

# **BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE**

**Council of the County of Maui**

## **MINUTES**

**November 2, 2022**

**Online Only via BlueJeans**

**CONVENE:** 1:32 p.m.

**PRESENT:** Councilmember Keani N.W. Rawlins-Fernandez, Chair  
Councilmember Tamara Paltin, Vice-Chair  
Councilmember Gabe Johnson, Member (out 4:22 p.m.)  
Councilmember Tasha Kama, Member (out 4:33 p.m.)  
Councilmember Kelly Takaya King, Member (out 4:31 p.m.)  
Councilmember Alice L. Lee, Member (out 4:12 p.m.)  
Councilmember Michael J. Molina, Member  
Councilmember Shane M. Sinenci, Member  
Councilmember Yuki Lei K. Sugimura, Member (in 1:37 p.m.)

**STAFF:** Lesley Milner, Legislative Analyst  
Alison Stewart, Legislative Analyst (back up)  
Richard Mitchell, Legislative Attorney  
Yvette Bouthillier, Committee Secretary  
Jean Pokipala, Council Services Assistant Clerk

Executive Assistant for Councilmember Tamara Paltin:  
Angela Lucero

Executive Assistants for Councilmember Tasha Kama:  
Evan Dust

Executive Assistants for Councilmember Kelly Takaya King:  
Axel Beers  
Ellen McKinley

Executive Assistants for Councilmember Michael J. Molina:  
Laura McDowell  
Ana Lillis

Executive Assistant for Councilmember Shane M. Sinenci:  
Dawn Lono

District Office Staff:  
Denise Fernandez, Council Aide, Lānaʻi District Office  
Zhantell Lindo, Council Aide, Molokaʻi Council Office  
Christian Balagso, Council Aide, West Maui District Office

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Daniel Kanahele, Council Aide, South Maui District Office  
Jade Rojas-Letisi, Council Aide, Makawao-Ha'ikū-Pā'ia District Office

**ADMIN.:** Sananda K. Baz, Managing Director, Department of Management  
(BFED-32(11), -119))  
Erin Wade, Chief of Planning and Development, Department of Management  
(BFED-32(11), -119)  
Cody (Pueo) Pata, Cultural Advisor to the Mayor, Department of Management  
(BFED-32(11))  
Keanukapulani (Keanu) Lau Hee, Planning and Development, Department of  
Management (BFED-32(11))  
Michele Yoshimura, Budget Director, Office of the Mayor (BFED-119)  
Scott Teruya, Director, Department of Finance (BFED-119, -32(10))  
Marcy Martin, Real Property Administrator, Department of Finance (BFED-32(10))  
Mimi DesJardins, Deputy Corporation Counsel, Department of the Corporation

**OTHERS:** Faith Chase (BFED-119)  
Thomas Croly (BFED-32(10))  
Others (5)

*Resource:*

Julie Dixon, Dixon Resources Unlimited (BFED-119)  
Kerri Wyatt, Dixon Resources Unlimited (BFED-119)  
Emily Kwatinetz, Dixon Resources Unlimited (BFED-119)

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

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CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Aloha 'auinalā kākou. 'Elua minuke i ka hala o ka hola 'ekahi ma 'elua o Nowemapa i ka makahiki 'elua kaukani iwakāluakūmālua. E 'olu'olu mai, e ho'omalū ke Kōmike Mo'ohelu Kālā a me Ho'omohala Waiwai. 'O wai... 'o wau o Keani Rawlins-Fernandez, ka luna ho'omalū o kēia Kōmike. Aia au ma 'ane'i i ka Moloka'i District Office. Ke noho ho'okahi nei no au ma kēia 'ao'ao. It was 1:32, now 1:33, on August...sorry, November 2nd, 2022. Will the Budget, Finance, and Economic Development Committee please come to order. I'm your Chair Keani Rawlins-Fernandez. I'm at the Moloka'i District Office, alone on my side of the office, and we have no testifiers here at the District Office. I keia lā me ko kākou hope luna ho'omalū o Tamara Paltin. Aloha.

VICE-CHAIR PALTIN: Aloha 'auinalā, and...why is the...the why is what? What is the why is?

COUNCILMEMBER LEE: What da wybe is.

VICE-CHAIR PALTIN: What da by...what da wybe is, and aloha 'auinalā kākou. Broadcasting live and direct from the Lāhainā District Office. And I have with me Angela Lucero and Christian Balagso, and we have nobody waiting to testify at the District Office at this time. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Next we have Shane Sinenci. Aloha.

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COUNCILMEMBER SINENCI: Aloha ‘auinalā kākou mai Maui Hikina. E nīnau ‘o ia what da now...what da wybe is. Happy to join this afternoon from my home office, and looks like Staff has said that there are no testifiers at the Hāna District Office. Aloha.

CHAIR RAWLINS-FERNANDEZ: Aloha. Next, we have Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha, Madam Chair. What a wybe and what a beautiful day to have a wonderful budget meeting on this Wednesday. Looking forward to all of the excitement. I'm transmitting from my residence under my virtual bridge here in Makawao. There are no humans present, and also there are no testifiers at the Pā‘ia District Office. Mahalo, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Next, we have Member Alice Lee.

COUNCILMEMBER LEE: What da wybe is to my colleagues, and the public, and everyone joining us. I have no one here at my home office in Wailuku. Looking forward to the meeting. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. I think you got to put a little more Jamaican accent into it. Next, we have Member Kelly King.

COUNCILMEMBER KING: Okay. What da wybe is, mon. Is that what you were looking for? Aloha kakahiaka. Thank you for sending this other greeting, Chair Lee. Assalamu alaikum kumai. That's the Egyptian one.

COUNCILMEMBER LEE: Kum. Kum.

COUNCILMEMBER KING: Oh, kum. Anyway, I'm at the...my home office in my house at South Maui. There are no testifiers at the District Office, which seems to always make Daniel very sad. And...I always get it with a sad face attached to it. And there is nobody else in the house with me today. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Next, we get to hear Member Gabe Johnson's best effort in a...with a Jamaican accent.

COUNCILMEMBER JOHNSON: What da wybe is, everybody. No testifiers at the Lāna‘i District Office. I am alone with my dog, who is snoring, and the birds are chirping. So, I'm here and ready to work. Mahalo, Chair.

CHAIR RAWLINS-FERNANDEZ: That was pretty good, Member Johnson. I mean, I don't know how authentic it was, but it sure put a smile on everyone's face.

COUNCILMEMBER JOHNSON: I'm trying here. I'm trying.

CHAIR RAWLINS-FERNANDEZ: And next we have Member Yuki Lei Sugimura with her Jamaican accent.

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COUNCILMEMBER SUGIMURA: We'll just try to skip that part, but what da wybe, everyone. Good afternoon from Kula. It is a beautiful day. And looking forward to talking about the Parking Revenue Fund, which ties into my Committee. So, thanks, great.

CHAIR RAWLINS-FERNANDEZ: Mahalo. And Member Tasha Kama with her Jamaican accent.

COUNCILMEMBER KAMA: Aloha 'auinalā, Chair, and what da wybe is. I am here in my home office. I am alone, and looking forward to an exciting BFED meeting today, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. And I expect it to be. Okay. From Corporation Counsel, we have Deputy Corporation Counsel Mimi DesJardins with her Jamaican accent.

MS. DESJARDINS: Oh, my goodness. Aloha, everyone. Nice to see you.

CHAIR RAWLINS-FERNANDEZ: Aloha. And then we have Committee Staff, and I'll introduce all of our resource personnel from the Administration when we get to each item. Our Committee Staff, we have Committee Secretary Yvette Bouthillier.

MS. BOUTHILLIER: Good afternoon and aloha, Committee Chair and Committee Members.

CHAIR RAWLINS-FERNANDEZ: Budget Committee Analyst Lesley Milner, aloha.

MS. MILNER: Aloha, Chair. And assalamu alaikum, Members. I don't trust my Jamaican accent.

CHAIR RAWLINS-FERNANDEZ: Legislative Analyst Alison Stewart, aloha. Legislative Attorney Richard Mitchell.

MR. MITCHELL: Aloha, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Aloha. And Council Services Assistant Clerk Jean Pokipala, aloha. Please see the last page of the agenda for information on meeting connectivity. We have three items on today's agenda: BFED-32(11), Hālau of 'Ōiwi Art's Quarterly Report; BFED-119, Bill 150 (2022), Establishing a Parking Revenue Fund; BFED-32(10), Amendments to Promote Equity in Real Property Tax Legislation, Including Sections 3.48.361 and 3.48.466, Maui County Code. We have...okay. We have one individual on the list to testify. Ms. Chase, is it your intention to testify today?

MS. CHASE: With my grandson in the room. Hi, Chair Keani Rawlins-Fernandez.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. You are? I'll read this.

MS. CHASE: I can...okay. Go ahead.

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CHAIR RAWLINS-FERNANDEZ: Okay. We'll begin our public testimony. Oral testimony via phone or video will be accepted. Please note that if you are signed in, you are on the list to testify even if you did not request to testify. Please let Staff know in the chat if you do not intend to testify. As noted on today's agenda, in-person testimony will be accepted at the Mayor's conference room and six courtesy sites. We have the link on the agenda for those wanting to provide video testimony, and the phone number and meeting code for those wanting to call in. Written testimony is highly encouraged. Oral testimony is limited to three minutes. And we have the testifiers log link in the chat. Okay. We have one individual on the list to testify, Ms. Faith Chase. You may proceed.

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

MS. CHASE: Hi, Chair. Thank you, Chair Keani Rawlins-Fernandez. Aloha, Committee. So, this piece with the Parking Revenue Fund, interest...if you were going to take action on it and...in one sweeping motion in this meeting, I would...and shucks, I'm sorry I'm late to the show, but I...this is a beautiful piece that could also include...I'm in support of this. I think that this...when I was doing my research for the houseless, and the homeless, and those struggling with safe sleeping spaces, I met so many County park employees...and this is before Mr. Kramer, he left his position, because I used to be like auntie botheration to him. But anyway, everybody I met after, it's so fascinating. There are some really beautiful County employees that actually don't totally...I mean, can't say off the record, but without implicating anybody, they didn't always agree with their higher-ups, their supervisor, administrative, or Department decisions. But these...these women and men, they...like they would leave the gate open for the auntie with the junkalunka car that took a long time to get out before even though it was after the hours. They would talk to the uncle. You stay good, you get water, the uncle they knew was going to sleep in the park, and that uncle was watching out for some other reckless kind of activity. There...so, anyway, if you could just keep a broader...if that could be, just for the record, that this fund will probably color outside the lines in the future in the...those support spaces for our houseless, homeless, those struggling with safe sleeping spaces. I know it. I know it for sure. And also, the cultural...the cultural piece of it is really important, specifically in the work that Hāna Highway regulation has done down at Honomanū. You know, you advertise for a park, and then you don't have the facilities there. And so, there's some nice bridge between the cultural practices, and having the amenities to serve the people and our tourists. So, I just hope...I hope this goes through, and I see it expanding in fashion and form moving forward. Thank you for the time.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Chase. Members, any questions for our testifier? Seeing none. We'll thank you for your testimony today.

MS. CHASE: A hui hou.

CHAIR RAWLINS-FERNANDEZ: A hui hou. All right. If there's anyone else signed on that would like to provide testimony, please unmute yourself at this time, and you may proceed with your testimony. Hearing no one speaking up, are there any objections to closing...oh, sorry, no. We're not going to close public testimony yet. We have to take

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up the first item. Okay. So, we're not closing public testimony. We're going to the first item. Any objections with moving...to moving forward with the first item?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo.

**ITEM 32(11): HĀLAU OF 'ŌIWI ART'S QUARTERLY REPORTS** (Rule 7(B))

CHAIR RAWLINS-FERNANDEZ: The first item on today's agenda is BFED-32(11), Hālau of 'Ōiwi Art's Quarterly Reports. First we'll take the presentation, and then we will open up to testimony, and then we'll close public testimony, and then we can...questions. Okay. Members, the Fiscal Year 2023 Budget included \$43 million in bond funding for the Hālau of 'Ōiwi Art's. A condition of this line item was that a quarterly report must be provided to the Council on the status of the project, including a brief description of work completed in the current quarter, work to be completed in the next quarter, and encumbrances and expenditures from the appropriation. The first quarterly report was transmitted on October 24th, 2022, and can be found on Granicus. On the 11th page of the PDF, which is page 7 of the report, you will see that \$7,231,835 has been encumbered for the design contract with Ferraro Choi and Associates, and a construction management contract with Dowling Company. Okay. Here to provide us with an update from the Department of Management is Erin Wade, Chief of Planning and Development, and...okay. And then...okay? Okay. And then we...oh, we also have Pueo Pata, Cultural Advisor to the Mayor. Did I...did I say the title correctly? Okay, okay. All right. Ms. Wade, and Mr. Pata.

MS. WADE: Good afternoon, Chair. Sandy, are you on? Were you wanting to say something first?

CHAIR RAWLINS-FERNANDEZ: Yes, mahalo. Sorry. And then we also have Managing Director Sandy Baz.

MR. BAZ: Aloha nou, Members. What is the wybe at? What da wybe is. Anyway, definitely don't have a Jamaican accent. But I wanted to...just to say hello, everyone. I'm really here to support my Staff and the partners that we have in this incredible project, and here to answer any questions that you have. We've been working incredibly hard. This is one of the priorities of our division here within Department of Management, and really appreciate the efforts that have been made so far, all the input that we've received, and you're going to hear an incredible report from Erin and the team. So, I'll hand it back over to them. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Managing Director Baz. Okay. So, we'll turn it over to you, Ms. Wade. And if I missed anyone else on your team, please introduce them.

MS. WADE: Wonderful. Thank you so much. Are you able to see my screen that has the presentation?

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CHAIR RAWLINS-FERNANDEZ: Yes.

MS. WADE: Okay, fabulous. So, here today with me is Keanu Lau Hee, also on Department of Management Staff. And of course, Kumu Pueo Pata is here also to share as well. So, the three of us are going to work to provide you a presentation, starting with Pueo Pata.

