, each testifier is allowed to testify for up to three minutes with one minute to conclude if requested. And when testifying, please state your name and the name of any organization that you represent.

Hana Office, please identify yourself and introduce your first testifier.

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

COUNTY CLERK: Thank you.

Lanai Office, please identify yourself and introduce your first testifier.

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

COUNTY CLERK: Thank you.

Molokai Office, please identify yourself and introduce your first testifier.

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

COUNTY CLERK: Thank you.

Mr. Chair, we have five individuals who have signed up to provide testify in the chamber. And the first person to provide testify this morning is Richard Dan, to be followed by Patricia Cadiz. Richard.

TESTIMONY

MR. RICHARD DAN:

Aloha, good morning, thank you all for your very hard work for the County of Maui, I appreciate it. I also appreciate you giving me the opportunity to speak before you today. I'm here to speak about the budget and the fact--

CHAIR WHITE: If you could state, state your name for the record, please.

MR. DAN: My name is Richard Dan.

CHAIR WHITE: Thank you.

MR. DAN: I'm here to speak about the budget and the, in particularity to the Vineyard Street Improvement Project that's been, that's been requested money by the Public Works Department from the County. It appears that you've rejected that and I hope you would reconsider after you hear what I have to say. I've sent my testimony to everybody and it's a real problem on Vineyard Street.

I, my family owns the building at the corner of Market and Vineyard, and I have a store there. And we've had to close the store frequently when it rains. The water comes rushing down Vineyard Street, and right into the building. A lot of the problems we're having are due to the gentrification of Market Street about five, six, ten years ago when they redid Market Street and the water just funnels right in.

I attached to my written testimony a YouTube clip, if you take a look you can see what's going on.

I've, yesterday I went on my lunch walk and walked up Vineyard Street and noticed that Hern & Carin *[sic]*, a law firm further up Vineyard Street is, has sandbags in front of their building because of the rain washing, the water washing in.

I would like you to reconsider and please put the item in your budget. It will improve the drainage on, on Vineyard Street all the way down to Market Street. We also have problems in addition to the businesses with pedestrians with the flooding, traffic with the flooding. They go on and on and on and on.

It's not, it's just bad. Also we have very, very poor to none sidewalks, and we're trying to improve and invigorate Wailuku, we can't have this going on. We have to have real sidewalks, we have to have water, and it's a very important thing for commerce or the people as, I think it's your responsibility to see this happen.

Thank you. Any questions?

CHAIR WHITE: Thank you, Mr. Dan. Any need for clarification of the testimony. Seeing none, thank you very much for being here this morning.

Mr. Clerk.

COUNTY CLERK: Next testifier is Patricia Cadiz, to be followed by Bob King.

MS. PATRICIA CADIZ:

Good morning, thank you for seeing me again.

CHAIR WHITE: Good morning.

MS. CADIZ: My name is Patricia Cadiz, I'm here to talk about CORA fees. I sent a letter to each of you and I don't want to take any more of your time just to recap we, I don't think there are any million dollar CORA businesses that you were told at your March 15, meeting at committee.

We need the extra permit locations so that we have safe alternatives in varying weather conditions. We need multiple activities so that we can provide reliable employment to our good instructors.

And I just thought I would offer myself if you have any questions from my letter, before you deliberate cause I know you've all been too busy to see me. Anybody have any questions for me?

CHAIR WHITE: Thank you, Ms. Cadiz. Members, any need for clarification or questions this morning. Seeing none, thank you for being here this morning.

MS. CADIZ: Thank you.

COUNTY CLERK: Next testifier is Bob King, President, Pacific Biodiesel, to be followed by Heidi Bigelow.

MR. BOB KING, PACIFIC BIODIESEL:

Thank you, Chair, Councilmembers.

CHAIR WHITE: Good morning.

MR. KING: I, again I'd like to speak in support of item 16 on the agenda for the fuel tax rate increase. For some of the items, gasoline and diesel, I think is, is appropriate.

CHAIR WHITE: If you could please state your name for the record.

MR. KING: Oh, I'm sorry. Bob King, from Pacific Biodiesel. My apologies. I, I would ask again if we could send a stronger message on renewables by going back to a, an exemption at this time for biodiesel on the tax rate. It doesn't generate a lot of money for the County to have that additional money in there, that additional tax rate in there. Yet the message is, I think very strong when you exempt it like Kauai, like the Big Island. It's important to the fleets to know that this is, the Council is supporting them, who are supporting the renewable fuel.

So, later when we get other, other ways to support the industry, maybe purchasing fuel by the County or other Federal or State incentives, then this won't be needed. Obviously when biodiesel becomes a major portion of the tax base, we, we understand that you're going to have to keep the roads paved by getting, picking up this tax. But right now the price of fuel, petroleum fuel where it is, where the industry is at, I do request that we go back to the exemption for road tax for biodiesel.

Thank you very much.

CHAIR WHITE: Thank you, Mr. King. Members, any need for clarification?

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Thank you, Mr. King.

Question I have for you, does the State exempt biofuel, biodiesel fuel from their taxes, fuel taxes.

MR. KING: The State, the State tax is, I believe it's 17 cents for diesel fuel and 4 cents for biodiesel.

COUNCILMEMBER COUCH: Oh, so they have a little bit of--

MR. KING: They have a, whatever that, 75 percent exemption.

COUNCILMEMBER COUCH: And how about the Feds?

MR. KING: The Federal government gives a, an exemption though a different form, although it comes up, there's a, I'll try to make this easy, sorry. There's a Federal Excise Tax credit, it's not actually called road tax, Federal Excise Tax on, on all fuel is 24 cents a gallon. There's a tax credit for biodiesel \$1.00 per gallon. So we actually get the Federal road tax back for biodiesel. That credit is on a year to year basis so it comes in, it expires, it comes back again, it expires. We just came out of a year of no tax credit and then, and then this year we have it. Next year it's, it's gone again.

COUNCILMEMBER COUCH: Okay.

MR. KING: Up and down on the Federal side.

COUNCILMEMBER COUCH: Thank you.

CHAIR WHITE: Members, anyone else?

Mr. Guzman.

VICE-CHAIR GUZMAN: Thank you, Chair. Thank you, Mr. King for being here.

On the production of the biofuels here on Maui or in, associated with Maui. Are, are, is that production of the, the crops, is that done here on Maui?

MR. KING: So currently, the crops you're talking about.

VICE-CHAIR GUZMAN: Yeah, the, the crops that you use for the biofuels.

MR. KING: We, we are currently only farming on the Big Island. We've, we are looking for land to farm on Maui right now actively. We're assuming that, that the game is changing this year and so we're working with several entities to acquire some land. But currently, we are not growing oil crops on Maui.

VICE-CHAIR GUZMAN: Okay. But there could be a possibility of it?

MR. KING: I think it's a tremendous possibility. I think there's, from the work we've done over the past eight years with oil crops in Hawaii, we see a, we see that there's a, a viable path to grow a significant amount of oil crops here and help the farming, the ranching industry as, as well as put a lot of people back to work. So there's, there's several different components, but I think collectively this is the, the economics of that are in fact good right now.

VICE-CHAIR GUZMAN: Thank you.

CHAIR WHITE: Members, any other need for clarification? Seeing none, thank you very much for being here this morning.

MR. KING: Thank, thank you very much. Appreciate it.

CHAIR WHITE: Mr. Clerk.

COUNTY CLERK: Next testifier is Heidi Bigelow, Project Manager, Makila Ranches Inc./Makila Land Co. LLC, to be followed by Jeffrey King.

MS. HEIDI BIGELOW, MAKILA RANCHES INC./MAKILA LAND CO. LLC:

Good morning, Chair, Members.

CHAIR WHITE: Good morning.

MS. BIGELOW: My name is Heidi Bigelow, and I'm the Project Manager for Makila Ranches Inc. and Makila Land Co., and I'm testifying regarding the budget as it relates to the Launiupoko land acquisition. We submitted written testimony, Steve Goodfellow did on May 4, on behalf of the landowners. And he wasn't able to be here today so he asked me to come and just make sure, you know, ask if there's any questions or clarification needed.

Just short recap, in 2013 this body voted unanimously to purchase 185 acres in the Launiupoko area, and to date 148 acres have been purchased. And there's a 37 acre parcel remaining to be purchased that stretches from Launiupoko Beach Park to Puamana Beach Park. And we're asking that this County, that the Council act and include funds in this year's budget to complete the acquisition.

That's it, anybody has any questions?

CHAIR WHITE: Thank you, Ms. Bigelow. Members, any need for clarification? Seeing none, thank you for being here this morning.

MS. BIGELOW: Thank you.

CHAIR WHITE: Mr. Clerk.

COUNTY CLERK: Next testifier is Jeffrey King, owner/operator Big Kahuna Adventures, to be followed by Dustin Tester.

MR. JEFFREY KING, BIG KAHUNA ADVENTURES:

Good morning.

CHAIR WHITE: Good morning.

MR. KING: My name is Jeffrey King, from Big Kahuna Adventures. Good morning, Committee and Chair. Thank you for letting me speak this morning. I'm Jeffrey King from Big Kahuna Adventures in Kihei and I'm here to stand up for my small family business.

I have two permits in Kalama Park, surfing and kayaking. The surf lessons are my bread and butter, and the kayak tours are not very popular there, but I keep the permit just because I cherish it.

Ten years ago this coming January, I, I'm a Navy veteran, I took my life savings and purchased an existing business that had the CORA permits. And it was my dream come true to operate a family business here on this beautiful island. In doing this, I opened up a retail store across the street from Kalama Park to follow the rules of CORA and have a place of business in the vicinity. I try to run a pono business with integrity.

I pay over 5,000 a month in rent and I have a competitor almost across the street from me in the park that has been doing cash rentals for almost ten years now. They have no place of business and they are operating rent free in a County park. And they're even doing the lessons for everyone else. And, but that's just the beginning of it.

And my point is the rules of CORA are not being enforced. Now that the word is out that the County parks can't fine anyone or do anything, there's just lots of "on the lowdown" activity companies popping up. And, and they're, they know all the loopholes and, and they're the ones that are thriving because they're not regulated. We even have mobile units now delivering gear in the parks.

And as you may know, it is crazy expensive to operate a business here on Maui. High rent, the GET tax, Federal and State taxes, payroll taxes, liability insurance, advertising, electricity, the resort commissions, etc., etc. Fees, taxes and bills just take everything. I can't even afford a fulltime employee and pay their health care.

I work really hard, I work six days a week, and, to provide fun memories, safe and fun memories for our island guests. Matter of fact, my wife's running the shop right now, single handedly. We're definitely not a million dollar entity. Far from it.

And every year our permit fees are raised, and they're even questionable, you know, if, like the rumor to disappear. So, I honestly feel sometimes that you guys don't want us to succeed. It's hard for me to look into the future and feel secure because I'm, I'm cautious to invest because I don't know if these permits are going to be there every year. And it's hard to grow a business like that.

You know, I want to be successful. I want to hand over a thriving family business to my son one day. Please do not attack us CORA operators for trying to run a pono and legit business. Go after the businesses operating illegally and enforce the rules.

In conclusion, please do not raise our fees again and seek commissions. We're not all million dollar entities. Please see that the rules can be enforced. Mahalos for listening to my opinion and Happy Aloha Friday, God Bless America. Aloha.

CHAIR WHITE: Thank you, Mr. King. Members, any need for clarifications? Seeing none, thank you very much for sharing your thoughts this morning.

Mr. Clerk.

COUNTY CLERK: Next testifier is Dustin Tester.

MS. DUSTIN TESTER:

Tough to follow over there. Thank you for that, it was great. And thank you to County Councilmembers for listening to our testimony again.

I just wanted to make you folks clear of the condition of Ukumehame Beach Park, kind of more of my focus on this one. I testified last time and in the last year after our fees were raised, we received barely any services. I, I'm submitting today, pictures of rebar sticking out of park benches, downed trees, deteriorating barbeque pits, and an overall disregard of Ukumehame Beach Park.

Our instructors are always picking up trash after weekend users, especially after the holidays. What is our park fees really going for if we barely receive services? Why bother, why am I bothering paying a permit when our park is in shambles and there is minimal enforcement of illegal schools.

There are over 30 surf schools online when you google surf lessons Maui. There's, I haven't confirmed with permit holders with the parks yet, but I believe over half of those schools are illegal. Why do I go through all the efforts to be legal, pay my fees for 16 years now, and I have to compete with 15 illegal surf schools island-wide online?

Why am I bothering paying my permit and the permit hikes every year when illegals are getting the same services that I do. If you continue to raise my CORA permit each year, I'd appreciate park services and regulation.

So I just took some photos of our beach park recently. I think all the beach parks on Maui have water but Ukumehame Beach Park. My customers everyday are like can we shower after the class? I'm like, I'm sorry we don't have water here. And I'm happy to provide on my own, so that's what I've been doing. And there's no grass, it's pretty bad. So I just wanted to, and it's actually dangerous, there's some rebar coming off that someone can walk by and gouge themselves on. So, yeah, would you guys like these.

CHAIR WHITE: Sure, please provide them to the staff please. We'll make copies and distribute them.

MS. TESTER: Thank you.

CHAIR WHITE: Members, any questions for the testifier.

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair and thank you, Ms. Tester for being here. And thank you for being one of the early adopters of pre-CORA permitting.

MS. TESTER: Yeah, sure thing.

COUNCILMEMBER COUCH: So I know you've been the, the person who did the right thing from the very beginning.

MS. TESTER: Thank you.

COUNCILMEMBER COUCH: Drove by Ukumehame yesterday and there was a bunch of trailers full of kayaks parked on the side of the highway.

MS. TESTER: Yes, yeah, aware of those.

COUNCILMEMBER COUCH: Are those permitted or not permitted? And do we ever see park rangers come by and talk to those guys.

MS. TESTER: Yeah, I've been there all week, my instructors have witnessed that too. I think there's corporate groups in town. I think actually the kayak tours do have a permit because I see them more frequently down there. And, and then Maui Beach Boys is down there with a big corporate group this week as well.

So we had a lot of activity at Ukumehame, the numbers aren't good. I counted probably about 16 to 18 students in the water and I think our permit regulates to 14 total. So even if they are legal permits, they're not following the rules or CORA.

And, my, my school is small, I have a four to one ratio. And my, my customers noticed that and they are like wow, what's going on. And you know, we get a busy season too, where we run our surf camps. And I organize our camps in phases so, I don't know, I feel like if there's a corporate group in town and they have a legal permit like I do, you know, make it smaller more frequent groups.

They're not organizing it right and it's just, it's dangerous. The boards flying at my instructors. There's not enough instructors in the water. And so it's stressful being an instructor out there and watching all that happen and we have, no one was there, I didn't see one CORA enforcer down there.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

MS. TESTER: Park ranger.

CHAIR WHITE: Members, anyone else with concerns.

MS. TESTER: Yeah, it's, it's frustrating just having that raise in the hikes every year and not having enforcement. Or the down tree issue was two months that no one cleared that tree, and it's still kind of tripping people up and kiawe everywhere. So, I feel like it could be a liability for the County if no one comes and cleans things up, and my, and my business, they could sue me too--

CHAIR WHITE: Thank you for sharing.

MS. TESTER: --for accidents.

CHAIR WHITE: Can you, of the 15 or so surf schools that you mentioned, is there any way that you can verify whether they are all operating out of County facilities as opposed to operating out of some other--

MS. TESTER: They've got like the loophole thing, they've gotten around it. I think they, they enter the water at the State side of Ukumehame, but when they get in the water they come over in front where we are legal to teach, and we can't of course regulate the ocean. But you know they are in our way too and in front of the park in the ocean. So they go around the park.

And the County park rangers that I've spoke with said that they are in touch with the DLNR. And I've called and I hate to be the whistle blower, but I've had to call and say hey, there's some illegals down here and then oh, same question, are they on, are they in the park. And I say no they're on the other side of the park, well, we'll contact the DLNR. And then I'm waiting around and no DLNR shows up.

So it's just business as usual. And they've grown, and they are competing with me on mine and it's been really frustrating. If they're a small school it's like okay, but like they're getting really big.

CHAIR WHITE: Appreciate your perspective and thank you for sharing.

MS. TESTER: Sure, sure thing.

CHAIR WHITE: Thank you very much, I think.

MS. TESTER: Okay, thank you.

CHAIR WHITE: And, Mr. Clerk, next testifier.

COUNTY CLERK: Mr. Chair, there are no further individuals signed up to testify in the chamber. If there is any additional individuals in the Council chamber or at the District Offices who would like to offer testimony, please identify yourself to the appropriate staff and proceed to the testimony lectern or District Office phone at this time.

Hana Office, are there any additional testifiers?

MS. LONO: The Hana Office has no one waiting to testify.

COUNTY CLERK: Lanai Office, are there any additional testifiers?

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

COUNTY CLERK: Molokai Office, are there any additional testifiers?

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

COUNTY CLERK: Mr. Chair, there is no other individuals in the District Office nor the chamber who wish to offer testimony.

CHAIR WHITE: Thank you, Mr. Clerk.

Members, we've received written testimony. Without objection, we'll receive that into the record.

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Thank you.

THERE BEING NO OBJECTION, WRITTEN TESTIMONY RECEIVED FROM THE FOLLOWING INDIVIDUALS WERE MADE A PART OF THE RECORD OF THIS PUBLIC HEARING.

1. Richard Dan;
2. J. Stephen Goodfellow, Makila Ranches Inc.;
3. Dustin Tester;
4. Torsten Durkan;
5. William Knowlton;
6. Gary Weiss;
7. Paige Alms;
8. Mike Ottman;
9. David Dorn;
10. Suzanne Dorn; and
11. Pamela Tumpap, Maui Chamber of Commerce.

CHAIR WHITE: And without objections, we will close public testimony.

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Okay, thank you. So ordered.

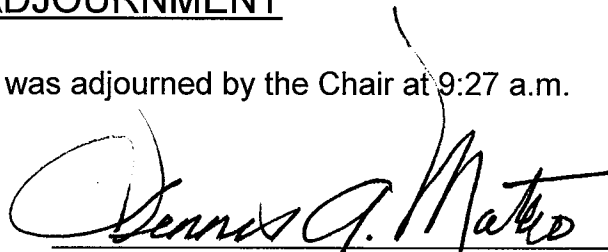
Mr. Clerk.