MR. PATA: Aloha, Chair. What da wybe is, everybody. Thank you, Committee, for having us. As Mr. Baz said, there's a lot of people involved in this. And so, what I'd like to share is 'a'ohe hana nui ke alu 'ia, there's no task too great when everybody is able to come together. And this project, the Hālau of 'Ōiwi Art, really does reflect so many parts of the community, so many parts of the County, so many partners coming together to accomplish what is going to be a historic undertaking. And we would once again say thank you to the Council for all that you've done, and the budget, of course, Budget Committee, to approve the budget. Next slide, please. So, the introduction for the vision is Hālau of 'Ōiwi Art, or the HOA, will be dedicated to the study, practice, celebration, and perpetuation of hula and various 'ōiwi arts connected to hula. In this area, I would like to insert a quote from kumu hula, Dr. Hōkūlani Holt. I did the cultural impact assessment for the particular property, and I was able to collect oral interviews from...from a few people, and she was one of them. And people wonder, why hula. Why is it hula? What's the big thing about hula? I'm sure most of us in this meeting know, but her quote says, in Hawaiian culture, pre-Western contact, as well as today, perhaps everybody had to know a little bit of many things. You had to know a little bit about farming, a little bit about fishing, a little bit about lā'au, which is medicine. You had to know a little bit of many things. But there were people whose job it was to take whatever thing that was to its highest and deepest form. They had the fishermen, and that was their job. They had feather workers, that was their job. They had the...the farmer, and that was their job. For kumu hula, our job was, and is, to hold the collective memory of culture. The collective memory is what we hold. And so...and that's a end quote. And so, the Hālau of 'Ōiwi Art will house those of us who are...who hold the collective memory for our culture, along with all of the associated arts that are with us, and then everybody else as well. So, our goal is to create a center for the community through the mana'o of our island's kumu and hālau hula that will advance the cultural, social, and historical impact of Native Hawaiian 'ōiwi art and practices. Through these efforts, we can empower all people in Hawai'i, and the world, to keep these traditions alive for future generations. And as Auntie Hoku will always say, hula does not discriminate. Doesn't matter what ethnicity you come from, what financial status you might have, what your physical capabilities are, what your preferences are as far as foods, hula does not discriminate. All are welcome. And so, this type of facility, that will be able to become a permanent home for hula and 'ōiwi art, actually benefits the entirety of Maui Nui society. Next side...slide, please. Back into the...oh, and there you go. Back into the 'a'ohe hana nui ke alu 'ia, historically also on Maui, the kumu hula of Maui have come together and formed the Kumu Hula Steering Committee. We are just one committee in all of this planning that takes place, but at the forefront right now...we've been at the forefront because the facility design space is what we want to have influence on, to ensure that this place is, first and foremost, geared and conducive to hula and 'ōiwi arts, and then everybody else, of course...the spaces will be adaptable--more on that

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later--so that the HOA is a collaboration between diverse groups of Maui hālau hula, representing the breadth of Maui's hula lineages with the support of Maui County. But we also were able to do this because the County Council voted November 5th of last year to adopt the Maui Huamakahikina Declaration. The declaration and the cultural action asks the County and State to resource hula to the fullest extent possible. And so, you were the first County that...County Council to do this. Ensuingly, Hawai'i Island Council has followed. And through SCR 121, Senate Concurrent Resolution 121, Senator Keohokalole got it in the...now the State and the Counties...they've encouraged the State and Counties to consult Huamakahikina and kumu hula regarding all matters of hula. We've also gotten the declaration recognized by the United Nations as well. And so, you folks, the County Council, are leading that in adopting the Huamakahikina Declaration and housing it under the BFED Committee. Next slide, please. Why do we need this? In many of the testimonies that you...you heard, kumu hula have often been homeless or...in the sense that we...we are nomadic. We go from one place to the other. So, there are challenges in engaging in the study and practice of hula for a significant portion of the people of Hawai'i, most importantly Kanaka Maoli, due to scarcity of resources and significant gaps in disparities in how hula is recognized, treated, provisioned, housed, funded, and otherwise supported by local County and State governments. The result is that hula is too often financially and/or geographically inaccessible, or that hula is...is extracted from, and there's no return on behalf of the kumu hula, or for the kumu hula, or the hālau. So, with that said, I'd like to turn it over now to Erin Wade to speak about why Wailuku.

MS. WADE: Thank you. I know there was discussion about the specific location, so, I wanted to share essentially the last 22 years of work that have gone into making this location prepared for a facility such as this. First, one of the most important things is--and this is just, you know, from a planning perspective--that we have done the market research, and it does indicate that arts and culture is the best and most competitive niche for the Wailuku neighborhood. And it started in 2000, when the Wailuku Redevelopment Plan was completed. And I think you saw in the quarterly report, I go in...it's much more in-depth, but even within the redevelopment plan back in 2000, the Wailuku area was identified as a nexus for history, arts, and culture, and that was the expectation, that the folks that came together at that time to write the plan identified that as a priority for the neighborhood. In 2012, when a design for the parking structure didn't go forward--this was the 2011 version of the parking structure--we kind of group...regrouped to identify what the priorities for the whole neighborhood were. A County-wide workshop was hosted. We had over 70 hours of workshop time for the community to come in and share what they wanted to see in Wailuku. Of that, for the project site, certainly parking was at the top of people's list as a need within the area, and then a community space to gather, and to share arts and culture, was also at the top of the list. As we were moving through the design process that resulted from bringing Wailuku, and what became what was known at that time as the Wailuku Civic Complex, we did a community opinion survey, and there was also broad-based support for all of the things now that we have been able to incorporate into the Hālau of 'Ōiwi Art in a more comprehensive way, even, than when we were looking at it as a civic complex. So, this is the...just to familiarize you with the project site. The very bottom of the screen shows were Market Street is, then there's the Vineyard Street to the right,



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and above, it's framed by Church Street. You can see the parking garage, where it's labeled parking garage, that is currently under construction. And the area where it shows as grass lawn, that is the site of the proposed Hālau of 'Ōiwi Art. So, you can see, right off of Vineyard and Church Street corner is where...the location for the proposed site. Learning from the design process for the Wailuku Civic Complex, we did have some takeaways, some lessons learned, of how to adjust the design, or any design for this location, to ensure it was a better fit for the neighborhood. Instead of it being a 60,000 square foot space, we reduced the square footage, and brought it down to two levels...the previous proposal had been three. The facility is now focused on education and arts and culture, it is...no longer has permanent County office space in it, which had been problematic in previous designs for a number of reasons. And then the third real request from the community, and the desire, was to have a very flexible facility that could be used by all different community members at different times of the day, but would be founded and create its foundation in hula and 'ōiwi art. So, just to summarize what has been done with the budget...so, as was mentioned, the Council appropriated 43 million in CIP, and were...have \$11 million from the Feds, pending approval of the Federal budget. This is the rough site plan that, again, shows the parking garage that I showed you just a minute ago, and now, you can see where the lawn was showing. We have a...the building, the Hālau of 'Ōiwi Art facility, being shown. This is just a very conceptual rendering of what that might look like from the Church and Vineyard Street intersection. So, this is if you were looking from that angle down towards...kind of like towards the 'Iao Theater over the building, this is the view. And you can see now, it's just a two-story building instead of three. It does have an interior courtyard, and also, the exterior gathering space. Pueo will elaborate when we get into the design a little bit. But when we came to budget with you, we had this preliminary floor plan that just indicated what we expected the space to be, and so, we're going to share a little more with you today about how that has been fleshed out a little more for you...a little more fully, and the expectations of each of the uses. Regarding the funds, we broke this down just so you could see. The blue...everything in blue or a shade of blue is in reference to the design contract. Everything in a shade of yellow is in reference to the construction management contract. We did put the archeological services within the construction management contract this time to ensure that we could start early. This allows us to do quite a bit of work now, in the planning phase. And then you can see in the blue for the design services, this includes the things like the EA, the geotechnical studies, the...it's design and permitting processes. It...we do have community engagement. And then we're also doing a facility and management plan. So, this is something that hasn't been done for a County facility prior to construction, but we think it's a really good opportunity to utilize all of the folks who are...who are spending the time on the design to now also think about how can this be managed and operated to the best of its abilities. We also have done quite a bit of community engagement between...basically, from May towards the end of the budget conversations to present. So, that's included two different community open houses, a community opinion survey. We've had several site visits to either different existing hālau, or facilities where nonprofits come together to share in a collective arts space, and to hear how those are operated and run as well. We've had multiple steering committee meetings with the kumu hula. We've had focus groups to talk specifically about each of the individual spaces, and what the space needs and users' needs would be for those spaces. We've done cultural interviews to support a

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new cultural impact assessment, and we've had user discussions about how people expect to come and utilize the space. And then finally, the most public opportunity, where anyone can certainly come and provide public testimony, we've had two MRA meetings as well that allowed for public testimony on the item. Just to share a little bit about how we're going about reducing the possibility of impacts to any archeological resources, we have come...we have hired a ground-penetrating radar study for the entirety of the site prior to finalizing construction design. So, as you can see, just from this graphic, it's kind of like a lawnmower...the machine looks sort of like a lawnmower that you just drive over the surface, and it can identify any subsurface anomalies. So, that process has already started. We are about two-thirds of the way through the ground-penetrating radar study. The only subsurface anomaly that's been identified to date is the foundation from the old King Theater basement, which used to be at the corner of Church and Vineyard. So, that's the only identified subsurface anomaly so far. And then just to show--and Pueo will get into this more specifically--this is...this represents the 50 percent schematic design. So, we moved out of conceptual design, which was sort of that hand-drawn version of what would a concept of the building look like, and we're getting much more refinement of the space, and specific storage needs, et cetera. And then finally, there's just a quick screenshot of the OCR workshop, and this is folks from all walks of either the design process, or you can see Emergency Management is here on this call. You can see folks from Public Works, folks from the landscape team, and the kumu hula, all working together to ensure that this building facility does what we need it to do, and can be maintained into the future at low cost. My face is funny because I'm trying to figure out how to screen capture while I was in the meeting. So, I'm going to turn it back over to Pueo, who will share with you more about the design.

MR. PATA: Sure. But before you turn your microphone off, Erin, can you also take a second to thank the community groups that gave us input, which is why we're doing the...the GPR at this moment? We were able to learn from, you know, previous issues.

MS. WADE: Oh, thank you for that prompt. You're absolutely right. As many of you know, during the construction of the parking structure, we did identify iwi kūpuna at the site, and we have had folks who have been identified both as cultural descendants and as community consultants throughout the process, folks from Mālama Kakanilua, and Noelani Ahia and Joann, um...Kumau...sorry, Johanna Kamaunu from the Burial Council have all been instrumental in providing us consultation. And the reality is, had we not had these discussions with them prior to now, we probably wouldn't have taken a step. I don't know of any other County project that has done GPR in advance of construction, in advance of getting the construction contract, and frankly, even in advance of the design process, but as a result of what we came to understand through the parking structure, and through the community consultations, we're now taking the...that very seriously, and doing the ground-penetrating radar prior to finalizing design.

MR. PATA: Mahalo for that. You know, with the parking structure too, with the way that the original land claim award was listed, it was as a pā hale, which is a yard...or a house site for kapau. And then where the Hālau of 'Ōiwi Art is going to be located, it's listed

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in the 1840s as lo'i kalo, which are taro patches, that belonged to Kawahine Kapu'u. I could've said, had I been involved in that parking lot process, there's going to be bones definitely on the pā hale because the word for inherit is ho'oilina, and the word for grave is ilina. And so, when a person inherits house sites, more than likely there are iwi kūpuna on that site. There might...there may be iwi that turn up underneath the lo'i that...on which the Hālau of 'Ōiwi Art is going to be, but if it was...if there are iwi found, that means that the lo'i were put over those iwi as early as the 1840s. And just to back up, regarding that particular site, again, it was lo'i, and in the lo'i complex was a Pō'alima patch, which is a small patch that belongs to the Government. And so, because the proceeds from that patch go to the Government, they're going to put those types of patches in places where they're not usually going to run dry ever. It's going to be very rare for them to run dry. And so, we know that there's...there was a lot of water on that property, and even today, when it rains, you can see lots of ponding in that area. So, just for your mana'o, or for your...your ease of comfort...ease of mind, excuse me, where the Hālau of 'Ōiwi Art is known to have been lo'i from the 1840s. And then in the early 1900s, there was a Japanese Christian church that was constructed there, and then it moved to where...across from the Bailey House in the 19...around 1930-ish. And then that's when the King Theater was built there on the corner of Church and Vineyard. And then the King Theater was...was demolished in the 1980s. And in between there, on the rest of the property, were two tenement housing projects as well. And so, although in our lifetimes we...we might've known it as the King Theater, or as a large parking lot, in the lifetimes of our parents and our grandparents, there were tenement houses there, as well as other structures. And so, that's kind of what we're dealing with as far as the land is concerned. For the design, in July, we really picked up our efforts in meeting with management...County Management to...to discuss what the exact functions of every space in the Hālau of 'Ōiwi Art is going to entail. Next slide, please. So, you have this level one on the mauka side. Mauka side is the main bulk of the...of the building. And the makai side, later on you'll see that there's just this jutting piece that comes down toward the makai side. So, on the upper side of this picture is Church Street, and on the right side of this picture is Vineyard Street. And what I want to point out to you is, those blue spaces are the retail spaces. There's four separate retail spaces. They do vary in size, but those are the spaces, the rent of which will go into the full-time maintenance of the Hālau of 'Ōiwi Art to generate income for the upkeep of it eventually. You will also see two workshops there, one on Church Street, and one on Vineyard Street. Those workshops are for wet and dry activities. Hula...hula can get quite messy. And so, we do things like dying our pā'ū, which is our skirts. We do things like printing. We do things like carving with heavy equipment, and everything in between. For finer work, like feather work, that's not where we're going to do those things. There's workshops upstairs for that, but I'll get to that in a second. These workshops are for the larger types of equipment that we need to carve. If we're making kalo or poi, we want poi boards, we can have papa ku'i 'ai making workshops there. We can carve stone in these spaces, rinse them out. We can spill out pā'ū dyes on the floor, and easily wipe them away. At the very...on the makai side of this, you see the exhibit reception area. It's going to be a beautiful space as far as what...how we want it to be, aesthetically pleasing, and educational. It's where we're going to have also a small bookstore, and we're going to have permanent exhibits, as well as revolving exhibits for different types of 'ōiwi art from Wailuku, and also from Maui Nui, and anywhere else