COUNTY CLERK: Mr. Chair, there is no further business for the Council.

CHAIR WHITE: Thank you, we will adjourn, and Members please be back here at 10:00 for our next hearing or meeting, rather. We're adjourned.

ADJOURNMENT

The public hearing of MAY 20, 2016, was adjourned by the Chair at 9:27 a.m.



DENNIS A. MATEO, COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII

FW: Richard Dan Public works proposed project on Vineyard Street

MW

Mike White

Today 11:01 AM

County Clerk

Reply all |

Inbox

RDantestimony on Vine...

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RECEIVED
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From: Richard Dan [mailto:bigrich@aloha.net]**Sent:** Wednesday, May 18, 2016 10:00 AM**To:** 'bf.committee@mauicounty.us'; Riki Hokama <Riki.Hokama@mauicounty.us>**Cc:** Mike White <Mike.White@mauicounty.us>; Donald S. Guzman <Donald.Guzman@mauicounty.us>; Michael Victorino <Michael.Victorino@mauicounty.us>; Gladys Baisa <Gladys.Baisa@mauicounty.us>; Robert Carroll <Robert.Carroll@mauicounty.us>; Elle Cochran <Elle.Cochran@mauicounty.us>; Don Couch <Don.Couch@mauicounty.us>; Stacy S. Crivello <Stacy.Crivello@mauicounty.us>; regan808@gmail.com; joeb@mauiproperty4you.com**Subject:** Richard Dan Public works proposed project on Vineyard Street

TO: Chairman Riki Hokama and members of the Budget & Finance Committee

FROM: Richard Dan

RE: Testimony on Vineyard Street drainage corrections/improvements, meeting of May 20, 2016

My name is Richard Dan and my family business owns the building at 92-98 North Market Street, home of Maui Sporting Goods and our business, Kamaaina Loan And Cash For Gold.

If you drive by the building during times of heavy rain, like last week, you will see sandbags around the retail store doors and on the sidewalk wheelchair ramp.

Water flowing down Vineyard Street floods intersections and causes problems in many stores.

I paid a professional engineer to study the situation and he concluded that the county's drainage was installed incorrectly. In conversations with Public Works Director David Goode, he agrees with that. So that has to be fixed and the sooner the better.

Mr. Goode or I can supply your committee with our correspondence about the drainage, and there is a Youtube video of flooding in the street at

<https://youtu.be/52EFYRf5B2E>

In the Mayor's budget report 16-84, page 884, provisions are proposed to at least design and plan for the revision of the drainage.

This would benefit me, but also much of downtown Wailuku, from Central Avenue on down.

The planning would require \$500,000, and I am informed by Mr. Goode that the construction would be an additional sum, perhaps another \$500,000. I urge you to appropriate at least \$500,000 in the coming budget.

Mr. Goode tells me that with design work in place, the Department of Public Works would be prepared to seize opportunities for federal funding assistance.

If the complete project cannot be contemplated in the current budget, planning funding would be a prudent expenditure that would save county taxpayers money in the long run, since the work will have to be done.

The planning and design can take account of proposals for the rebuilding of the municipal parking lot with a new civic center. All in all, the amount requested will begin to address several concerns and I urge you to fund the whole project but if that is not possible this year, then at least the design funding.

Mahalo Richard Dan
808 242-5555

MAKILA RANCHES INC.

305 E. Wakea Avenue • Suite 100
Kahului • Hawaii • 96732

May 4, 2016

Honorable Mike White and Members
Maui County Council
County of Maui
200 South High St., 8th Floor
Wailuku, HI 96793

OFFICE OF THE
COUNTY CLERK

2016 MAY 16 AM 10:07

RECEIVED

RE: LAND ACQUISITION
Real Property at Launiupoko, Maui
Old TMK No. (2) 4-7-001:026 (PORTION), New TMK No. (2) 4-7-014:012
Property 'B' or Lot 12 of Ranches Phase 2, approximately 37.7 acres

Dear Chairman White and Members:

First, thank you for your commitment to oversee the County's budget and finance process. We know it is a formidable and thankless task, and we appreciate the countless hours you and the Budget and Finance Committee have put towards this work.

I am writing to express our partnership's disappointment about recent recommendation indicating that the Council does not intend to perform in accordance with the terms of our contract to acquire the 1.2-mile stretch of coastal land from Launiupoko Beach Park to Puamana. (See page 56 of the FY 2017 Budget and Finance Committee Proposal, May 1, 11:46 PM attached as Exhibit "A".) The property is "Property 'B'" shown on the maps attached hereto as Exhibit "B". A timeline of events and proceeding from 2013 to the present is attached as Exhibit "C".

I am sure our disappointment will be shared by the community groups and individuals who supported the public's ownership of this land when it was unanimously approved by the Council's 12/20/13 Resolution No. 13-151, and the contract was signed. We hope there is still time for the Council to reconsider and recommend County's completion of this transaction.

1. Public Benefit. We hope you will recall the testimony and consensus and reconfirm that the 8.5-mile-long Pali to Puamana Park would provide unparalleled value to Maui's residents and visitors and would be a source of pride

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LAND ACQUISITION: Real Property at Launiupoko, Maui

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for the County of Maui. As stated by council members and strong public testimony, the Pali to Puamana Park is a priceless, long-term asset. A major portion of this coastal park is now achievable with the recent selection of the new highway alignment and the awarding of a design-build contract for the southern terminus of the Lahaina Bypass, Phase 1B-2. This will re-route regional traffic causing the existing Honoapiilani Highway to become a quiet coastal route primarily used for local traffic and shoreline access.

Other immediate benefits to the County owning Property 'B' would be:

- The use of the existing cane haul road located on the subject property in the event of Highway closures.
- The space for any needed mauka relocation of any part of Honoapiilani Highway will be gained.

2. We Have Performed Our Side. We have done our best to perform our side of the contract, including transferring to the County Property 'A' (148 acres) and granting easements over Property 'B' for the Lahaina watershed project and the police tower. Also, we have incurred the cost of an ALTA survey and legal fees in preparation for closing. We also agreed to allow the County to impose certain conditions and requirements in reliance on the County's future acquisition, including:

- We carried out the Planning Director's request to designate the land on the Makila Ranches-Phase 2 subdivision plat as a "non-developable greenway and bikeway to be sold to the County of Maui per Resolution No. 13-151," thereby encumbering the future use of that land.
- We agreed in the SMA approval of the subdivision to keep the internal subdivision roadway open to the public.
- We agreed that the Maui Island Plan could designate the land as "park" on the Protected Areas Diagram.

We would not have consented to these measures if we had known that the County would not follow through on its purchase contract.

3. Our Contract, Going Forward. If in the end, the Council decides to fund and perform in accordance with the terms of our contract, we will honor our commitment to the community. If the transaction is still possible, we agree to give

May 4, 2016

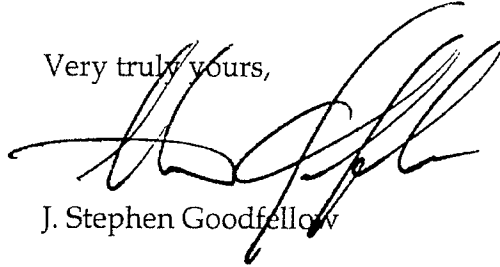
LAND ACQUISITION: Real Property at Launiupoko, Maui

Page 3 of 3

the Council additional time to approve the release of funds. However, Makila will not extend the closing indefinitely. If the County does not complete the purchase of Property 'B' by July 31, 2016, Makila will proceed with other plans for the land.

We thank you for your careful consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Stephen Goodfellow', written over the typed name.

J. Stephen Goodfellow

Attachments

CC (via email): Office of the Mayor
 Danny Agsalog, Finance Director
 Sandy Baz, Budget Director
 Kaala Buenconsejo, Parks and Recreation Director

EXHIBIT 'A'
FY 2017 Budget and Finance Committee Proposal

1	A	B	D	E	F	G	H
		Description	Mayor	Revisions - A	B	C	Total
1597		b. Other Projects					
1598		(1) Bond Fund					
1599		(i) Countywide Equipment					
1600		Delete Equipment for Public Works, Fire and Public Safety		-3,370,000			
1601	+	Restore (1) Vacuum Street Sweeper		310,000			
1602		Net appropriation					3,190,000
1603							
1604		<u>(ii) Launiupoko Land Acquisition</u>	0				
1605	+	Add, withhold Bond Authorization		2,273,000			
1606		Net appropriation					2,273,000
1607							
1608		DEPARTMENT OF FIRE AND PUBLIC SAFETY					
1609		COUNTYWIDE					
1610		a. Government Facilities					
1611		(1) General Fund					
1612		(i) Countywide Fire Facilities	300,000				
1613		Delete		-300,000			
1614		Net appropriation					0
1615							
1616		(2) Bond Fund					
1617		(i) Countywide Fuel Tank Replacements	105,000				
1618		Delete		-105,000			
1619		Net appropriation					0
1620							
1621		LANAI COMMUNITY PLAN AREA					
1622		a. Government Facilities					
1623		(1) General Fund					
1624		(i) Lanai Fire Station Improvements	10,000				
1625		No revision					
1626		Net appropriation					10,000
1627							