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that wants to do it. And this is off the record, even though we're on the record, we have been talking with places like the Bailey House museum and the Maui Historical Society to perhaps house...house part of the archives that they have there, make them accessible...more accessible to the public. And then we have storage on this level as well, and then the loading zone, very, very skillfully placed in a way that's not going to be...that's not going to interfere with the retail spaces or the classroom spaces above, but that will provide easy access for things like intake, as well as rubbish disposal. And the piko of this place is a courtyard that will also be open to the sky and serve as function...or have functions for other types of little meetings or celebrations, places where we can lay our kapa out to dry, lay our pā'ū out to dry. Every single space in here will be very versatile, and be able to be used, not just by hula practitioners, or 'ōiwi art practitioners, but if you can imagine that there's going to be an art workshop that they need...they're going to do murals that can fit in these workshops. So, you can have these places rented out by those...those practitioners as well. Next slide, please. Now, this is the same level, the ground level. This is the makai area. And so, I mentioned there's a jut off space, and that's the other two retail spaces there. They can be split. So, because...I think there's a ten-foot difference from the mauka side to the makai side, the makai retail spaces are going to be taller inside. They're going to have a higher ceiling, and so, they can be split into...to have a mezzanine as well, to create more square footage...usable square footage. And then on the...on the south side of that, near the parking structure, is an outdoor gathering space, which...where we can have First Friday events, where we can have pop-up mākeke, where we can have hula performances, where we can host all types of gatherings there, and also be converted into a hula space when children are extra fidgety that day, and they just need to be outside, but still in a structured environment. That's all on the first level. Next slide, please. This is the second floor of the Hālau of 'Ōiwi Art. On the mauka side, you're going to see four studio spaces. These studio spaces are...are designed specifically for hula. The one on the top left corner is going to be reserved for those hālau that practice kuahu because there is a corner that is east. We have to place our kuahu on the east. And then there's several things that we're going to do that will allow us easy access to water, which is right there, and other things that kuahu practitioners require. The two middle studios, the wall can actually be taken out and turned into one large studio, or it can be put back in and have two smaller studios there with...all of them have access to the lānai outside that will look straight into the valley, which is, of course, significant for hula practitioners. And then the studio space all the way on the corner of Church and Vineyard is another standard hula space. I'll talk about the capacity in the next slide, but moving on, just below also, in the yellow, there's a kitchen as well. We want it to be a certified kitchen so that we can have fundraisers there, and other people can rent it for use. And connected to that, on the makai side, we have a convention space or a conference space. This conference space will also serve as a hula space...hula practice space...hula practice space because we have competitors, three this year, who are heading to the Merrie Monarch. And so, it's very hard to find practice spaces that can fit the configuration for the Merrie Monarch stage. Another difficult stage is Keiki Hula stage. And so, in that large space, it will accommodate the configurations for the Merrie Monarch stage, as well as for the Keiki Hula stage. Any other stage after that is easy to be fit into that space. And just to the left of that are two learning spaces that can be converted into one learning space. It's connected to the conference area because

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it will also serve as a dressing room during...when we have performances in there. But these are the spaces that are more climate controlled. And so, if you are working with feathers, you don't even want to sneeze next to them, let alone have them exposed to wind in the down...the downstairs workshops. So, up here, we have climate controlled spaces for the finer work that can also be accessed by kūpuna programs for 'ukulele, for their own hula. Any of these spaces during the daytime actually can be rented by other groups. But this is the space where we can also have County meetings. The technology that we're going to build into the space will also allow for virtual broadcasts for different types of meetings, or classes, and so forth. And, of course, it all looks down into the piko there of the entire building. Next slide, please. So, these are some of the capacities for these particular classroom spaces. Now, the...this is based on a six-foot fingertip to fingertip span, which is luxurious from a hula standpoint, very, very luxurious from a hula standpoint. Nobody has that much space. But Kapua Pimentel from Ferraro Choi, she has the da Vincian body with perfect symmetrical measurements, and so, this is her measurements here. And so, each space, we don't have very large...the majority of hālau on Maui are not very large, but we do have a few very large hālau. But you can see the amount of people. Each circle represents people that can fit in these spaces during any given papa hula or class where people are in one spot. But more interestingly...can you go down to the next slide, Erin? The convention area can actually fit 100 dancers with those dimensions, or 300 people seated in an event...for the event space. And so, we're so excited. We don't even know when 100 dancers on Maui got together, except for maybe the hula ball when it was hosted here, and it was very difficult to find a practice space for all of us to fit together. But this type of space is super, super exciting for all of us. Not only will it be able to host hula functions or 'ōiwi art functions, but also, things like lū'au, 'ūniki, which are graduation ceremonies, and anything else that the public can think of to use as well. Next slide, please. Let's see. Is this mine? Am I talking about this, Erin? Okay. So, these are the different configurations that the conference area or the gathering area can go to. And so, you'll see that it is, on the mauka side, connected directly to the kitchen area, so, there's access for the food to come in and out. And even though it is a certified kitchen, that also means that it's set up for catering as well. So, if you...we do decide to have external caterers, that...there's going to be enough stations for that to take place as well. But all the different configurations for this particular space are super exciting for us, and we don't know of many other places where hula is hosted that are as adaptable, not only for us as practitioners, but for the general public as well. Next slide. So, this is a space for all, right. We just did a presentation this morning for the Hawaiian Civic Clubs, and we asked, if you know somebody that dances hula, raise your hand, if you dance hula or you know somebody that dances hula. 100 percent of the hands went up. So, what does that mean? Does that mean that only hula people will be able to use this space? No. It means that even the people that we know who don't dance hula have access to this space. Not only is it...oh, it is prioritized for hula and 'ōiwi arts, but once those are filled, anybody else can rent the space. Hula primarily takes place on weeknights and weekends, and so, weekdays, of course it's open to any other types of programs. And, you know, we have a...we have a soft spot in our hearts for the Kaunoa senior citizen center or Alu Like, or other kūpuna programs, but also, keiki programs. Imagine Tūtū and Me using this space for their...for their little activities as well. From 'ukulele to calligraphy, anything that you can think of can take place in this space that

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is conducive to all types of art, although it is geared toward 'ōiwi art. After this, though, you will see that the building is also being designed to withstand category 3 hurricane force winds, and is a much-needed site for pre-disaster planning, emergency sheltering, and post-disaster recovery. So, I believe that this is where I introduce Keanu Lau Hee; is that correct? Okay. Keanu, take it away.

MS. LAU HEE: Good afternoon, Members. Thank you, Pueo. Yes, so, for...some of you know that my background...previously, I was an emergency manager with the Maui Emergency Management Agency. So, I have a strong desire to build resiliency within our community. So, if you'll go to the next slide, Erin. Thank you. So, as Pueo mentioned, we walked through an exercise with the Kumu Hula Steering Committee to identify their times of hula-focused use in the facility. And as Pueo mentions, there are times where the facility will be available for the general public to rent or use, or even for County to be able to take advantage of. So, the spaces listed here that are also reflected in the floor plan will be available for the general public. And as you can see, it's all the spaces except the retail spaces that we could leverage within the community for other types of events. Next slide, please, Erin. Okay. So, the plan you see before you, the green sections are the enhanced hurricane protection areas, which means these areas are built to withstand category 3 hurricane force winds. So, what we're doing here is building Central Maui's capacity to safely shelter residents in times of hurricanes and other, you know, natural disasters. You know, with climate change, we are going to see stronger storms, possibly more frequent storm activity. And so, increasing our capacity to be able to shelter...provide safe shelter to residents is very important. We have started conversations with the Maui Emergency Management agency, along with the American Red Cross, to help us inform our design decisions, and make sure the function really works for sheltering our public. In addition to that, you can see that some of these learning spaces, as well as exhibit spaces, provides an opportunity...an opportunity for education. Oftentimes, as a former emergency manager, I can tell you, we were scrambling to find places to do sky warn trainings for, you know, our public, or even CERT trainings to help train our volunteers. And this presents a opportune location for that to occur as to not interrupt with EOC operations. Now, in times of emergencies, oftentimes, since we are, you know, the most geographically isolated place on earth, FEMA or other Federal emergency teams will pre-deploy to the islands. What challenges that is there's often a lack of lodging opportunities because it might be really expensive or unavailable. So, the shower facilities located on level 1B would enable those types of activities to occur. When talking to Herman a few weeks ago, he did mention that he has been approached in the past to see if people could shelter, you know, in their facility because there are showers on the first floor. So, when I...when we started talking about this building and the potential uses, obviously, he was very excited about looking at that opportunity. Now, in post-disaster times, the recovery is very challenging for this community. You know, it takes a really long time. The impacts are significant. And so, what we see this as is an opportunity to take care or mālama our community. What they seek often, and what I've found through being deployed to many Federal-declared disasters, along with the 2018 Fissure 8--I call it lava drama--but incident on the Big Island is that people seek information. They want to be able to contact their loved ones. So, we see this as an opportunity, this facility, as...to service that recovery center for...for individuals. The kitchen could possibly serve as an opportunity to provide hot meals

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for congregate care, should people need it, drop and go pick up hot meals, partnering with nonprofit or NGO entities to provide that service. So...and also, in addition, oftentimes, you find communications will be impacted. So, people need a way to communicate with loved ones to tell them, I'm okay, here's how you can reach me. So, this facility provides that option. In really big disasters, the County is also looking at using this facility to establish the joint information center. So, what that is, is all the media entities can gather here, and all the communications folks can gather here, to deploy information to the public. Okay. Next slide, Erin. So, with a facility so grand, so nice, we realize there is going to be a need to support this facility operationally. The Department of Management, right now, is looking at different types of structures that would support this facility adequately, along with information that's coming in from the Sāzān group, the facility management plan, along with looking at some of the program...programming that's going to have to occur to support this facility with this significant investment. And so, we've identified some of the needs that is going to be required for this facility. Our hope is that we will go out to bid for a...a management entity to take on some of these service...some or most of these services to reduce the impact on the County budget. Next slide, Erin. So, what's coming? What have we done? So, this is a snapshot of the project timeline. We have started, obviously, the planning and the EA process. Community engagement will occur now throughout the entire facility...or the project timeline, as well as engagement with this body. Facility design, we hope to be complete at the...at the summer of 2023, and go out for permitting and bidding by the end of next calendar year. And beyond that, we hope to break ground sometime in 2024, when we have our permits, and we will obviously come back to this body with the execution of a grant or lease agreement to an entity that will manage the facility. Next slide, Erin. Okay, that's it. So, thanks for taking your time, listening to our presentation, and I will pause here.

CHAIR RAWLINS-FERNANDEZ: Mahalo for that very thorough, wonderful presentation. Members, at this time, I will hold off on questions. We will check for testimony, close public testimony, and then I'll open for questions. All right. So, is there anyone on that would like to testify? Please unmute yourself at this time, and you may proceed with your testimony. Okay. Hearing no one speaking up, are there any objections to closing public testimony, and accepting any written testimony into the record?

COUNCILMEMBERS: No objections.

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

CHAIR RAWLINS-FERNANDEZ: Okay, wonderful. Mahalo, Members. Okay. Would you like me to do round robin, or raise your hand when you're ready to ask a question? Okay. We'll raise your hand, and then I'll call on you. We'll go with Committee Vice-Chair Paltin, followed by Member Kama, and then Member Johnson. And I will put three minutes on the clock. Okay. Committee Vice-Chair Paltin, followed by Member Kama, and then Member Johnson.

VICE-CHAIR PALTIN: Thank you, Chair. Thank you, Ms. Wade, Ms. Lau Hee, and Mr. Pata, for your presentation. I had, I think, two main categories of questions. The first one...if

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the GPR indicates that there are many iwi, would we still move forward?

MS. WADE: Pueo, did you want to respond to that? What has the discussion been with the kumu hula?

MR. PATA: Yeah. So, quite early on, I believe it was February or March, just to be proactive, a subset of the Kumu Hula Steering Committee got together--we are the ones who have done iwi...dealt with iwi before--to discuss what possible plans we could implement. We all want them to remain in-site...or on-site, if possible, if they...if they do come up. We've also put together several proactive protocol, of course, in partnership with the different community organizations, SHPD, and the Burial Councils, but just to ensure that if there are iwi found, we know that we have an action plan. But doing this far in advance, we're hoping that if iwi are discovered, we can still have time to somewhat modify the...what we're doing going forward. The sooner we know, the better.

VICE-CHAIR PALTIN: Is there any threshold where you would abandon if there are so many found?

MR. PATA: Oh, I...just speaking from what we've done with the other sites, like where the...the land given to another group on the sand dune there, probably. If there's a lot of iwi found, we would not want...we would not want to be responsible for that form of desecration, yeah.

VICE-CHAIR PALTIN: Okay. And then in the...like the Fissure 8, and some other, like I guess Hurricane Iniki, sometimes recovery takes long time. Like, they're still dealing with stuff on Hawai'i Island yet. In those cases, where it's a long drawn out recovery, would the 'ōiwi arts still take precedence, or at what point does that balance like...I mean, if there is a ongoing disaster, and people are sheltering, it seems like obvious that shelter and public safety would take priority over 'ōiwi arts, but has it been discussed . . .(timer sounds). . . at one point...at what point recovery would be...

MR. PATA: Is that a Keanu answer?

MS. LAU HEE: I think so. Yes. So, the facility wouldn't serve as a congregate care facility. I think, Councilmember Paltin, you're familiar with Pāhoa. They had the tents out in...adjacent to the swimming pool. So, it wouldn't serve as...as that function. What it would really look like serving is a information hub. Where could you go to get information? Where can I make phone calls? That would be the service to the public. The hot meal pickups would be like pickup and go by...like, you know, oftentimes Catholic charities will do the feeding mission. So, in that sense, for prolonged recovery, it would be limited. We wouldn't look to do congregate care at this facility. There's other facilities that are...will be better suited for that function to occur.

VICE-CHAIR PALTIN: Okay.

MR. PATA: And if I might add onto that, too, you know, Huamakahikina, the group started because we wanted to care for our communities. We wanted to find a...form a healthcare



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system that is geared toward our genome, like our type of issues that we deal with, and that could complement...complicate COVID. And so, when this idea of, can this serve as a community health disaster...or excuse me, a natural disaster place, all the kumu hula that were involved, especially with Huamakahikina, said, hula is community. We have to have a way, if we can provide help, to provide help, especially in a place named Wailuku, which means waters that destroy. And, you know, there's a precedent for disaster in the area.

VICE-CHAIR PALTIN: I did have a follow up, but I'll wait until my next round. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair Paltin. Member Kama, followed by Member Johnson.

COUNCILMEMBER KAMA: Thank you, Chair. So, I have a question for Erin, a question for Kumu Pueo, and a question for Keanu, but I want to start with Erin first. Erin, is the slide available on Granicus?

MS. WADE: Yes, it is.

COUNCILMEMBER KAMA: Okay. Thank you. Then I'm going to go on to Kumu Pata. Kumu Pata, you mentioned, in your opening statements, that this facility would be used for 'ōiwi arts and those that are connected to hula. Do you have a list of all of those arts? Because I remember when I went there, the people were putting on...you know, their hopes and dreams on these small little Post-it notes. And one of the things I'm very clear about is...in our culture is, the spiritual aspect of who we are. And I didn't hear any mention of the spiritual aspect in this whole presentation of where people could go to be able to do that.