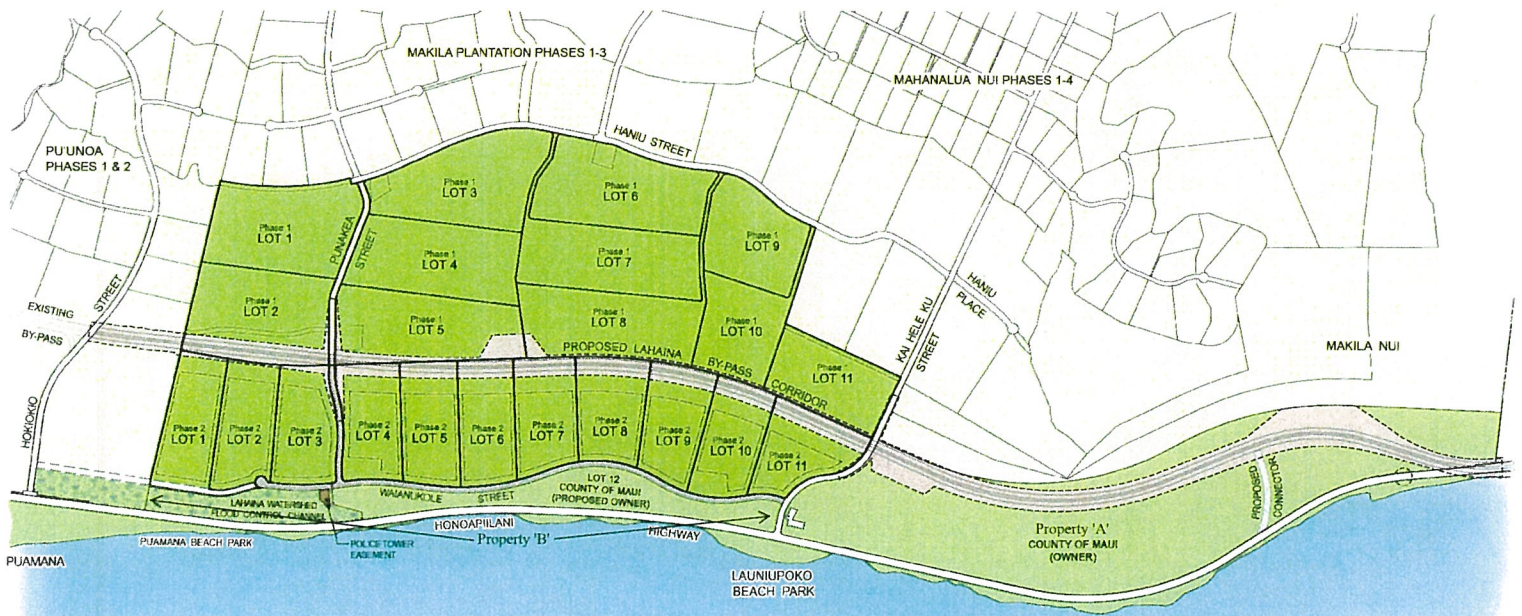
Council adds special note to withhold Bond Authorization

EXHIBIT 'A' CONTINUED
FY 2017 Budget and Finance Committee Proposal

1	A	B	D	E	F	G	H
		Description	Mayor	Revisions A	B	C	Total
2783		Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund (Section 9-19, Revised Charter of the County of Maui (1983), as amended; Chapter 3.88, Maui County Code)	13,520,817				
2784		Adjustment for Certification		(1,216)			
2785		Adjustment		(32,769)			
2786		(1) Land acquisition and related costs subject to Chapter 3.88, Maui County Code, for Ukumehame, Maui, Hawaii, TMK: (2) 4-8-002:057, totaling approximately 9.1 acres in the amount of \$304,500					
2787		(2) Debt service of \$300,000 for the purchase of approximately 186 acres at Launiupoko, TMKs: (2) 4-7-001:030 and (2) 4-7-001:026 (por.)					
2788		[(3) Land acquisition and related costs subject to Chapter 3.88, Maui County Code, for Launiupoko, TMK: (2) 4-7-014:012, totaling approximately 37.7 acres in the amount of \$2,273,000]					
2789		[(3) Land acquisition and related costs subject to Chapter 3.88, Maui County Code, for the acquisition of Dole Park, Lanai, in the amount of \$120,000.					
2790		[(4) Land acquisition and related costs subject to Chapter 3.88, Maui County Code, for Kuiaha, Hamakualoa, Maui, Hawaii, TMKs 2 (2-7-007 079, (2) 2 7 007 081, (2) 2 7 007:082; and (2) 2 7 007.083 (por), totaling approximately 267 acres in the amount of \$3,000,000.					
2791		Net estimated revenue					13,486,832
2792							
2793		Emergency Fund (Section 9-14, Revised Charter of the County of Maui (1983), as amended; Chapter 3.96, Maui County Code)	35,201,919				
2794		No revision					
2795		Net estimated revenue					35,201,919
2796							
2797		Ocean Recreational Activity Fund (Section [13.04 340]13.04A.370, Maui County Code)	497,368				
2798		No revision					
2799		Net estimated revenue					497,368
2800							

Deleted Mayor's proposed use of Open Space Funds for the Launiupoko Land Acquisition

EXHIBIT 'B'



Overview Makila Ranches



Island of Maui

Note
Makila Ranches Phase 1 lots will have County standard front, side and rear setbacks.
Setbacks shown for Makila Ranches Phase 2 are approximate.
This map is conceptual and prepared for general information purposes only.

MAKILA RANCHES INC.

305 E. Wakea Avenue • Suite 100
Kahului • Hawaii • 96732

Exhibit 'C'

Timeline of Events

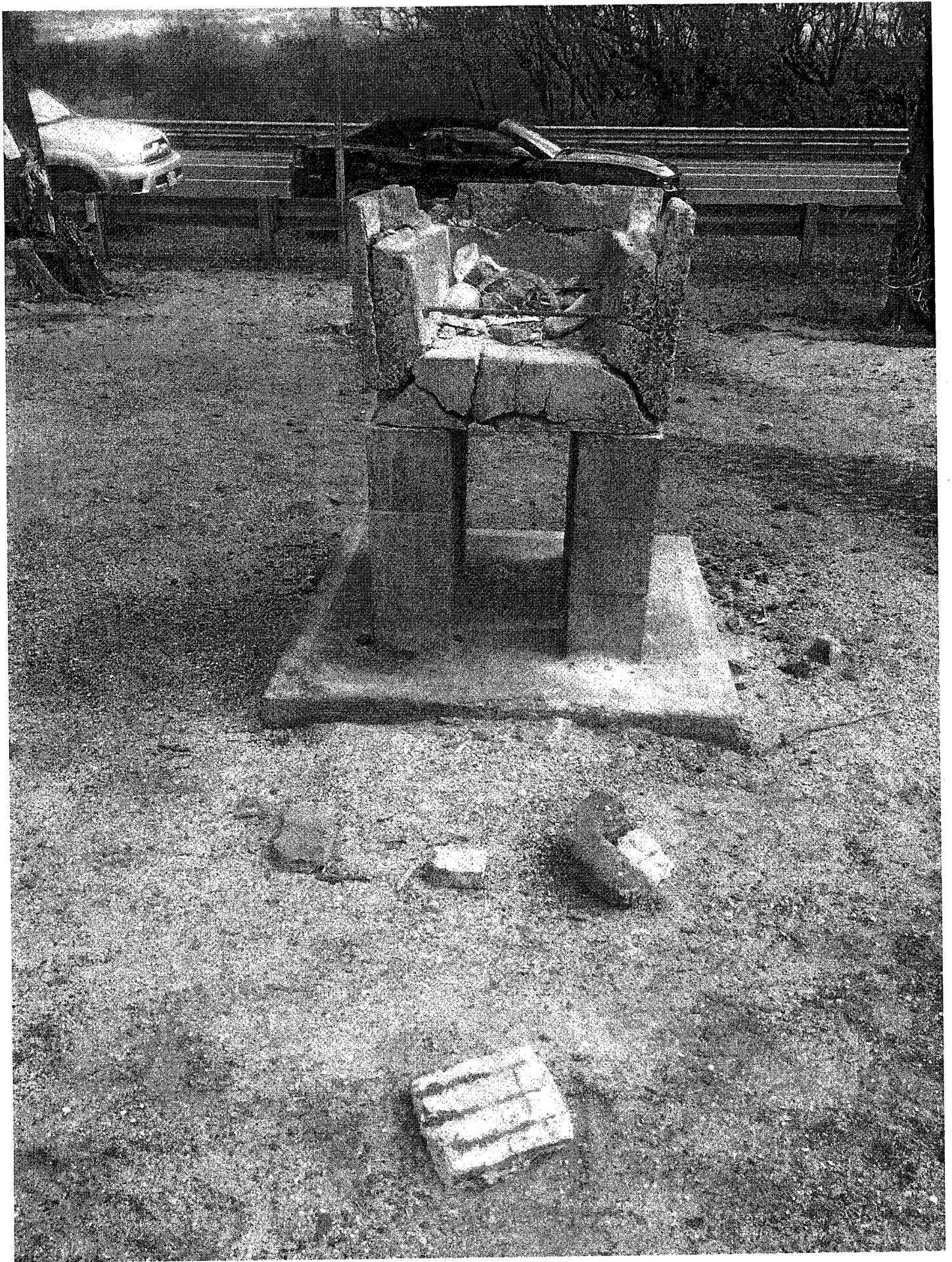
- 12/20/13 Council unanimously adopts Resolution No. 13-151 Approving the Acquisition of Approximately 186 Acres in Launiupoko, Maui.
- 01/10/14 Council adopts Ordinance Nos. 4095 and 4096 (Bill no. 99 & 100); amending the 2014 Fiscal Year Budget for the West Maui Land Acquisition.
- 01/14/14 Acquisition Agreements for Property A and Property B are executed by County and Seller. Closing date for Property B is 45 days after final subdivision approval or 27 months from the adoption of the budget amendment, whichever occurs sooner.
- 02/24/14 County acquires Property A (148 acres, \$9.9M)
- 05/05/14 Easements for the Flood Control Project and Police Tower in favor of the County over Property 'B' are recorded (approx. 10-acres, \$828K)
- 06/25/15 Makila Ranches Phase 2 Final Subdivision Approval (Sub. File no. 4.927). Note on final subdivision plat: "Lot 12 is a non-developable greenway and bikeway lot to be sold to the County of Maui per Resolution no. 13-151."
- 07/01/15 to 08/10/15 Closing documents prepared, ALTA survey completed. Conveyance documents, title reports, ALTA survey are reviewed and approved by the County. Seller executes documents; closing scheduled for Aug. 18, 2015.
- 08/15/15 County informs Seller that the funds have lapsed; closing cannot occur.
- 08/16/15 Expiration of Closing Acquisition Agreement for Property B (45 days after final subdivision approval, plus a 7-day extension agreed upon by both parties).
- 08/19/15 Makila agrees to extend closing to allow re-appropriation of the lapsed funding.

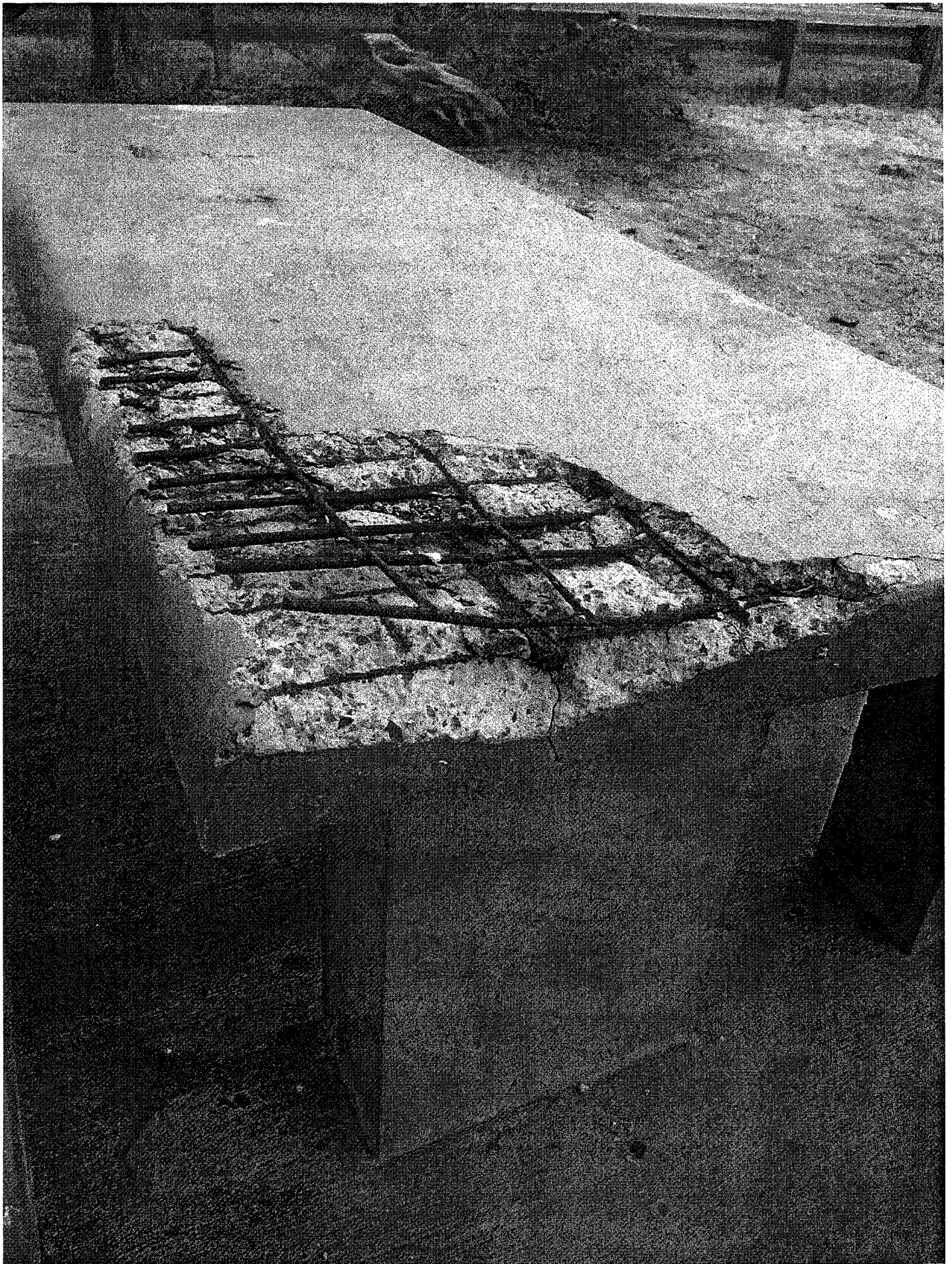
Exhibit 'C' continued
LAND ACQUISITION: Real Property at Launiupoko, Maui
Page 2 of 2

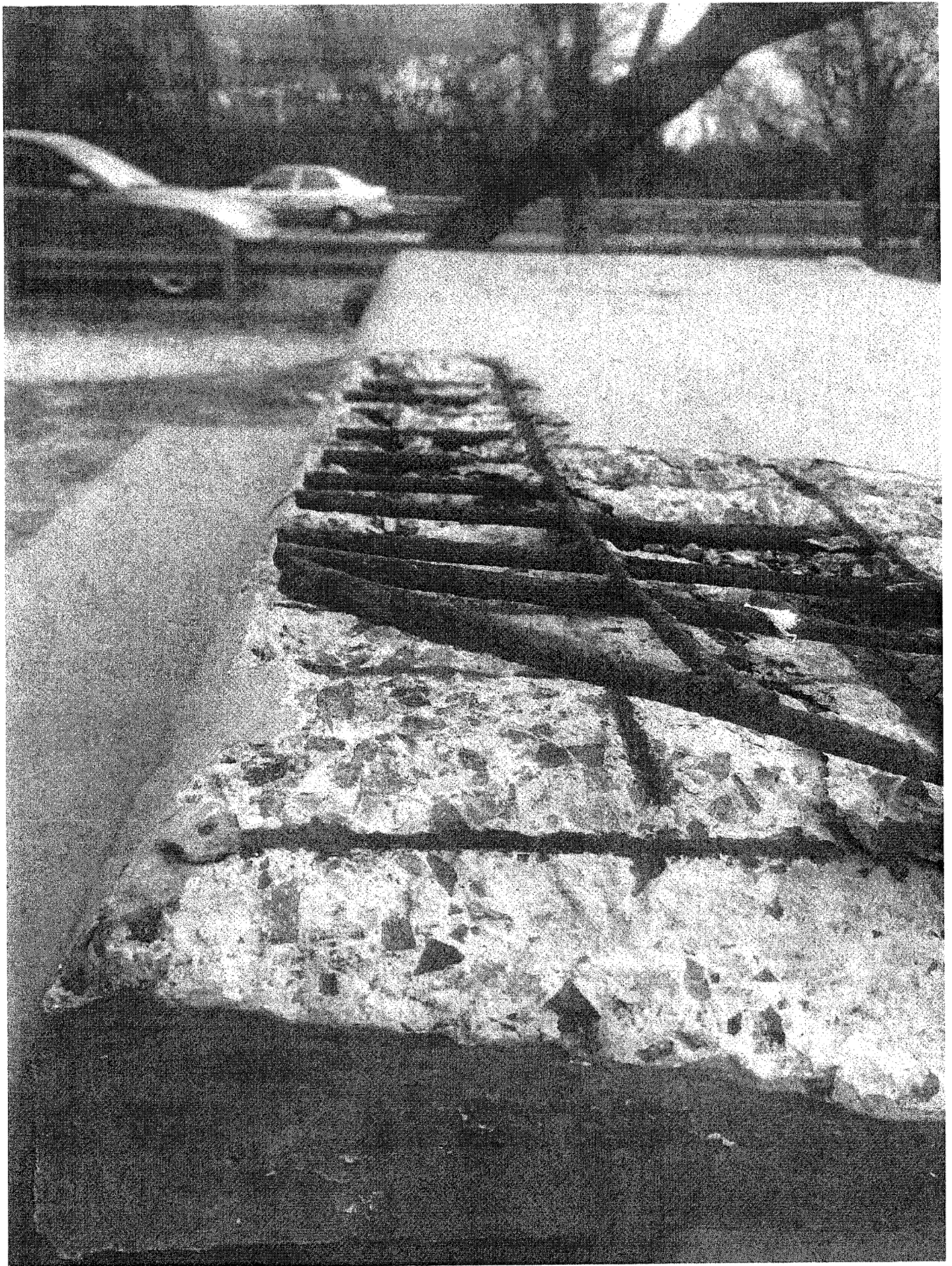
- 08/24/15 Office of the Mayor transmits request to amend the Fiscal Year 2016 Budget by \$2,271,822 from the \$6.5M FY2014 appropriation that lapsed. Budget & Finance Committee fails to schedule the requested amendment.
- 03/24/16 Mayor transmits budget recommendation for FY 2017 that includes appropriation of Open Space funds for the Launiupoko Land Acquisition.
- 05/01/16 Budget and Finance Committee deletes appropriation of funding from Open Space, transfer to Bond Funds and adds clause 'withhold Bond Authorization' for the Launiupoko Land Acquisition.