MR. PATA: Yeah. So, one of those things is ceremony training. That's in the...when we got feedback from the open houses, and some of the forums, training for like ceremony. It could be iwi repatriation, it could be 'awa ceremonies. And, of course, that one whole section on the mauka side...on the south side is geared for hālau who practice kuahu...kuahu practitioners. And so, there will be that aspect available there as well. And, you know, thank you for pointing that out, Councilmember Kama. We take for granted that our spirituality is...infiltrates everything that we do, but sometimes people...it needs to be blatantly said. So, thank you for bringing that up.

COUNCILMEMBER KAMA: Okay, thank you. And then my last question to, I think, Keanu. Thank you for your presentation, and...but I will tell you, my whole sense of when we were looking at this during budget, was to be able to perpetuate nā mea Hawai'i, right? And I don't kind of see EOC or MEMA as being a part of that. So...so, what I hear about the presentation, how this could be used as another functionality, which I don't mind, but I don't want that to be the main function of why we're creating the Hālau of 'Ōiwi Arts. To me, this is something that our Hawaiian people have been looking forward to for so long. I mean, you look all over this community, all over our State, and you've got villages where there's a Filipino community. You've got community centers for the

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Puerto Rican...but we don't have anything like that for Native Hawaiians. This is it. This is ours, and we want to make...at least for me, that if we're going to do this, I'd like to be able to make sure that it stays for its intent and purposes, and be able to...if we need to utilize it for other things, so be it. But I would like to be able to see it, at least, you know, being activated and utilized for, you know, those things of Nā Mea Hawai'i. So, thank you. No question for you, Keanu. I just wanted to mention all that. Thank you.

MR. PATA: . . .*(inaudible)*. . . Councilmember Kama. So, we don't anticipate disasters even yearly. . . .*(timer sounds)*. . . So, the main function will be geared toward hula and 'ōiwi art, most definitely.

COUNCILMEMBER KAMA: Mahalo, Kumu.

MR. PATA: All right.

COUNCILMEMBER KAMA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Member Johnson, followed by Member Sinenci.

COUNCILMEMBER JOHNSON: Thank you, Chair. So, I...folks, I have some questions, and if I get the answer, pardon me if I cut you off. I'm just so...I'm on a timer, so, I don't mean to be rude. So, the first thing, looking at the budget, you have 150,000 for archeological services. Are...is that in addition to our County Archaeologists, or do you plan to use our County Archaeologists?

MS. WADE: Thank you for the question. Our County Archaeologist is currently involved with the process, and is working on the cultural impact assessment with Kumu Pueo, and will continue to oversee the reports that are being done. The fieldwork itself that needs to happen for the archaeology will be hired out.

COUNCILMEMBER JOHNSON: Oh, okay.

MS. WADE: We do have...Cultural Resource Hawai'i currently is helping with that.

COUNCILMEMBER JOHNSON: Okay. That's who that is? All right. Thank you so much. My next question is the 78,000 in LEED management. LEED management, to me...in my mind...and forgive me, I don't...that's why I'm asking. Does that mean it's going to be LEED certified? And if so, what color...or silver, gold...I don't know what...you know what I mean, what rank.

MS. WADE: Thank you for that. That's what the OCR workshop, where you saw all those face is, to help us identify. So, yes, LEED certification is a priority for the facility. We don't know yet until we get into more of the uses of the space.

COUNCILMEMBER JOHNSON: Okay.

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MS. WADE: But we'll keep you updated.

COUNCILMEMBER JOHNSON: Oh, okay. Wonderful, thanks. So, as far as...the next question is about the ground-penetrating radar. I didn't really...I...you went through it, but maybe I missed it. So, how deep does it go, and how deep do you plan to dig?

MS. WADE: The radar can go...it depends on the soil matrix. It can go much deeper in sand. This is not sand. We're dealing with soil and clay. When you think of a lo'i...previous lo'i field, that's sort of the complex of the soil structure. Right now, it goes between four and a half and six feet is how deep we're able to go. We will go much deeper than that, but --

COUNCILMEMBER JOHNSON: Okay.

MS. WADE: -- the reality is, the iwi are much closer to the surface --

COUNCILMEMBER JOHNSON: Okay. Thank you for clarifying.

MS. WADE: -- when they're being identified.

COUNCILMEMBER JOHNSON: Yeah. So, then...now, about the category 3 hurricane and the idea that it might be used for shelter. Are dogs...will dogs be allowed for that? I always got to ask. I'm a dog lover.

MS. LAU HEE: Thanks, Councilmember. Yeah, it's a good question. We're still talking about...to the Red Cross about requirements as far as the facility, you know, and what the facility is able to accommodate. We do have other pet shelters available on the island that have been identified. So, if this is going to be a pet shelter, we're not yet certain on that.

COUNCILMEMBER JOHNSON: Yeah, maybe...

MS. LAU HEE: We're still talking to the Red Cross.

COUNCILMEMBER JOHNSON: I understand that. Maybe that's too early of a question. But...okay. So, now, I'm looking at the Federal funding. Is it...the Federal funding tied to the idea that you get the money, the Federal money, if this acts as a shelter? Is that...are there...is there a tying to that? It seems to me, the way that it was in the report, that's what it was saying.

MS. WADE: That's correct. The emergency requirement is actually a building code requirement. . . .(timer sounds). . . Any time you have an assembly space over 200 people, it must be utilized and rated for a cat 3 event.

COUNCILMEMBER JOHNSON: Okay. So, if the Federal funding doesn't...I know it...you're saying that it's...well, my time's up, but I just wanted to clarify that for that Federal

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funding. So, thank you so much. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: But did you get your answer, Member Johnson?

COUNCILMEMBER JOHNSON: Well, it seems to me that...yeah, yeah. Because with...we don't know until the Federal funding gets actually, you know, issued. So, thanks. That's good enough.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Johnson. Member Sinenci, followed by Member Sugimura.

COUNCILMEMBER SINENCI: Mahalo, Chair. And mahalo to Ms. Wade, Mr. Pata, and Ms. Lau Hee. What a great presentation, exciting at the same time. And I appreciate the hard work, and...and reaching out to the community, and having them weigh in in this process at the conceptual stage. So, I appreciate that. My question for Ms. Wade...and I know Ms. Wade has been part of this process from...from long time now, from at the very beginning, and has, you know, evolved into the Hālau of 'Ōiwi Arts. My question is about traffic. And so...and we've had that conversation before, you know. And are you working...when we look at some of the larger roads and thoroughfares that service into Wailuku Town, are you working with the Transit Corridor Group? Are you looking at Waiale, and how are your traffic mitigation studies? I'd like to see some of those graphics too, as well.

MS. WADE: Okay, perfect. Thanks for that. Yeah, so, we are updating the traffic study for the environmental assessment. That's...should be complete by the end of this month. So, we'll be happy to share that as soon as it's available. The actual use of the facility, it's reduced in size from the previous version, so, the traffic impact is actually expected to be less than the earlier version.

COUNCILMEMBER SINENCI: The parking...the available parking, street parking, impacts on surrounding neighborhoods should be...should be less than expected? Okay.

MS. WADE: Yes, that's correct. Yes.

COUNCILMEMBER SINENCI: And I'll wait...I'll wait for that next time. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Sugimura, followed by Member Molina.

COUNCILMEMBER SUGIMURA: I think Chair Lee had her hand up before me.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Lee, followed by Member Sugimura, and then Member Molina.

COUNCILMEMBER LEE: Thank you. Question for Erin. Erin, thanks for the presentation. Have you preliminarily looked at anticipated revenues versus expenses? What are they?

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MS. WADE: Yeah, so, we don't have numbers yet. We do have some idea, with our OCR workshop, what maintenance per square foot numbers are. We're looking at the number of Staff that are going to be required to maintain the facility. We, of course, have cost per square foot numbers related to the retail from market study information that's provided. So, we're compiling all that now, and we'll get a...probably a better sense before the end of next quarter what revenue potential could look like for the facility.

COUNCILMEMBER LEE: Thank you. That's all I have.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Member Sugimura, followed by Member Molina.

COUNCILMEMBER SUGIMURA: Thank you. That ties into my first question--I guess it's for Erin--because the different hālaus, or groups, that are going to be using this, will it...will there be a charge for a revenue source, or is this anticipated to be all for no cost?

MS. WADE: Yeah, we haven't identified a rate schedule at this point for the facility, but we will continue working towards that and determining what community groups. Is there a discounted rate for a specific groups? Is there a discounted rate? You know, we have spoken with Kaunoha about some early opportunities. So, we want to get a better sense of who's exactly going to be utilizing the space before we set those parameters.

COUNCILMEMBER SUGIMURA: Okay. Interesting because I think we heard from a lot of different hālau kumu about their experiences, and the costs and, you know, the disadvantages of where they have to practice, so, I look forward to that. In your presentation, Erin, you had mentioned that offices were considered problematic, so, this design or use is better. So, can you explain that? Because I think that was what the civic complex was supposed to be, with the 2000 MRA Wailuku Redevelopment Plan.

MS. WADE: Yeah, thank you. We had 14,000 square feet of County office. We had a commission...board and commissions room in that space. And the challenge with that is the bulk of the occupancy for that facility would've been during Wailuku's peak demand times. So, the parking structure is expected to be quite saturated during the daytime uses, and the Government office space was going to compound that further, complicating it. The positive here is, hālau arts and culture happens nights and weekends for the majority of the use, which is during the downtime of Wailuku Town activities. So, it leverages the parking in a much more effective way.

COUNCILMEMBER SUGIMURA: Okay. That ties into the next thing, which is also the next item, but talking about Parking Revenue Fund. So, will the participants who will use the parking structure on off times of Government, which is, you know, evenings and weekends...will they be charged a parking fee?

MS. WADE: We haven't set, of course, the rates and the time frame yet for the...when parking is charged for, and when it's not. I know that the initial look was during the times that we're managing hours anyway in Wailuku Town. So, it...it's a possibility. But again,

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all of this has to...we have to do our revenue models for all of these to determine how to most effectively price.

COUNCILMEMBER SUGIMURA: Okay. Because then I hope you will provide us that opportunity so we have guidance because of what . . .*(timer sounds)*. . . So, thank you.

MR. BAZ: Chair, I might just add...

CHAIR RAWLINS-FERNANDEZ: And just to add that Council does budget every year. I don't know if...Managing Director Baz, if that's what you were chiming in to say, that...

MR. BAZ: Yeah, just really quick. You know, we'll do the research, and provide you with all the information. And, of course, the Mayor will make a recommendation. But you make the final decision on all of those factors. And so...but we want to make sure that you are eyes wide open, looking at the different factors, so that when you make a final decision on, yes, whether or not somebody should be charged in the evening, or this or that, that you make that with as much knowledge as you can. So, we'll continue to do the research, provide it to you. If you have things that you specifically want us to look at, please share that with us, and we can help look at that as well.

COUNCILMEMBER SUGIMURA: So, that's what I was looking for because we would need your guidance, and you're already doing the community outreach. So, thank you very much for that.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Molina.

COUNCILMEMBER MOLINA: Mahalo, Madam Chair. And mahalo to Kumu Pueo, and Ms. Lau Hee, and also, Ms. Wade. Touching upon the emergency shelter issue, so, right now, the closest emergency shelter site to the County Building is where? Would that be like Wailuku Elementary School, 'Īao School at this point?

MS. LAU HEE: Well, if we're speaking insofar as capacity to withstand hurricane force winds...category 3 hurricane force winds, we are very, very limited on the County. I would say our best facility thus far is our...probably our newest, which would be Kihei Gym, the South Maui gym. We do use schools, public schools, but we have to use individual classrooms for...to serve that purpose. The roof span usually is not built to withstand cat 3 winds.

COUNCILMEMBER MOLINA: Okay. Well, it's good that this facility will be able to withstand the category 3, yeah. Okay. And then my second and final question before my time is up. In terms of looking long term for any large special events, I don't...I don't know if we'll be able to have an event such as the Merrie Monarch, for example. So, maybe this is one for Kumu Pueo. Is that something you're looking at down the road? And I bring it up because this past weekend, I went to a wonderful event at the 'Īao Theater. I got to saw the...I saw the Rocky Horror Picture Show, which is a very unique and good fun event. And I saw the shuttle buses bringing in people because of the lack of parking. Are you folks looking at, you know, again, having large special events in the future?

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And, I guess, using that same, I guess, model, if you will, bringing in the shuttle buses? And will the center be given...giving first preference to Hawaiian cultural events versus non-Hawaiian cultural events? What do you envision the policy will be?

MR. PATA: As far as the capacity, though, the meeting area can...upstairs can fit about 300 people. So, we couldn't host large competitions, or anything like that. My hālau family, you know, is 300 people alone. But we do anticipate other types of ho'olaule'a, where people can be shuttled in, and hosted at the facility in the large lawn area. And then your other question was...I was focused on the first question. What was your second question?

COUNCILMEMBER MOLINA: Oh, I guess the...bringing, I guess, shuttle buses...oh, the...and I guess the policy in terms of will first preference for people who want to rent out space...

MR. PATA: Yes.

COUNCILMEMBER MOLINA: Will first preference be given to something that's related to Hawaiian culture, or is it just wide open to...

MR. PATA: That's how we would like it. So, we would encourage our practitioners to apply first, or to register first, and to ho'o...ho'opau--what do you call that--reserve the space first. Because if it's not reserved, then it will go to other 'ōiwi art, and then to the general public.

COUNCILMEMBER MOLINA: Okay, great. All right. Thank you very much. . . .(timer sounds).  
. . All right.

CHAIR RAWLINS-FERNANDEZ: Perfect timing. Member King.

COUNCILMEMBER KING: Thank you, Chair. And thanks for that presentation. You know, I'm just really impressed that you folks are thinking about public safety, as well as the primary purpose of your structure. And I'm assuming this is going to be a County-owned facility, Erin?

MS. WADE: That's correct, yes.

COUNCILMEMBER KING: Okay. And I mean, I think most of the questions that I had, asked and answered, but the one question I had was, do we have a...we have an ordinance that requires any facilities over 5,000 square feet to be Net-Zero. So, have you guys...have you folks thought about that, and are you planning for that?

MS. WADE: Yes, we're looking at that in the discussions with the LEED certification.

COUNCILMEMBER KING: Okay. But LEED certification is different than Net-Zero, just to be clear, okay. So, you guys know what that means, and...I mean, it'll be exciting to see a building actually built to Net-Zero from the beginning. So, thank you for paying attention to that. I think Pueo has a...did you want to say something?

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MR. PATA: Yes. Yes, Member King. So, just what we require, as hula practitioners, as stewards of the environment, we also are telling the designers, this better fit with our cultural values as well. And so, they're really bending over backwards to accommodate all of our requests for that as well.

COUNCILMEMBER KING: Okay. So, the Net-Zero issues are...are considered part of the cultural values?

MR. PATA: Oh, absolutely. Yeah.

COUNCILMEMBER KING: Great. All right. Thank you. That's the only question I had, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. I just have...I just have two questions. One, in the presentation, the revenue from tenants, lessees, do you...was there...have there been any recommendations on whether it should go to General Fund or whether it...we would create a revolving fund so that we know that it's going to the maintenance?

MS. WADE: Thank you, Chair. I think it depends on how we end up either leasing or partially leasing out the building to a nonprofit. And we will, probably in the next quarter, be looking at what the management of that looks like. I don't expect it to be where the revenue coming in is going into General Fund. We would need it to go back to the support of the facility in one way or another.

CHAIR RAWLINS-FERNANDEZ: Ms. Wade...Managing Director Baz?

MR. BAZ: Thank you, yes. And I agree with Ms. Wade's comments, but we...you know, we would present to you probably the creation of a special fund that would manage the revenue coming in, and...whether it's from leases or from rents, similar to...so, we have a couple of different options. Īao Theater is...is one example where we wholly lease the building to a nonprofit organization through the County Council authorization. And the other is through like our normal park and facilities, where you set the rates and fees in our Appendix B, and then we process it like a permit, you know, so, somebody is getting a permit. There's challenges and benefits both ways, but definitely something we can talk about in the future.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Mahalo, Managing Director Baz. Okay. And then my last question is, in discussions, have there been any recommendations on how tenants and lessees would be determined, you know, the application, and how that would work yet? I know it's still early, but...okay.

MS. WADE: It is very early. Actually, just this week, we've been having conversations with that that looks like. What we're expecting to do is create a document that outlines the values and priorities for the use of the building, and to allow that to guide the process.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. So, that concludes round one. Did any other



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Members have any questions for round two? And I'll put two minutes on the clock for any follow up, and then we'll take our recess. Okay. I see questions from Committee Vice-Chair Paltin, followed by Member Kama. Committee Vice-Chair Paltin.

VICE-CHAIR PALTIN: Thank you, Chair. Thank you to our resources. And I just have this question so that we go in with our eyes wide open. In looking at the foundational documents for the Maui Arts and Cultural Center, the intention wasn't for us to continue to give them millions of dollars annually, and yet, we find ourselves doing that. And I'm not saying that we should continue to give Maui Arts and Cultural Center millions of dollars annually and not give the Hālau of 'Ōiwi Arts millions of dollars annually, but I just was wondering if you could speak to that. If the Hālau of 'Ōiwi Arts is intended to be self-sustaining, what makes it different than the Maui Arts and Cultural Center, when they're not self-sustaining?

MS. WADE: Thank you. Good question. You know, so, we do have the retail spaces, which are intended to support the operations and management. But in addition to that, you know, the difference in scope and scale of the MACC and this space...it's only about a tenth of the size of the property that the MACC occupies, which certainly takes up a lot of cost. And the size of the events and management of the size of the events that the MAC does have to take on is on a much greater scale than what this facility would be able to hold, and the folks needing to be there to support that kind of an event. So, I think partially, you know, the type of activity that's coming in here is not going to be as much of a...need as much revenue to support. And then in addition to that, having the built-in sources of revenue is going to be an asset as well.

VICE-CHAIR PALTIN: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair Paltin. Member Kama.

COUNCILMEMBER KAMA: Thank you, Chair. So, my next question is...I have...and if you don't have the answer today, that's okay. But do you know what the total square footage is of the Hālau of 'Ōiwi Arts from ground floor, first floor, second floor...and then is there a third floor, or there's only two floors up there? And if you do, have you sorted out the square footage for retail, square footage for community, square footage for the emergency management? Have you kind of like sorted that out in terms of square footage?

MS. WADE: Thank you. We do have the square footage for all of the things you've asked.

COUNCILMEMBER KAMA: Oh, okay.

MS. WADE: So, it might be best...I would be happy to send you a follow up with the breakdown if you would like that.

COUNCILMEMBER KAMA: I would...I would...I would like to see that. Thank you so very much. And thank you, Chair, for giving me the opportunity to ask that last question that I had. So, thank you.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Anyone else with any follow-up questions? No? Good job, team. Okay. Looks like there are no other questions, and we'll look forward to the details on Member Kama's question, Ms. Wade?

MS. WADE: Happy to provide that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Perfect. Okay. So, perfect timing. It's 2:59. So, we'll thank Managing Director Baz, Ms. Wade, Kumu Pueo, and Ms. Lau Hee for being with us today.

MS. WADE: Thank you. And we'll see you again for parking fund if we're...if we're going to take that up today.

CHAIR RAWLINS-FERNANDEZ: Yes, we'll take it up right after our break. So, aloha.

MR. BAZ: Aloha.

MS. WADE: Aloha. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. It's 3:00 Members. We'll break to 3:10? Okay. The Budget, Finance, and Economic Development Committee is now in recess. . . .*(gavel)*. . .

<b>RECESS:</b>	<b>3:00 p.m.</b>
<b>RECONVENE:</b>	<b>3:10 p.m.</b>

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Will the Budget, Finance, and Economic Development Committee please return to order. Hope everyone feels refreshed after that break. I forgot to defer the previous item. So, are there any objections to deferring BFED-32(11)?

COUNCILMEMBERS: No objections.

**ACTION: DEFER pending further discussion.**

CHAIR RAWLINS-FERNANDEZ: Great. Mahalo, Members.

**ITEM 119: BILL 150 (2002), ESTABLISHING A PARKING REVENUE FUND** (Bill 150 (2022))

CHAIR RAWLINS-FERNANDEZ: Our second item on today's agenda is BFED-119, Bill 150, Establishing a Parking Revenue Fund. And as Member Sugimura stated earlier, we had two items in the IT Committee that we discussed relating to this. So, we will invite Ms. Wade back on for any opening comments, and then Budget Director Michele Yoshimura, and then Department of Finance. Aloha, Ms. Wade.

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MS. WADE: Aloha. Good afternoon again, and thank you for having us. The ordinance before you today is the creation of a Parking Revenue Fund for the receipt of revenues generated as a result of the Paid Parking Ordinance, which you folks participated in passing out of the IT Committee two weeks ago. That was Title 10. So, the ordinance is quite self-explanatory, the creation of the fund for the use of managing, maintaining the parking facilities. And then there's additional potential uses for the revenue, should there be excess beyond what's needed to maintain the parking system is generally what it's about, and I'm here to answer any questions. I know Director Baz is also still on. We also have Julie Dixon from Dixon Resources Unlimited, who assists with communities all over the nation in doing this. So, she's here as well. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Wade. Budget Director Yoshimura? Oh, there you are.

MS. YOSHIMURA: Sorry, Chair.

CHAIR RAWLINS-FERNANDEZ: Any opening comments?

MS. YOSHIMURA: I am just here for a resource. If there's any questions I can address, then I'd be happy to. Thank you.

CHAIR RAWLINS-FERNANDEZ: Perfect. Mahalo, Budget Director. Okay. And then, is Finance Director on, or a representative from Finance, for any opening comments? Okay, we'll double check. Okay. All right. So, at this time, we'll open public testimony for BFED-19 [sic]. We did receive testimony at the beginning of the meeting on this item. Are there any other participants signed on that would like to provide testimony? You may do so at this time. Please unmute yourself, and you may proceed. Okay. Hearing no one speaking up, are there any objections to closing public testimony and...oral testimony, and receiving written testimony into the record if there aren't any --

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. All right. Okay. So, are there any questions of our resource personnel? We have Ms. Wade, Miss...Budget Director Yoshimura.

MS. WADE: Chair, I believe Director Teruya also just joined.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Aloha, Finance Director.

MR. TERUYA: Good afternoon. Sorry, I was on...I was logged into tomorrow's meeting, so, a little early...a little early.

CHAIR RAWLINS-FERNANDEZ: Excited. Did you have any opening remarks on this item?

MR. TERUYA: No, not at this time, Chair, other than Finance would create the account, but we don't really collect the revenues. But we'll create the account. Thanks.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Member King, I saw your hand up.

COUNCILMEMBER KING: Yeah, I just wanted to say...I don't have any questions. And maybe I'm...maybe I'm going to say what everyone else is thinking. It's pretty straightforward. I like the uses of the fund, and I like the allowance you did for any kind of revenue beyond what we need for the initial purposes. So, I'm in support. I'm ready to vote.

CHAIR RAWLINS-FERNANDEZ: Perfect. Mahalo for summing it up for everyone. Yeah, I agree. And the purposes are pretty broad, so, you know, even some of the ideas that Ms. Chase had talked about could be included under those. So, wonderful. The Chair will entertain a motion to recommend passage on first reading of Bill 152 (2022), entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 3, MAUI COUNTY CODE, RELATING TO THE ESTABLISHMENT OF A PARKING REVENUE FUND," incorporating any nonsubstantive revisions.

COUNCILMEMBER KAMA: So move.

COUNCILMEMBER KING: So move.

COUNCILMEMBER SUGIMURA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Kama, seconded by Member King. Discussion, Members?

COUNCILMEMBER KAMA: None.

CHAIR RAWLINS-FERNANDEZ: Member Molina.

COUNCILMEMBER MOLINA: Yeah, Madam Chair. I speak in support of this. Just a question. I guess Ms. Wade had mentioned earlier about the surplus. So, again, what is the intention for the surplus? You're going to keep it in the fund, or any other purpose for the surplus, if you can just share that with us?

MS. WADE: Thank you. The purpose of it being a revolving fund is that it would stay in this fund and not go back into the general, and then have the ability to be utilized on the listed issues and concepts that are identified within the ordinance itself. So, those are 1 through 4 within the ordinance.

COUNCILMEMBER MOLINA: In the list, yeah. Okay. All right. I just wanted to get clarification on that. Thank you. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. And here, I put the surplus purpose in the chat for anyone that may have missed it. Okay. Any other discussion? Managing Director Baz, I saw you pop on. Okay.

MR. BAZ: Yeah, Erin answered the question well, so, I'm good. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Okay, perfect. All right. I will call for the question then. All those in favor of the motion, please raise your hand and say "aye." Aye.

COUNCILMEMBERS: Aye..

CHAIR RAWLINS-FERNANDEZ: Okay. Motion passes unanimously, nine ayes, zero noes.

**VOTE:       AYES:       Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, Kama, King, Lee, Molina, Sinenci, and Sugimura.**

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       None.**

**MOTION CARRIED.**

**ACTION:**     Recommending **FIRST READING** of Bill 150 (2022) by C.R.

CHAIR RAWLINS-FERNANDEZ: And I think we can now thank Ms. Wade for coming, and then she can go. Managing Director Baz --

MR. BAZ: Mahalo, everyone.

CHAIR RAWLINS-FERNANDEZ: -- and Finance Director Teruya...oh, no, Finance Director needs to stay for the next item.

COUNCILMEMBER KING: That's got to be a record, Chair, for passing a bill in Committee.

CHAIR RAWLINS-FERNANDEZ: Good job, BFED Committee. Okay. Oh, Member Sugimura.

COUNCILMEMBER SUGIMURA: I had a question. So, does this exclude parking fees for Chapter 3.38 and 3.26? Maybe that's a Michele Yoshimura question.

CHAIR RAWLINS-FERNANDEZ: We voted on it already.

COUNCILMEMBER SUGIMURA: I know.

CHAIR RAWLINS-FERNANDEZ: We can't discuss it anymore.

COUNCILMEMBER SUGIMURA: I know.

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CHAIR RAWLINS-FERNANDEZ: I'm just kidding. Budget Director Yoshimura.

COUNCILMEMBER SUGIMURA: Did she leave?

CHAIR RAWLINS-FERNANDEZ: No, she's right there. Did you hear Member Sugimura's question? Would you like her to repeat it?

MS. YOSHIMURA: Yes, please.

COUNCILMEMBER SUGIMURA: Oh, does the...

CHAIR RAWLINS-FERNANDEZ: Member Sugimura.

COUNCILMEMBER SUGIMURA: Does this exclude parking fees for Chapter 3.38 and 3.26?

MS. YOSHIMURA: Hold on one second.

CHAIR RAWLINS-FERNANDEZ: You don't have the Maui County Code memorized?

MS. YOSHIMURA: Yeah. Chapter 3.38...

CHAIR RAWLINS-FERNANDEZ: . . . *(laughing)* . . .

COUNCILMEMBER SUGIMURA: 38.

MS. YOSHIMURA: Chapter 3.38...

CHAIR RAWLINS-FERNANDEZ: Maybe if you...Member Sugimura, can you read the title of what those...

MS. YOSHIMURA: Oh, the...I got it.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: Chapter 3.38 is the Hawaiian Cultural Restoration Fund. Fees from a parking lot in Lāhainā goes into this account. And you said 3 point --

COUNCILMEMBER SUGIMURA: 26.

MS. YOSHIMURA: -- 26. 3.26 is employee parking fees that are collected from permits here at the building, Kalana O Maui campus. So, that goes into an Employee Parking Fee Fund. So, I guess there's a question, does that...is that excluded from the Parking Revenue Fund, right?

COUNCILMEMBER SUGIMURA: Yes.

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MS. YOSHIMURA: I don't know if there's any exclusions. The revenues in the parking fund shall not be used for any...oh, it's just the purposes. So, it...looking at 3.31.030, all fees collected from County paid parking, including revenue from parking payment devices, parking permits, and parking citations. So, I'm not sure if we would have to exclude . . . *(timer sounds)*. . . those other two fees if we wanted to keep it separate. I guess I'd have to ask Corporation Counsel.

COUNCILMEMBER SUGIMURA: Ah, important.

MS. YOSHIMURA: Sorry.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. . . *(inaudible)*. . . Sugimura?

COUNCILMEMBER SUGIMURA: So, what shall we do? I think it's a important question, right, unless it's going to be put into this fund where there's other funds established for employee parking and the Lāhainā District. Maybe just...we need clarification.

CHAIR RAWLINS-FERNANDEZ: Ms. DesJardins.