Dustin Tester

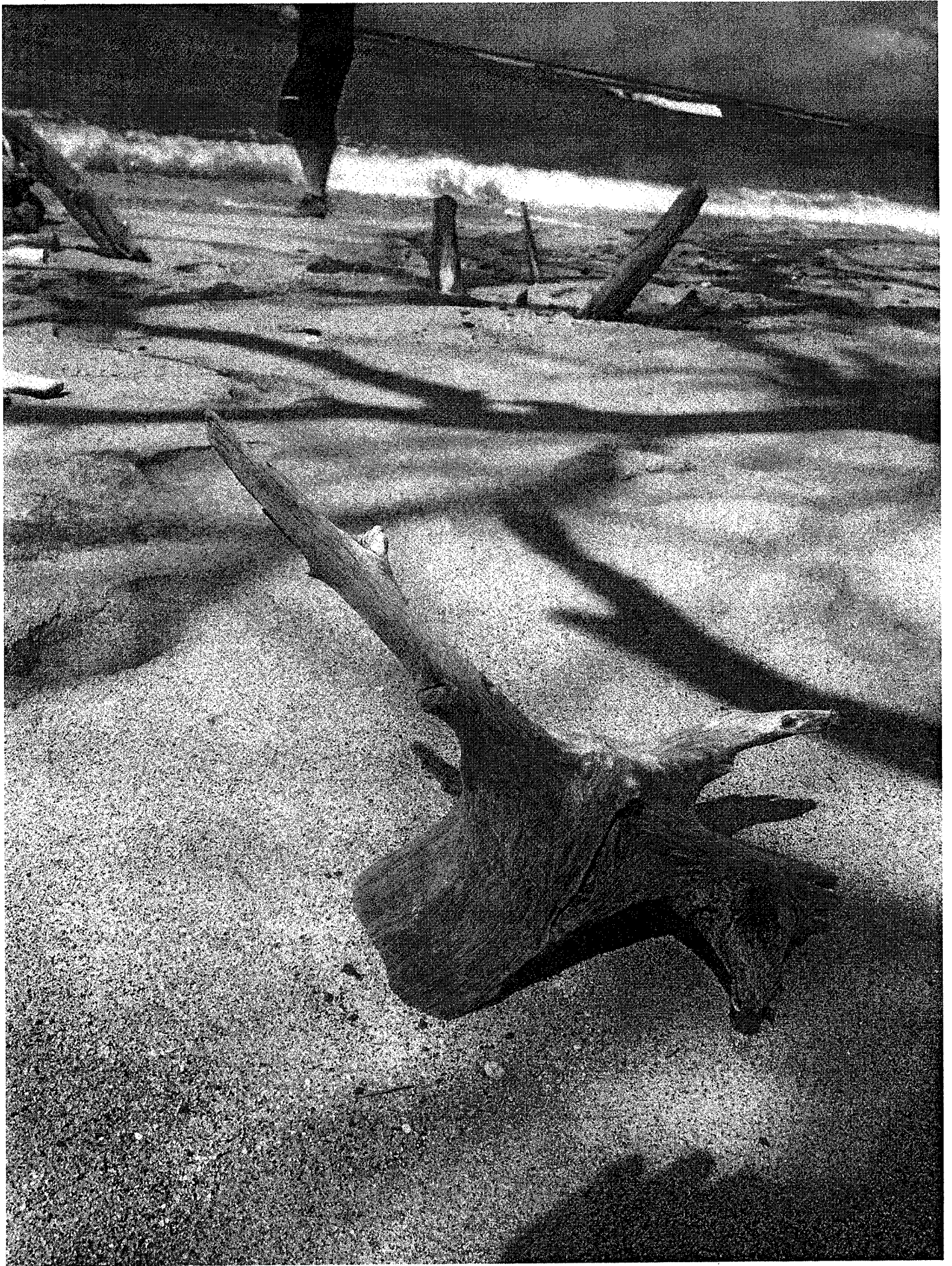












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Kuiaha-Peahi open space funding

TD

Torsten Durkan <tordurkan@gmail.com>

Today 9:15 AM

County Clerk <County.Clerk@co.maui.hi.us>

Reply all |



2 attachments (754 KB) Download all Save all to OneDrive - County of Maui Office of Council Services

Aloha Council!

Wanted to personally thank all of you for voting for the \$9.5 million budget proposal to purchase the land from Kuiaha bay to Peahi. The Jaws cleanup we did on Saturday May 14th was a great success, with over 150 participants throughout the morning where we cleaned up all along Hahana Rd and almost 2 miles of coastline and even planted 45 native trees. So much trash was picked up I couldn't believe it, we actually needed jet ski assistance and a helicopter to remove large amounts from remote areas as we couldn't carry it all out (see photos attached). The community loves this special place and would like to see it undeveloped so our future can enjoy it as we do!

Thank you for all you do,

-Torsten Durkan

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COUNTY CLERK

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County Purchase of the Kuiaha Lands-Mahalo



William Knowlton <bill@jim.nu>

Today 10:28 AM

County Clerk <County.Clerk@co.maui.hi.us>

Reply all |

Dear Mike White and the Maui County Council,

I would personally like to thank you all for inserting money in the budget for the acquisition of lands at Kuiaha/Kaupakalua, Hamakualoa. As you know our Sacred Places are being diminished by development at a rapid pace. I'm concerned about the lack of enforcement by the County Administration, especially in the Special Management Area. And I'm also concerned about the unregulated growth of the Vacation Rental business which obviously is not paying it's fair share of Transient Accommodation Taxes. There are many examples of TVRs that don't have the required Special Use Permits and Conditional Use Permits in my neighborhood alone.

The key to keeping Maui No Ka Oi is to have the administration fulfill it's mandate to enforce the laws, and also to cooperate in purchasing the legacy which have cultural, educational and historic value to the people of Maui. Mahalo to you all for putting this item in the budget and helping to keep Maui a very special place. Bill Knowlton

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Kaiaulu Photovoltaic



Garymweiss <garymweiss@hawaii.rr.com>

Today 10:50 AM

County Clerk

Reply all |

Action Items

I strongly support Council member Elle Cochran's position that the \$442,000 from the Affordable Housing Fund should NOT be used for photovoltaic in this Kaiaulu project. As you know, this developer originally applied for \$884,000 (see 2017 preliminary budget from January -"(6) Provided, that \$884,000 shall be for the Kaiaulu at Kaanapali Project of Aina Lani Pacific LLC for the installation of photovoltaic systems for the 33 homes in the project") and has recently lowered the request, presumably because of the appropriate scrutiny now occurring. I am appalled that this same developer has gamed the system to remove all affordable housing from the Waialele Ridge Napili project, and shifted it to much higher credit/more expensive houses in Kaanapali. This has effectively removed 37 units from Waialele Ridge, which true lower income folks who really need housing could have used. The developer is coincidentally affiliated with/owns the Pacific Solar company. I feel that company should provide the photovoltaic at no charge, since they are garnering such enormous advantages shifting their Affordable housing requirements around. Please take a closer look at this flawed process. On Maui we have a terrible shortage of affordable housing. That should not give developers the right to take advantage of residents. By residents I am referring to us taxpayers, as well as the future residents of Kaiaulu, who will be confronting the unfortunate health and safety issues associated with living next to a water treatment facility, numerous powerlines and a noisy highway. Please defer these funds to be used for those truly in need of a safe roof over their head. Thank you very much for your help. Sincerely yours.

Gary Weiss MD (concerned Maui resident)

167 Kualapa PlLahaina, Hi 967618086672038

(c)4074962373

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COUNTY CLERK

Sent From The GMW iPhone

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Photovoltaic Kaiaulu Budget -additional comments



Garymweiss <garymweiss@hawaii.rr.com>

Reply all |

Today 11:46 AM

County Clerk

Inbox

One other important aspect of the request for photovoltaic funding from the Affordable Housing fund. The Kaiaulu project homes are NOT Affordable IN PERPETUITY. These homes can be sold to anyone in 6 years or so according to the developer. Since the homes will likely be worth more and many will be sold for a profit, the new non-Affordable owners will be inheriting the solar equipped homes provided by the county. I feel that if the council insists on allowing this project and providing solar funding, they should also insist that the project remain Affordable in perpetuity, to ensure this is not just another house flipping opportunity, as many will view it. Thanks again for your help and support.