MS. DESJARDINS: Thank you. So, because there's a separate provision for the specific parking lot in Lāhainā, I guess I would look legally at the fact that it...there's a clear intent, legislative intent, at least...at least at this point, is to have that money funneled into its own fund. I mean, I don't know what the mechanism is for payment over there. I don't know. I think you go in and you get a ticket, and then you pay it on the way out or it has one of those little box things, whereas this seems to be more directed towards devices, claimants, and citations. So, again, I would say it's really geared more towards parking meters, citations, or those little placards that were being issued that would allow you to park somewhere. But we can definitely look into that further to see whether there needs to be an adjustment to 3.38.

COUNCILMEMBER SUGIMURA: Okay. For clarity, then. Okay. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Committee Vice-Chair Paltin.

VICE-CHAIR PALTIN: When I was speaking to, I think, Ms. Lau Hee about it...she came to the District Office and we had a meeting. Currently the way it is isn't anticipated to be the way it is moving forward because of the Park Maui. Right now, it's Diamond Parking, I believe, or something. And so, it's done that way, but it's anticipated to transition over to that other method...methodology that we saw the presentation for. So, it's not expected to continue the way it currently is, was my understanding.

COUNCILMEMBER SUGIMURA: Oh.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Mahalo, Member Sugimura. Okay. We voted. We're going to move on to the next item.

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**ITEM 32(10): AMENDMENTS TO PROMOTE EQUITY IN REAL PROPERTY  
TAX LEGISLATION, INCLUDING SECTIONS 3.48.361 AND  
3.48.466, MAUI COUNTY CODE (Rule 7(B))**

CHAIR RAWLINS-FERNANDEZ: Okay. The last item is BFED-32(10), amendments to promote equity in Real Property Tax legislation, including Sections 3.48.361 and 3.48.466, Maui County Code. Members, we recently worked to amend Maui County Code to promote equity in our property tax legislation. Today, we will be discussing other areas of Maui County Code that we may want to consider amending, including real property dedicated as 'āina kūpuna and long-term rentals. All right. And I will share my presentation. (*silence*) Oh, Committee Vice-Chair Paltin, I see you raising your hand.

VICE-CHAIR PALTIN: I just was wondering if we should refresh Granicus. I didn't see the presentation uploaded. Is it...

CHAIR RAWLINS-FERNANDEZ: My presentation?

VICE-CHAIR PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: Oh, no, I didn't send it yet.

VICE-CHAIR PALTIN: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: I just finished it. Okay. Here we go. Oops. Okay, there we go. Okay. I can see it on *Akakū*. All right. Here we go. Promoting property tax equity. And I want to thank the Real Property Tax Division for all their contributions in working on providing the amendments in addressing some of the creativity that some of the applicants have in applying for the tax...the property tax relief that we established for those who need it. 3.48.466, long-term rentals standard for valuation. So, under this section, what the division was seeing was some owners renting to themselves. And so...oh, shoot, I see a typo. Okay. The real property...so, amending real property to instead state dwelling units as defined in the Comprehensive Zoning Ordinance. And then amending an individual or individuals, and instead writing a natural person with no place of...no other place of residence. And so, in experiencing some of these creative ways of trying to get the exemption and classification, other policy proposals or suggested amendments is to...that...to include language that states that if a long-term rental lease is granted to any of the following, exemption must not be allowed: a natural person who has an ownership interest in the property, including natural persons who are considered as owners in Section 3.48.150 of this Code; a member of a corporation that has an ownership interest in the property; a partner in a partnership that has an ownership interest in the property; business, corporation, partnership, or any entity other than a natural person; that if the tenant of a long-term lease has at least one other residence, the exemption must not be allowed. Okay. Another creative way that people were applying was leases that were for 12 months and, for example, 1 day. And so, that would qualify them for the next year of the exemption and classification for a long-term rental, which wasn't the intention. So, that if the term...so, the proposed language instead...we would add that if the term of the lease is greater than one year, one year of



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exemption will be granted. If the initial year of the exemption...after the initial year of the exemption, no exemption will be allowed unless the lease terminates after September 30th of any subsequent assessment year. Then there was some short-term rental use on the property. And so, if we would like to address that via policy, suggested language is, if, during the course of the assessment year, the property is used as a transient vacation rental or short-term rental home, the exemption must be revoked, and the taxes for the entire year recalculated without the exemption. So, those are for the long-term exemption and...long-term rental exemption and classification. And then the next is in the classification of real property. Okay. So, in some of the hotel zoned areas, where the highest and best use in that zone is transient vacation rental use, those areas were granted annuities or a benefit as a tradeoff for revenue to County Government. And so, that benefit they have received, and some have not wanted to pay the STR rate, so...because it's not being rented short term. So, in the classification, instead of calling the classification short-term rental, a proposed policy to address this is to call it TVR-STRH, so that it encompasses all of those situations throughout that section. Okay. And then the last part is the 'āina kūpuna section. And we heard this in testimony at the last budget meeting. And the aggregate total in the criteria is 50,000. Oh, shoot, typo. Okay. So, it excludes a lot of 'āina kūpuna. And so, the proposal is to reduce the 50,000 aggregate to maybe 15,000 or 20,000, so that other 'āina kūpuna in the SMA area would qualify. Oh, shoot. And the last slide is some administrative housekeeping proposals to...under the long-term rental, to add a section...subsection, the Real Property Tax must report any change in use or occupancy of a property with a long-term rental exemption within 30 days of that change. The Director may investigate any real property, and if the Director determines that the actual use differs from a long-term rental, the Director may reclassify and reassess the real property. And then under 3.48.305(B)(8), homeowner was inadvertently used, so we would amend that to put owner-occupied in that section. Okay. That's the presentation. We will go to testimony, and then we have the Finance Department here for clarifications, and...or I guess I could do any opening remarks before I go testimony. We have Finance Director Teruya, and we have Real Property Tax Administrator Marcy Martin.

MR. TERUYA: Thank you, Chair. And good afternoon, Members. I guess just for opening comments and remarks, I guess the Department really appreciates the opportunity to collaborate with the Council to discuss the amendments that were...that you just introduced because it's intended for fairness in our Tax Code. So, the Department appreciated working with you in some of these, I guess, considerations. So, I'll end with that, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Aloha, Ms. Martin. Do you have any opening comments?

MS. MARTIN: Thank you, Chair. I'd like to reiterate what Director Teruya said. We appreciate this opportunity to discuss concerns, and we have reviewed the changes and the programs, and we are here to provide you with support and data to making those policy decisions.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Martin. Okay, Members. We're going to

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hold questions. We're going to open testimony, receive testimony, and then we'll open for questions. I see one individual on the list to testify. Okay. Thomas Croly, you may proceed.

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

MR. CROLY: Aloha, Committee. Tom Croly. I anticipated some of these. I didn't anticipate all of the things that you found up there, and I'm just going to add something that I heard. Not that I know specifically that anyone's doing this, but I have heard people say, well, I could just have a lease to a family member who's not really living there. So, I would just put that out there, that the lease might be bogus if someone were saying that their family member was renting from them, and I don't think that really meets the intent of the law. The other basic concern that I had in...with respect to the potential abuse that someone could have of this is someone putting a tenant, real or not, into a portion of a very high-valued home. Now, you can address this to some extent with the tax rates that you set, so that the higher-value properties get taxed at a higher rate. But to essentially move a home from being in the category of non-owner occupied to owner...to this long-term rental by just having a portion of a very valuable home being rented, again, bogus or not, to someone, and that not really being reflective of the whole property, if you know what I mean. So, those are just a couple things that I have heard or thought of about this program that...where you might want to try to plug those holes. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Croly, for your testimony. Okay. I have a question for you. I put in the chat my last slide, which...the real property owner must report any change in use or occupancy of a property with a long-term rental exemption within 30 days of that change. The Director may investigate any real property, and if the Director determines that the actual use differs from a long-term rental, the Director may reclassify and reassess the real property. Does that address one of the concerns you brought up as far as them being bogus?

MR. CROLY: You mean like a family member one?

CHAIR RAWLINS-FERNANDEZ: Whatever the examples you were mentioning. The...

MR. CROLY: Well, I mean, certainly, if the...if the Director investigates and finds something wrong. But if someone has a lease, let's say, that meets all the criteria, but the lease is to the owner's daughter, okay, who may not have the owner's last name, so, it might not be obvious, is that what's intended by this? Do you understand what I'm saying? What...I think we're trying to create real rentals for real residents of Maui, and not have the owner of a second home putting down someone who might actually just be a part-time resident themselves, in order to get around paying the...being classified correctly.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Croly.

MR. CROLY: Yeah.

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CHAIR RAWLINS-FERNANDEZ: Members, any other questions? Seeing none. We'll thank you for your testimony. Okay. Is there anyone else on wishing to testify? Okay. Hearing no one speaking up, are there any objections to closing oral testimony and accepting any written testimony into the record?

COUNCILMEMBERS: No objections.

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

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. All right. I am going to try to keep discussion as organized as possible. So, we'll start with the first section on long-term rentals. So, the concern that was shared in the applications that we were seeing--or sorry, no, I shouldn't include myself in--that the division was seeing, there were specific examples, such as having a corporation, and then renting it to yourself, and then applying for the long-term rental exemption and classification, which wasn't the intention. Ms. Martin, would you mind sharing any other examples?

MS. MARTIN: Thank you, Chair. There's, you know, a lot of different situations. Of course, we want to make sure that the tenant actually lives on Maui. I think that that's always going to be a compliance issue on our part. However, if a person has an ownership interest in the parcel, an LLC owns it and they are renting to their member, the expectation, based upon other sections of our Code, would be that they would qualify for the home exemption. That would require them to get a lease five years or longer. But, you know, does your policy want to give members of a corporation the long-term rental exemption for just renting one year, is the...is the question. Chances are, they have another residence somewhere else. So, that would...you could address it that way, saying that if the tenant of a long-term lease has at least one other residence, the exemption must not be allowed. And then you could add a second criteria, that if the person who is the tenant has a ownership interest in the property, then they would not be allowed the exemption. And then all of this is going to require compliance, you know, on our part. It's not going to be super evident, but I think the main, you know, compliance that we'll be looking for is, do they actually live here.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Martin. All right. I saw Member Lee with her hand up before we went to testimony, and then I see Member Sugimura's hand. So, we'll go to Member Lee, and then Member Sugimura.

COUNCILMEMBER LEE: Ms. Martin, how many violations have you come across?

MS. MARTIN: I do not have the count of the number that we have disallowed. We've also had people who appealed that we've disallowed.

COUNCILMEMBER LEE: Is it more than ten?

MS. MARTIN: Probably, yes.

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COUNCILMEMBER LEE: Probably more than ten.

MS. MARTIN: Yes.

COUNCILMEMBER LEE: Is it more than 20?

MS. MARTIN: It could be. I can get a count for you of how many have been disallowed.

COUNCILMEMBER LEE: Okay. I have heard...now, this is a sensitive issue, but I have heard that quite a few people in Hawaiian Homes rent out their units, their houses, because they have more than one. Does this apply to them as well?

MS. MARTIN: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Martin.

MS. MARTIN: If a lessee, a homestead lessee, rented a unit long-term to somebody, and it was a legitimate lease, we would grant the long-term rental exemption to them. But if they rented it to somebody who didn't live there, then, you know, we would take away the exemption if we...if we discovered that no one was living there.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Lee. Member Sugimura.

COUNCILMEMBER SUGIMURA: There are a lot of creative people in our community. So, I wonder if, Ms. Martin, you can...you can give us in writing, in the chat or whatever, what you just recommended to us so we can look at it. And then if Corp. Counsel could comment. Thanks.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura, are you talking about what was in the presentation?

COUNCILMEMBER SUGIMURA: What Ms. Martin just stated, for clarity.

CHAIR RAWLINS-FERNANDEZ: Which part?

COUNCILMEMBER SUGIMURA: So, she was talking about what she would recommend to amend...not unless if it was in your presentation?

CHAIR RAWLINS-FERNANDEZ: Yeah, it was all in my presentation.

COUNCILMEMBER SUGIMURA: Oh. Is your presentation on Granicus?

CHAIR RAWLINS-FERNANDEZ: No, not yet.

COUNCILMEMBER SUGIMURA: Okay. Can you do that?

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CHAIR RAWLINS-FERNANDEZ: There were typos. No, not yet. But I can copy and paste it and put it in the chat for you.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Any other questions? Committee Vice-Chair Paltin, followed by Member Kama.

VICE-CHAIR PALTIN: Thank you. Are we only discussing the first slide right now?

CHAIR RAWLINS-FERNANDEZ: The first batch of slides, which is related to the long-term rental.

VICE-CHAIR PALTIN: Okay. I think my question is relevant to that. The other issue, I guess, that I've been hearing with...hearing from folks is--and maybe you guys hear it too--it is that the rents are crazy out of control, and so...and that they're raising...rising kind of, you know, more frequent, and more amount than anyone can keep up with. And, you know, I'm not...while I would love for the exemption to be tied to some sort of affordable rental rate, I'm not that ambitious. But, you know, for people to charge \$3,000 for like a 400 square foot unit that's really old, and...you know...or \$1,400 for a small room in a house, and then like, you know, be raising this, it's just...is there...is there any consideration for how much the rent should be? And I think to Mr. Croly's point of folks, you know, renting out...like having large estates, and renting out a small cottage on the estate for like...you know, we hear of places being rented out \$20,000 a month sometimes. So, just wondering if that is to be addressed as well.

CHAIR RAWLINS-FERNANDEZ: Ms. Martin?

MS. MARTIN: Chair. So, these are policy questions. Something that the other counties have employed might be, you know, if the value of the property is "X" amount, you can get the exemption, but not get the class. You know, there's ways to kind of parse the program out...because it's two tiers. You get an exemption, which is worth a fixed tax reduction, and then you get the classification, which is really where most of the tax relief comes from. Using the tiers is another way to limit tax relief for higher value properties. . . .(timer sounds). . .

CHAIR RAWLINS-FERNANDEZ: So, Committee Vice-Chair Paltin, one of the ways that we could address that is through the tiers, and having different thresholds, and then tier amounts to incentivize the lower-assessed property values that are...have smaller values.

VICE-CHAIR PALTIN: And just a follow up on that. Would we be able to...

CHAIR RAWLINS-FERNANDEZ: Oh, the timer went off.

VICE-CHAIR PALTIN: Oh, okay.

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CHAIR RAWLINS-FERNANDEZ: Okay. Member Kama.

COUNCILMEMBER KAMA: Thank you, Chair. Thank you, Ms. Martin, for being here. So, you mentioned earlier that the compliance issue, or portion, is on you folks. It's on the Finance Department. So, if you...so, if you're saying that you have to bring these people into compliance, have you brought them...have you brought earlier people's tax rates into compliance earlier, and that now you're going to...now you see yourself as having to have more people to bring into compliance?