Gary Weiss MD (concerned Maui resident)

167 Kualapa PlLahaina, Hi8086672038(c) 4074962373

Sent From The GMW iPhone

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2016 MAY 18 AM 11:47
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COUNTY CLERK

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Thank you for supporting the Kuiaha-Pe'ahi Open space funding!

PA Paige Alms <paigealms@yahoo.com>
Today 1:40 PM
County Clerk <County.Clerk@co.maui.hi.us>

Reply all |

To the Maui County Council,

A HUGE MAHALO!!!! Thank you so much for supporting the Kuiaha-Pe'ahi open space funding project. I am grateful to know that our county has our future generations in mind when going through with this funding. I hope to see the Pe'ahi area preserved for years to come, for it remain a special place for all, and most importantly become better, cleaner, safer.

Thank you!!!

Paige Alms

Haiku Resident, Pe'ahi big wave surfer, Haiku School graduate :)

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COUNTY CLERK

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\$9.5 mil Open land fund > Kuiaha lots purchase

MO Mike Ottman <mike@myspectrum.com>
Today 2:42 PM
County Clerk <County.Clerk@co.maui.hi.us>

Reply all |

Dear Councilmembers,

Wow! Many mahalos for voting in favor of allocating \$9.5 million in the County budget to supporting the Kuiaha lots purchase! Thank you Thank you thank you!!! In speaking with many of the elders and stakeholders that have lived in the Hamakua Coastal lands for generations, it was important to them to preserve all of the things this land provided - including the agriculture, fishing, and education programs - to their children, Haiku Elementary students, and the community.

Let us know what else can be done to ensure that the Mayor supports this as well. Thanks again!!

Warmest Regards,
Mike

Mike Ottman, CFP®
Spectrum Asset Management, Inc.
Paia, HI
Mobile: 808-740-5648

RECEIVED
2016 MAY 18 PM 2:49
OFFICE OF THE
COUNTY CLERK

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Testimony against proposed increased CORA permit Fees 2016

Date: May 20, 2016

Dear Council/Committee Members,

This information should be well known to parks dept but might be new to some Councilpersons:

- Higher Fees hurt legitimate Operators.
- Illegal operators are allowed to flourish
- CORA fees do not improve CORA parks,
- CORA fees go to Rangers but, Rangers do not help CORA and they cannot do effective enforcement.

In Years past County asked CORA what they recommended.

CORA asked County for better Enforcement of the Rules (and better restrooms at beaches): Sadly neither happened.

Scofflaws have been ever-present:

Illegal commercial activity in the beach parks and Scofflaws have been ever-present in the ocean recreation industry. Unfortunately even after the creation of the parks ranger program, and lots of money spent the problem still persists to this day, maybe worse than ever. Illegal's are flourishing in the parks due to the absence of effective enforcement. Parks rangers are either unable or unwilling to enforce parks rules.

Illegal operators increase the county liability

Illegal operators increase the county liability by exposing patrons to risk, and not insuring their patrons. They do not pay taxes and do not contribute to the economy, they take jobs away from local people. They compete with legal CORA businesses. They use the parks for commercial gain and operate outside the law, and outside the rules.

Who are these illegal operators? The list includes:

- Ex-CORA instructors are working without Permits.
- Illegal Businesses operated in the parks without abiding by any laws or rules.
- Fake schools with bogus credentials, impersonating legal operators.
- Even some CORA instructors "moonlighting", teaching on the side particularly on Sundays (non-cora days) or their days off.

Why do Illegal operators do this:

Illegal's are motivated by easy money. They avoid paying taxes. Income tax, payroll tax, business taxes etc. Or they do not have legal working status, they do not have infrastructure, rent, or business expenses. They do not have to pay high permit fees, they do not have to pay for expensive insurance. They do this because they is virtually zero probability of getting caught.

Higher CORA Fees and business expenses exacerbate the problem:

Higher Parks Permit Fees hurt legal CORA, and benefits illegal operators. With higher fees running a legitimate CORA business gets more cost prohibitive the incentive to stay underground increases. Also the higher Fees charged to legitimate CORA operators increases their operating costs, and so here is less money to pay higher wages to workers.

How Illegal Businesses form:

Legitimate CORA employees are constantly tempted by the lure of easy cash money. And the temptation is ever-present to start working for illegal operations, or they often set up illegal businesses for themselves. Without enforcement or fear of prosecution there is a dozens of illegal businesses flourishing in parks, unabated, and operating openly. This situation has been ongoing for years.

County's failure to enforce rules has created a Black market for illegal activities in parks:
Many legit workers leave the legit CORA businesses because payroll taxes, and normal wages are no match for the "easy money" of doing lessons on the "black market".

Illegals lie, cheat, and steal:

Illegal's are cheaters and work outside the system to cheat the community out of tax revenue, and to steal jobs from locals, and take away business from legitimate law abiding schools. They are expert con-men and know the loopholes and exploit the weaknesses of the County system. They lie to parks rangers, and DLNR and they manipulate gullible officials, to stay one step ahead of the law.

Risk of lawsuits could cost millions:

Have no doubt Illegal operators puts the County at risk of millions of dollars in liability lawsuits. And these scofflaws have no accountability, they do not protect their patrons or workers against accidents or injury, that could result in high medical costs, or huge lawsuits that would be undoubtedly be leveled against the county. The County has the deepest pockets so they are going to be left cleaning up the mess left behind by unlawful operations like these.

Illegal operators are present almost every day in every county park:

Parks dept cannot and do not have the ability to catch illegal schools operating in the parks. This is why the CORA working committee asked for more enforcement 15 years ago. The problem still persists. Parks rangers cannot reduce the problem. The rangers do not have the power, or resources to deal with the illegal operators. Parks rangers do not readily respond to calls or follow up on complaints, there is no result.

Illegal Operations on State Land:

There are many illegal operators who think they can avoid Parks Rules by accessing water through state land. I was told by one particular illegal paddle sports (& surf) operator that he was informed by a senior county official (name withheld) that "Parks rules don't apply to them if they go just outside the park". He took this as "permission" to continue his operations with the "apparent blessing" of County. So now this business has been operating openly for years without paying permit fees, taxes, or insurance, like all the legitimate CORA operators are required to do.

Illegal operators jump in and out of parks:

Many illegal operators slip in and out of parks as suits them. They stay under the radar, and exploit the weak enforcement. Even some examples that have been persons abusing the parks for 5+ years are emboldened and brazen and repeatedly tell Rangers to their face that they are "just teaching friends". This has been enough to deter further action from the Parks Rangers. Parks rangers should not be so easily put off. Parks rangers are pushovers and have no credibility as a deterrent or as an actual mechanism of enforcement. They even seem reluctant to warn these people of potential violations.

Parks rangers cannot stop them:

We have been told by parks rangers themselves that they cant stop the illegal operators, they are "afraid that will get sued". They actually told us that.

Parks CORA money not spent on Enforcement:

OCRA money is not spent on CORA expenses, instead going to beach sand for non-cora beaches. If parks rangers need money they should spend the CORA money on admin, and enforcement first. Rangers are mostly concerned with homelessness, not CORA.

Inefficiencies in Enforcement:

Parks rangers rarely even get out of Vehicles. They usually drive through the parks without stopping. They do not make regular contact with the vendors, or ask what is going on. When they do they waste their time dealing with the same legitimate operators, instead of addressing the actual scofflaws. There are many wasted opportunities for the CORA and rangers to work together.

CORA have offered to help rangers.

CORA operators and instructors can easily point out the scofflaws on any given day, but the rangers never ask. Regular CORA operators know who is who at the parks, and know when someone is teaching friends, and when they are teaching illegally. But CORA operators is not able to enforce anything, or even make contact with scofflaws. That is the job of the parks rangers or DLNR. Unfortunately they don't respond to complaints, avoid any actual confrontations, and fail to implement any actual enforcement.

Parks and DLNR asked CORA to be their eyes and Ears:

At our OPACA training Clinic parks and DLNR asked CORA to be their eyes and ears for illegal activity. They said if you give us the info then we will follow up. This was in reference to illegal operators in the parks and on state land. But unfortunately many complaints and reports were filed but not followed up or acted upon.

There will always be the need for enforcement:

There will always be the need for enforcement. Under the CORA or any other system, people will try to cheat the system and go under the radar. We believe that there is currently nothing wrong with the CORA system that couldn't be fixed with proper effective enforcement.

Please take appropriate action:

Please take actions to ensure that there is enforcement of illegal operators in parks. And actually prosecute any lawbreakers. At the very least confront them warn them, and track them. And please ensure that CORA money used for parks enforcement is used efficiently and effectively for this purpose.

Regards,
David Dorn

Testimony regarding proposed increased CORA permit Fees 2016

Date: Wednesday, May 20, 2016

Dear Council members/budget committee,

Increasing fees hurts CORA operators, and forces them to compromise safety.

CORA Permits are "Access Sites", they are not Commodities:

CORA operators need Access Sites to operate safely. Each permit is an access site, and several sites are usually needed for different activities, or changing weather conditions.

No operator can have more than one same permit:

No operator can have more than one same permit for one site. This is always been in the rules. But they usually need alternate sites, and therefore they have alternate permits. You cannot strip away the alternate sites from safe operators, and resell them as stand alone permits to new businesses. This jeopardizes participant safety, and creates the potential for accidents to the general public as well.

Ocean Recreation Sports are Weather Dependent.

Unlike motor sports our Ocean Recreation sports are weather dependent, Some use the clean energy of the wind and waves, like for Kite, Wind, Surf, and in some other cases we need to have no wind and no waves like for Example; SCUBA, Snorkel and Kayak. Many of these sports are mutually exclusive and cannot be practiced at the same sites or at the same times.

Sports By Weather Type:

Some sports are wind dependent, some are wave dependent, some are flat-water dependent, some are no-wind dependent. Operators doing these sports have to wait for the best conditions to present themselves.

Activities are suspended in bad weather:

Divers can wait for weeks at a time for stormy weather to abate before they can do their sport. Wind sports enthusiasts just had a bad winter with 5 months of no wind. Long spells of no waves, or other unsuitable or unsafe conditions limit the possibilities to practice these outdoor sports. Most responsible operators respect mother nature, and will halt activities in bad weather, but unsafe operators may go out in spite of the warning signs and take risks.

Site Suitability:

No Site offers all of these attributes at all times. Generally the location's orientation, geography, and bathymetry, as well as use patterns, and regulations, all have a bearing on the site's suitability for each particular sport. Some sites are better for beginners, some others offer better conditions for experts. It may also be necessary to switch to alternate sites depending on time of day, crowds, or changing weather patterns.

How One (1) permit became many:

The original CORA permit was like a bicycle license, and was set for \$50. You simply showed the DMV your Business license, and insurance and paid the fee. The Permit was good for all activities and all beach parks and access ways. This is what I started with in 1996. Later on permits had more requirements, and parks dept eventually wanted us to list the sites we used and later on which activities.

CORA Permits now issued Per-Site-Per-Activity:

Permits are then issued to us listing all parks and activities we used. Later on the permit fees were split up to make the single permit for each specific park, and the later the fee was charged per park, per activity. Still the same business as before now with multiple permits.

CORA operators have the Permits they Need:

CORA operations vary from operator to operator. Some offer a single sport, some offer several alternate sports. And most need to have a few alternate locations. Most CORA operators would not hold any unnecessary permits. In about 2009 the fee went to \$500 per park per activity, and the number of permits was reduced. The current permits in use are in most cases the core permits needed for each school to operate safely.

Forcing Operators to Drop alternate sites, reduces operational safety.

Ocean Based Sports need to have access to different sites for different weather conditions. And use alternate sites to avoid overcrowding. This is what CORA operators hold alternate permits for sites. These sites may in some cases be unsuitable as primary sites for any operator, but they are vital for safety of the participants, and the staff or the operator. Forcing operators to drop alternate sites also concentrates usage into a few heavily used locations.

Examples of Alternate Sites:

Waiehu Beach park, used for surfing 2-4 weeks a year in Mostly in Kona Conditions. This park has No facilities, No parking, no toilets, the whole infrastructure long since fell into the ocean. This site is not suitable as a full time CORA site, but it is vital to provide a safer alternate site for a south shore based surf school.

Memorial Park Kihei,

This site is our alternate site for our wind sports when Kona conditions are present and also for access to local people who live in Kihei. This site is used as an alternate site only, It is not used much of the time, but it does provide a vital alternate location in certain conditions and for a certain type of user. Therefore this site is essential for safe operations. The public also recreate at this site, there are many user groups at different times. and probably would not tolerate it if it were used as a full-time site anyway.

Ukumehame park:

This site is one of the most neglected parks on Maui. Facilities there were wiped out in the last tsunami and never restored. It is an eyesore and an embarrassment. However this site is still important as an alternate location for my lessons. It is not safe at all times due

to offshore winds, and exposed reef at low tides. It is important location for certain conditions, and has a vital function in our overall safety plan. A lot of local surfers go here and they would probably not tolerate any increased use at this park above the current level.

Sports-Specific Usage:

There are many examples of alternate sites used by different sports, I cannot speak for other operators, but this kind of sports specific information should be sought out and taken into consideration when promulgating rules and setting fees.

No One Size Fits All Solution:

A one sized fits all approach will not work for these different activities, As we have in the past, we have had sports-specific working groups working with County to find the best fit solutions for the industry and the wider community.

A Small Versatile Operator:

A small diverse watersports school, can teach more than one sport. Example: In the morning teach surfing before it is too windy, and in the afternoons teach windsurfing. These sports are not usually done at the same time. There will be many days when there is no teaching of one or both sports at all. Teaching different sports at alternate sites, gives it the ability to shift and location according to the seasons and the conditions. Many CORA activities cannot be done at the same time, or at the same location.

Standards for Safety:

Our school model is designed for safety and efficacy. That is why we utilize alternate sites. We work with the natural elements and not against them, that is why we have the option to relocate sites according to the conditions, this not only prudent it is a necessity. Some of our teaching methodology has become internationally recognized, and we have helped set the standards that now are taught in 40 countries and translated into 4 languages. Any access restrictions will force us to change these standards, and affect our teaching methods in a way that could compromise safety of participants, and our staff.

Providing a Service:

Our business is a service business. We do not sell a product, instead we create jobs for instructors, and provide an important service to the community. We provide ocean safety instruction in these ocean activities, and provide the safe supervision of patrons. And we help the county to fulfill the Park's mandate to provide "safe and affordable recreational opportunities for residents and visitors alike."

Artificially Restricted Access:

Loss of access means a loss of jobs. When you take away our access sites you restrict the safety options, limiting the days we can teach, and compromise the viability of a ocean sports business. This directly affects the jobs of my instructors and staff that have dedicated themselves and depend on this business. We have worked under CORA system for almost 20 years. And as law-abiding legitimate operators, we have created good jobs,

and made a significant and ongoing contribution to; ocean safety, the community, and our economy.

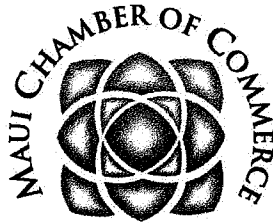
Lost access to ocean Safety instruction, and reduced recreational opportunities:

Restricting CORA access to suitable sites, will limit the ability for locals and tourists to get Safe Instruction, Safe supervision, and will "Reduce the Recreational opportunities available to the Community".

Please do not change the CORA Permit Fees:

Please understand the need for alternate sites. And the need for more than one permit for smaller versatile operators like us. Radically raising the permit fee will create an Economic Disincentive to run ocean sports instruction in the safest possible way, and at the most suitable available sites. Forcing operators to drop permits for alternate sites is a bad idea. Forced attrition will have many negative consequences to this industry and to the community. So please do not arbitrarily alter the current fee structure as it will force many operators to choose Money over Safety. And such a decision could potentially wipe out this industry and with it, our livelihoods, and our careers.

Regards,
Suzanne Dorn



OUR BUSINESS IS MAUI BUSINESS

Testimony on the Proposed FY 2017 Budget
May 20, 2016 at 9am

Dear Chair White, Vice Chair Guzman &
Members of the Maui County Council,

Aloha and thank you for providing the opportunity to ring in on the FY 2017 County Budget. We know the long hours that go into this effort and deeply appreciate your time, broad based efforts to include the public, and thoughtful consideration of each area. With rising costs and expanding opportunities, it is no easy task.

As our county's economic health is a top priority, we want to thank you for your support of the Maui Visitors Bureau in the amount of \$4,200,000 and for your strong support of the many worthwhile projects and programs of the County's Office of Economic Development. We believe these investments in our economic future will net positive and highly leveraged returns.

While a number of fees have gone up, we see many of the increases as keeping up with the increased cost of doing business for the County, however, we do have two areas of concern.

First, despite the Commercial Ocean Recreational Activity operators taking a big hit with increased permitting fees last year, they are again being hit with another increase that will equate to thousands of dollars for them (with the first two permits going from \$1,000 - \$1,500 each and additional permits going from \$500 - \$750 per permit thereafter) this year. This industry seems to be unfairly targeted with little recognition of the benefits the County receives. They are an asset to our County from both a beach safety and protection standpoint and visitor industry standpoint, contributing to the stellar ratings our County continues to achieve. With such hikes, it appears that the County is trying to eliminate many of these small Mom and Pop activity operators. It does not appear revenue driven as there were no proposed increases for other similar industries and the County is not taking appropriate action on unlicensed activity which could net the County a considerable sum. Therefore, we ask that their permit fees stay the same.

Secondly, while housing and water are top priorities, we see that many costs in subdivision filing and processing fees, construction plan reviews, and water source development are slated for large increases. It appears that the thinking on this is that these fees will be passed on by developers to homeowners who can afford to pay the increases. Yet, time and time again in Council chambers we talk about the need for housing and how to bring down the cost of housing. Therefore, we do not agree with these increased development fees. Further, water source development, system development and transmission should be a top priority. Instead of increasing fees (by hundreds to thousands of dollars), we should be incentivizing such efforts. We request that the fees stay the same and that the County's Committee on Housing, Human Services and Transportation consider incentivizing water source development, system development and transmission.

Mahalo for your efforts this year to create a fair, equitable and transparent budget. We hope you will give additional consideration to these two concerns and requests for support.

Sincerely,

Pamela Tumpap
President