CHAIR RAWLINS-FERNANDEZ: Ms. Martin?

MS. MARTIN: Thank you, Chair. Well, currently, right now, we have three compliance specialists and a tax clerk in our compliance section, which is...is working for us right now. If it became more of a problem, then we would address that. Like other divisions at the County, the Real Property Assessment Division is hiring. So, that's, you know, another issue we need to work out, make sure we keep our positions filled.

COUNCILMEMBER KAMA: So, are we...are we...okay. So, I guess, Chair, this is for you. Are we creating policies that is making it difficult for the Department to bring into compliance if they already have an issue with compliance?

CHAIR RAWLINS-FERNANDEZ: Are we bringing...okay. So, any time we have a program --

COUNCILMEMBER KAMA: Yes.

CHAIR RAWLINS-FERNANDEZ: -- compliance is going to be a component of it.

COUNCILMEMBER KAMA: Yes, yes.

CHAIR RAWLINS-FERNANDEZ: Okay. So, that happens every time we introduce a new program.

COUNCILMEMBER KAMA: Yeah.

CHAIR RAWLINS-FERNANDEZ: And we know this, and...which is why we often...this Council has often made sure to resource the divisions --

COUNCILMEMBER KAMA: Yep.

CHAIR RAWLINS-FERNANDEZ: -- with enough Staff --

COUNCILMEMBER KAMA: Yes.

CHAIR RAWLINS-FERNANDEZ: -- to provide the compliance portion.

COUNCILMEMBER KAMA: Yes.

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CHAIR RAWLINS-FERNANDEZ: So...and we implemented this last year, so, it went into effect last year. And like with any policy, it evolves as people get creative. We need to also be creative, and ensure that the policy reflects the intention --

COUNCILMEMBER KAMA: Yeah, yes.

CHAIR RAWLINS-FERNANDEZ: -- of what it was established for.

COUNCILMEMBER KAMA: Okay. Thank you. Thank you, Marcy. The second thing, Chair, is...oh, did I run out of time already? I did. Okay.

CHAIR RAWLINS-FERNANDEZ: Yeah, I saw...okay.

COUNCILMEMBER KAMA: I'll come back around. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. You're welcome. Members, questions? Member King.

COUNCILMEMBER KING: Okay. Thank you, Chair. Thank you for the presentation. And I guess I shouldn't be surprised people are looking for loopholes, but it's really unfortunate that...I mean, I think the intent of the...especially the long-term rental exemption is clear. But what I wanted to ask Finance...or Real Property Tax is, everything that we've seen in the presentation that are the issues, those are all basically legal applications that people have been just using because they somehow...they somehow found the loophole? Or are they...are some of them applications that could be fined because they're in violation?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director.

MR. TERUYA: Thank you, Chair. And thank you for that question, Ms. King. I think you...you've hit it on the head. These are legal based on what our laws are. And I believe the amendments that the division and Chair worked on to iron them out, or try to get a...try to make fairness to what your original intent was...was being proposed. But still, the Members...it's a policy decision on what you guys want to adopt. So, I would say, you know, just to throw it out there, Chair, if your thinking is that the homeowner exemption program works well, this body may also consider whether or not that long-term tenant would need the same requirement of providing your SS number so that we can validate with Department of Taxation that you're claiming that as your domicile. So, you know, those are ways for you to possibly further tighten. I don't know if that makes it better for the Department or worse, but you know, that creates...I mean, it's working for the homeowner program. So, that's what you can require of a tenant who's supposed to be there more than 12 months in a year. You should be filing that as your home when you do your tax returns. And then you...go ahead.

COUNCILMEMBER KING: Just because I don't know how much time I have, sorry.

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MR. TERUYA: Yeah, sorry.

COUNCILMEMBER KING: But basically, you answered my question, that there's nothing that anyone's doing that we could fine them on. But...so, what if you...I mean, I know there's this issue of people renting out to their children, but what if...what if there's an adult child who truly needs a long-term rental, and someone vacates their home to rent out their home to their child? They're still giving a long-term rental to a long-term resident. And they may have the same last name, but if they don't live there anymore, shouldn't that be a perfectly legitimate reason...you know, reason to get a homeowner...or a long-term rental exemption?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. And that is a policy decision that this Council will decide. And I agree with you.

COUNCILMEMBER KING: Yeah, because it doesn't...because it shouldn't matter that it's your child, if it's somebody who lives in the community, who needs a long-term rental. I could see if you were trying to rent it out to...you know, if you were living in the house too, and you're trying to say that you're renting it out to your 18-year-old or something. But if you're not living there, and you're...you've got a long-term lease to somebody who's a resident in the County, it...you know, to me, it shouldn't matter if that's your child or not because the child still needs a place to live long term. Anyway, that was just a thought I had because I could see me leaving...you know, vacating my house if I get tired of doing all the yard work and renting it out to . . . (timer sounds). . . my son or something because he does need a place to live. And that might get him back to Maui. But anyway, just wanted to voice that thought. Thank you, Chair. Thank you, Director.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Director.

MR. TERUYA: Thank you, Chair. And if you really would want us to get into the weeds, you could just have the Department be able to create rules of procedure for this, to get into those one-off situations where the Director can have the authority to hear the situation, and may be able to, you know, to afford it. In the...in the example that Ms. King has, I mean, we know the intent. Rather than you need to file with the Board of Review, you can just maybe file with the Director, and the Director can use his discretion. The...even if the Director chooses not to grant it, you still have the ability to file an appeal. But I think it gives you that middle ground, where the Director can use some level of authority to say, yeah, I understand the situation, yeah.

COUNCILMEMBER KING: Okay. And then you can (audio interference) the law once...yeah, okay. Great. Thank you. Appreciate that.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Any other questions, Members? Good feedback, and that was the intention, was for discussion. The bill itself is not ready. We can incorporate some of these concepts and ideas that we're discussing now, so that we can incorporate all of those ideas into the bill. Okay? Okay. So, we'll move on to the next section, and that's the classification of real property, and it...naming the



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classification that is currently termed short-term rental to TVR-STRH. Ms. Martin or Director? Ms. Martin?

MR. TERUYA: I think that...I think that's just more housekeeping. I don't think it's really a big change. It's just a title change, so, it's not really a big item. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Ms. Martin.

MS. MARTIN: Thank you, Chair. It just...you know, with...there's so many acronyms and names for things. While we think short-term rental is a common term for this, there is a permit called short-term rental home. And I think what's happening is people are confusing short-term rental class with short-term rental home permit. And the people who don't have to get the short-term rental home permit, I think, are--maybe we should check with Planning--are TVRs. So, by renaming the class TVR and STRH, maybe it will be clearer to property owners that okay, yes, I'm a...I'm a TVR, this is my correct class. But like compliance, there's...you're never going to be able to please everybody.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Martin. Okay. Members' questions. Committee Vice-Chair Paltin.

VICE-CHAIR PALTIN: My question was on...still on the previous one.

CHAIR RAWLINS-FERNANDEZ: Oh, I'm sorry.

VICE-CHAIR PALTIN: Am I allowed to . . . *(inaudible)* . . . for that one?

CHAIR RAWLINS-FERNANDEZ: Yeah, go ahead.

VICE-CHAIR PALTIN: Okay. I just wanted to clarify. When you said we can use the tiers, I guess my concern is the lowest tiers renting out for extraordinary amounts, and getting that tax reduction. And when you said it could be a percentage, or a exemption, or a rate, would you folks then be verifying what the rental rate is, or like that it wouldn't raise more than 3, 5, 10 percent per year? Is that something that we could do as a policy?

CHAIR RAWLINS-FERNANDEZ: Yes. Or you mean like rent control, or do you mean just awarding...issuing the classification exemption based on what rents are considered affordable? Oh, I...

VICE-CHAIR PALTIN: Kind of, yeah. Because like say there's an \$800,000 house, assessed value, or below, and the rental rate is like...there's four rooms, and the rent rate is 1,500 to 2,000 a room, and they're getting quite a good tax break for a low assessed house, but they're not passing that on to our residents, who...and then, you know, there's complaints of folks not fixing up the property, water damage, refrigerator repair, and then raising the rents annually, like up to 5 to 10 percent. So, I mean, I'm not too keen on giving those type of landlords such a discount, but I'm not sure how to craft the policy to address that.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair Paltin. Director Teruya or Ms. Martin? Director.

MR. TERUYA: Thank you, Chair. And thank you, Ms. Paltin, for that question. I understand exactly where you're going, and you're kind of tying it to Tom Croly's testimony. You know, the Committee can always look at the affordable housing rental guidelines as to what...how much it is for a one bedroom, how much it is for a two bedroom. And if you don't...if you're...if you're exceeding that limit, maybe you just don't qualify for the program. I think if your thing is about rent control, and that it is affordable rental, then you should just use an existing criteria that says if you meet these guidelines, then you can qualify for the exemption. If you choose to charge more, you don't. I mean, that's a way that you guys may want to consider it.

VICE-CHAIR PALTIN: And so...and would we be able to also say like within 5 percent of that, or something like that? Because I mean...

MR. TERUYA: I would defer to Corp. Counsel on that, but I would say it's your policy decision.

VICE-CHAIR PALTIN: Okay, cool. All right. Thank you. . . .*(timer sounds)*. . .

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Mahalo, Committee Vice-Chair Paltin. And as Ms. Martin and I discussed before, there's other options available to you, such as providing the exemption and not the classification or, you know, those kinds of...okay. And then Member Kama had another question that I forgot to go back to, and then I see Member Molina's hand up.

COUNCILMEMBER KAMA: Yeah, so...

CHAIR RAWLINS-FERNANDEZ: Member Kama.

COUNCILMEMBER KAMA: My question...my question is, how do we...how do we develop policy that actually does control the rent, so that...so that our constituents can see that the stuff that we're working on is really observing...that we are really looking at what's going on, and we do see how the rents are getting out of control, but yet, we do have the power to be able to control lots of things that go on. How do we do that through implementation of policies? And how does what we're doing now affect that or impact that?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. So, there are two ways. There's...you can incentivize, or you can disincentivize. And this approach is providing incentives to provide long rental...long-term rentals to our residents by providing Real Property Tax relief for that, to incentivize that. There is the other end, which is to disincentivize stuff, but that's not the legislation that we have today. Director?

MR. TERUYA: No, I think you make a valid point. I mean, the rent being charged is driven by the market. And the only way to get away from a market-driven rent is to provide

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subsidy. So, if you want to, you know, lower the rent for somebody, there's got to be a tradeoff for them to want to do that. If not, everybody would just charge market. So, yeah, it isn't exactly the point as to what is the relief measure that you're giving somebody to do a long-term rental that's affordable, and know what the difference between that and market is, and it's got to be big enough for you to make that sense that say I'd rather give it to the long...rental that's affordable.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Ms. Martin, do you want to add anything?

MS. MARTIN: No. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Martin. Member Kama.

COUNCILMEMBER KAMA: That's all, Chair. Thank you so much. I appreciate the responses.

CHAIR RAWLINS-FERNANDEZ: Absolutely. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chair. I was wondering if you could just grant me a little flexibility. This might've been a subject matter asked earlier, but this is in relation to investigating people who may not be, I guess...be entitled to get the long-term rental relief. If I can ask the Department their policy...like say, for example, Member Sugimura was my neighbor, and I heard she was getting relief on long-term rental...was getting this long-term rental relief. If I call the Department, am I supposed to say who I am, or do you take anonymous complaints, or do you have to disclose the name? If you investigate Member Sugimura, Member Sugimura is entitled to know the name of the person filing the complaint? Because I know the State Department of Tax, they will take anonymous complaints, and I don't know what the policy is for Maui County as...as it relates to Real Property Tax complaints. What is the policy for the Department on people who want to file an anonymous complaint? Because you know how people might be scared to, you know, disclose their names for a fear of retribution.

CHAIR RAWLINS-FERNANDEZ: Director.

MR. TERUYA: Thank you, Chair. And thank you, Mr. Molina, for that question. I'll start, and then Ms. Martin can actually say how they actually do it. But, you know, for the most part, we take anonymous complaints. It's just a matter of, what are the facts that they're giving us to do the research? Just to say your neighbor doesn't qualify, that doesn't help the division in understanding why. Like if you told us that Ms. Sugimura lives in Dallas, Texas, the tenant will know because we actually will be able to do searches, and find out why, not that...how does she not qualify? I mean, that's the kind of information that's important to us. But I'll defer to Ms. Martin on the...on the response.

CHAIR RAWLINS-FERNANDEZ: Ms. Martin.

MS. MARTIN: Thank you, Chair. We do accept anonymous complaints. And ultimately, we always have to do our own research. We cannot take someone's word for it. You know, however, the person being complained against can ask, where did this originate from,

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and then we would...we would have to respond. But we would do our own research, using our own tools, before we would disallow someone an exemption. And the process is, we get a complaint, we do research, then we send the taxpayer a letter, and then they get 30 days to respond. And then at that time, we make the decision, so that the taxpayer gets that 30 days. So, it's always good...if you have an exemption, make sure you open your mail from us, and read it in a timely fashion.

COUNCILMEMBER MOLINA: Okay, yeah. So, it's incumbent upon the complainant to provide you some hard evidence before you actually act, yeah. Because, you know, how some people say, oh, I heard he or she is doing this, and I don't have any information, but you should go look into it. . . .*(timer sounds)*. . . So, you guys won't go and do an actual investigation until you have some type of hard evidence, yeah. And of course, not to say Member Sugimura would do anything like that, I was just using a fictitious example. So...well, thank you for the responses. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Yeah, Member Sugimura's background is just a virtual background. She's not actually in Texas. It's going to be a running joke now, Member Sugimura. Okay. Any other questions for the classification? Oh, no, that one was just kind of housekeeping. Did anyone have questions on that, the TVR-STRH idea, to clarify that? Okay, okay. All right, great. Okay. And then the last one is the 'āina kūpuna. We did have this scheduled in the last BFED Committee meeting. We weren't able to get to that, but we did hear testimony, and that wasn't the first time that I received feedback on the 'āina kūpuna dedication. And so, the aggregate that we have set is 50,000, which would...over ten years, so that would be at least \$5,000 per year. We do understand that there, you know, were some applicants where they missed it by...they were like, what, 47,000 aggregate and, you know, it was unfortunate that they, you know, just missed it by 3,000. And so, we can ask Ms. Martin to share a little bit about how the program is going, and then as I stated, we could reduce the aggregate amount to one that we can include more 'āina kūpuna to qualify. Okay. Ms. Martin.

MS. MARTIN: Thank you, Chair. So, when we were reaching out to property owners when this was first enacted, you know, we were telling them all apply, apply. And we did realize that some of these properties, just based on the nature of the ownership, are in some lower-value areas, you know, Hāna for one, Lāna'i, Huelo. And while, you know, the taxes aren't 50,000, given where they are, and how they're used, the taxes are a burden to the long-time owners. So...and there aren't very many of them, but it wouldn't seem unreasonable to, you know, take a look at that threshold, and review your policy.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Martin. And the number of current dedications that we...that the division approved?

MS. MARTIN: Oh, okay. I think it's...you'll have to give me one minute, okay?

CHAIR RAWLINS-FERNANDEZ: Okay. Does anyone have any questions regarding the idea of revisiting the threshold? Member Sinenci.

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COUNCILMEMBER SINENCI: Mahalo, Chair. And...oh, go ahead, Ms. Martin. Oh, do you...

CHAIR RAWLINS-FERNANDEZ: Go ahead, Ms. Martin.

MS. MARTIN: The number is 11, and in your booklets, it shows 10. But it has been hard for some of the owners to get the data that they needed to qualify. So, that's how the number has grown from 10 to 11.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Martin. Okay, Member Sinenci, go ahead.

COUNCILMEMBER SINENCI: Mahalo, Chair. And Mahalo, Ms. Martin. Yeah, and as you know...and thank you for addressing rural Hāna. One of our problems in Hāna is having so much family members that are on the lease. And, you know, many of them have either passed, or have moved out of Hāna, so, they're not contributing to the taxes. So, we find that a lot of our families with 100 people on the lease is in violation. But the taxes does not include those violations, right?

CHAIR RAWLINS-FERNANDEZ: Ms. Martin.

MS. MARTIN: Are you referring to delinquencies then?

COUNCILMEMBER SINENCI: Oh, yeah, right, delinquencies.

MS. MARTIN: I would like to...I would refer that to Corp. Counsel. I don't recall, you know, someone being delinquent pushing them over the threshold, a specific example, but we can...we can look into that.

COUNCILMEMBER SINENCI: Okay. And then so, you were saying that for some of these areas, like in Ha'ikū, Huelo, or in Hāna...you mentioned the valuation of the property, if the valuation as lower, but we've assessed higher taxes. Would that be a factor in factoring this...the lower taxes?

CHAIR RAWLINS-FERNANDEZ: Ms. Martin?

MS. MARTIN: Thank you, Chair. So, our division has been doing compliance, and we've done, you know, a...doing agricultural use compliance as well. So, a lot of these larger parcels in Huelo and Hāna, at one point in time, they were a farm, but at this point, it's not practical. So, the land...vacant land is assessed usually in either an agricultural class, conservation class. And if they aren't farming, the taxes can be, you know 2, \$3,000 a year. So, you know, that...they're not going to qualify for the \$50,000 for the ten years. They're going to be more at, you know, 30,000, 20,000, 15,000. So, it is a policy decision. If you want to include those parcels in that program . . .*(timer sounds)*. . . you will have to lower the threshold.

COUNCILMEMBER SINENCI: Thank you, Ms. Martin. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, Members. Any other

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questions? Okay. Committee Vice-Chair Paltin.

VICE-CHAIR PALTIN: Thank you. So, if the 'āina kūpuna person, resident, is delinquent in their taxes, they wouldn't qualify for the 'āina kūpuna, but if they get into a County agreed repayment plan, then would they qualify for that tax category, if they're compliant with a County repayment plan?

CHAIR RAWLINS-FERNANDEZ: Ms. Martin?

VICE-CHAIR PALTIN: To just kind of stem the bleeding, so to speak.

CHAIR RAWLINS-FERNANDEZ: Ms. Martin?

MS. MARTIN: Yeah, okay. Thank you, Chair. So, there isn't...they don't not qualify if they're delinquent. The...number 5 in the Code reads, the aggregate real property taxes assessed on the property for the ten years prior to the initial application exceeds 50,000. So, because it says property taxes, I would say that...we could refer this to Corp. Counsel, but it doesn't say that includes penalty and interest, it just says the taxes. So...but being delinquent doesn't preclude you from qualifying for the program.

VICE-CHAIR PALTIN: Oh, okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Committee Vice-Chair Paltin. Okay, Members. Any other questions? Okay. In lieu of having the presentation up on Granicus, and having a bill for you to review--because we are down to the wire again, the end of the year--so, we reviewed some of the amendments that we could...that are urgent, that need more urgent attention. And the reason I tried to have the discussion in the last Committee, and then again in this Committee, is time is running out for the next fiscal year...for this to apply to the next fiscal year. So, I would like to have a discussion here so that when we...when I introduce the bill, if there's consensus on some of these suggestions, then we can pass the bill on first reading at Council. So, I will share my screen, and then we can see where we're at. Okay. Okay. So, we would be replacing real property with this language instead...dwelling units as defined in the Comprehensive Zoning Ordinance, and replacing an individual or individuals with a natural person with no other place of residence. Oops, did I stop sharing? I did. Okay. Okay. Any questions or concerns? Does that sound okay? Member Kama.

COUNCILMEMBER KAMA: Chair. Why are we...why are we placing those words, dwelling unit, or whatever it is you're trying to replace, and the other definition? I can't remember it. But why are we replacing those? What does...how does it change the content, or the understanding of the legislation?

CHAIR RAWLINS-FERNANDEZ: Ms. Martin?

MS. MARTIN: Thank you, Chair. And thank you, Councilmember Kama. So, currently, if you can imagine, you have a property where maybe the building in front is a commercial building, and then there's a cottage in the back that's a residential building. If they're

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renting the dwelling right now long term, the long-term classification tax rate now will cover the entire property, including the commercial building. So, by replacing the word real property with dwelling, would have...the dwelling area would be in a long-term rental classification, and the commercial portion would be...stay at the commercial rate. And then further, say somebody was renting, I don't know, a room out in a commercial dwelling...in a commercial building, they wouldn't qualify. It would have to be a living unit.

COUNCILMEMBER KAMA: Thank you, Marcy. Thank you, Chair. That makes sense.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Okay. All right. We have maybe four more minutes, and then we have to stop. Okay. So, again, here's some of the language that goes with that--oops--that if a long-term rental lease is granted to any of the following, the exemption must not be allowed: a natural person who has an ownership interest in the property, including natural persons who are considered as owners in Section 3.48.150 of this Code; a member of a corporation that has an ownership interest in the property; a partner in a partnership that has an ownership interest in the property; and business corporation, partnerships, or any other entity other than a natural person. Okay. So, it's kind of trying to tighten up the loopholes. Okay, any questions? Okay, seeing none. If the tenant of a long-term lease has at least one other residence, the exemption must not be allowed. We can also include some of the suggestions that Director Teruya suggested, which is, provide rules of procedure...provide language that gives them rules of procedure so that they can do the investigation, require a Social Security number to ensure compliance, et cetera. Member Kama.

COUNCILMEMBER KAMA: I think you just answered my question I was going to ask, how would they do that, right, because it's a tenant, right? And so, how much input are you going to get from that tenant? Okay. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Perfect. Okay. And then this is regarding the 12-month lease. The suggestion is that if the term of the lease is greater than one year, one-year exemption will be granted. After the initial year of the exemption, no exemption will be allowed unless the lease terminates after September 30th, which is most of the year of the subsequent year. Any questions on that one? No one abuses some of these relief, and it goes to the intention. Okay. If, during the course of the assessment year, the property is used as a transient vacation rental or short-term rental home, the exemption must be revoked, and the taxes for the entire year recalculated without the exemption. Director?

MR. TERUYA: Just to be clear--and maybe I'm overthinking it--is it partial, or in whole? Like what is one room, or is it the entire parcel? Just want to be clear.

CHAIR RAWLINS-FERNANDEZ: So, if we provided rules of procedure, would the Department be able to handle some of that?

MR. TERUYA: I guess, with it written, what is Ms. Martin's interpretation?

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CHAIR RAWLINS-FERNANDEZ: Ms. Martin.

MR. TERUYA: Or Corp. Counsel, I guess.

MS. MARTIN: Thank you, Chair. Well, as written, the thought was if they're renting one bedroom long term, and one bedroom short-term rental, they would not be allowed the exemption or classification.

MR. TERUYA: So, it should not be parts of...it should read any portion, right, instead of just the property?

MS. MARTIN: We could add clarifying language to that. Any portion of...

MR. TERUYA: I think it would be important to add any portion, Chair, just because I can...I can see where that will get gray.

MS. MARTIN: Well, and I think, now that we're getting into the weeds, maybe it shouldn't be property, it should be...and this is a policy question. Should it be dwelling? Because we are going to have cases where you can legally rent one building short term, and then the other unit will be a long-term rental. And then perhaps we want to address that in 305 under classification as well. You know, portions of real property not used for residential use must not be classified as long-term rental. And that way, that portion of the property could be either short-term rental or commercial.

MR. TERUYA: Yeah, Chair, I think that'll be for Corporation Counsel to go...

MS. MARTIN: That clarifying language, yeah.

MR. TERUYA: Yeah.

MS. MARTIN: Yeah. Two sections of the Code there.

CHAIR RAWLINS-FERNANDEZ: Mahalo for that catch. That's a...that's a good one. Okay. And then we have a little more wiggle room. Mahalo, Budget Director Yoshimura. Oh, shoot. Oh, okay. That's just housekeeping. Did anyone...okay, I think I already asked. No one had questions...and it's okay. And then the aggregate amount. Did anyone have any suggestion? So, it's 50,000 now, and in looking...in working with Ms. Martin, we can propose an amount that would be reasonable for more inclusion of 'āina kūpuna, as Member Sinenci kind of shared with the different areas in Hāna, and Ms. Martin cited different areas (*audio interference*) Huelo, for example. Any questions on that? Member Sinenci, followed by Committee Vice-Chair Paltin.

COUNCILMEMBER SINENCI: Thank you, Chair. Just to clarify, this is only in the SMA area?

CHAIR RAWLINS-FERNANDEZ: Yes. So, that section is still SMA.



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COUNCILMEMBER SINENCI: Thank you.

CHAIR RAWLINS-FERNANDEZ: So, that criteria would remain, it would just be the aggregate amount so that we still have, you know, that.

COUNCILMEMBER SINENCI: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair Paltin.

VICE-CHAIR PALTIN: Just a question. Wondering if it has to be the same Countywide, or it can be different based in different plan or Council District.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: I think that's when Corporation Counsel should be chiming in, whether or not that would be legally allowable to exclude certain areas. So, I would try...defer to Corp. Counsel.

VICE-CHAIR PALTIN: One more question for you guys. How do you indicate the 'āina kūpuna designation on your tax website?

CHAIR RAWLINS-FERNANDEZ: For the application? What do you mean, which website? Or the mauipropertytax.com?

VICE-CHAIR PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: As like one of the layers, or in the TMK information?

VICE-CHAIR PALTIN: Tax classification.

CHAIR RAWLINS-FERNANDEZ: Oh, it's not a classification, it's a dedication.

VICE-CHAIR PALTIN: Oh.

CHAIR RAWLINS-FERNANDEZ: Like agricultural dedication.

VICE-CHAIR PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Did you want me to call on Ms. DesJardins to answer your earlier question about...okay. Aloha, Ms. DesJardins. Did you hear the question?

MS. DESJARDINS: I did. And so, one example that comes to mind is like when we're adjusting the AMIs, we use a different AMI for the more rural districts. And I think as long as you have a rational basis for doing so, and you have data to support it. We would, of course, want to look at it more carefully to make sure, but generally speaking, if there is a justification for treating somebody else differently, we're more comfortable, obviously,

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with that.

VICE-CHAIR PALTIN: Oh, like, is my time's up, or...

CHAIR RAWLINS-FERNANDEZ: You can do a follow up, and then I'll call on Member Kama, and then Member Sugimura. This particular one would likely elicit a lot more discussion than we have time for today, and at Council's first reading, but we can come back and revisit it next year to try to figure out a good policy for this if this is something that the Members are interested in. Committee Vice-Chair Paltin.

VICE-CHAIR PALTIN: Okay, let's table it for now, then --

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR PALTIN: -- since we're not going to take action.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Committee Vice-Chair Paltin. Member Kama.

COUNCILMEMBER KAMA: I'm going to have to go with Member Paltin too, because I would have a lot of questions regarding this issue. So, let's not belabor it, and let's just move on. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Director?

MR. TERUYA: I agree. I...without taking too much time, I think whatever you pass out, and you agreed to already, is still moving in the right direction. So, I think even if you pass out what you already have done, that's still better for the Department. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Yeah, so, I think...so, we went over the proposals, and had a discussion with the Department on the purposes, and what it would achieve, and the situations they've encountered for...you know, the reason why we would...why these proposals would be helpful to the Department. So, I'll...at the next Council meeting, November 18th, I'll introduce the bill. And I'm hoping that we can take action so that it will be implemented before the next tax year starts, so that we can tighten it up and prevent any, you know...make the laws serve the intended purposes. Okay, perfect. All right. It's 4:33. We'll thank Director Teruya and Ms. Martin, Wyatt, everyone from the Finance Department. And mahalo to the Real Property Tax Division for brainstorming, and coming up with all the ideas for us to consider. We really appreciate all of you. Mahalo, Director.

MR. TERUYA: Thank you, Chair. And thank you, Members.

CHAIR RAWLINS-FERNANDEZ: Okay, Members. Are there any objections to deferring the item?

COUNCILMEMBERS: No objections.

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**ACTION: DEFER pending further discussion.**

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay, good job. Good work, everyone. So, that's everything. Ms. Milner, is there anything I missed?

MS. MILNER: No, Chair. You've addressed everything on the Council...the Committee meeting's agenda today.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. We have PSLU Committee tomorrow morning at 9:00, and Affordable Housing Committee tomorrow at 1:30. All right. Mahalo, Members, for your flexibility in letting me keep you four minutes over. It's 4:34 on November 2nd, and the Budget, Finance, and Economic Development Committee is now adjourned. . . .(gavel). . .

ADJOURN: 4:34 p.m.

APPROVED:



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KEANI N.W. RAWLINS-FERNANDEZ, Chair  
Budget, Finance, and Economic Development Committee

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Transcribed by: Brenda Clark

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CERTIFICATION

I, Brenda Clark, hereby certify that pages 1 through 52 of 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 16th day of December 2022, in Wailuku, Hawai'i



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Brenda Clark