

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

M I N U T E S

Council Chamber

August 2, 2016

CONVENE: 1:40 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Don S. Guzman, Chair
Councilmember Elle Cochran, Vice-Chair
Councilmember Don Couch
Councilmember Stacy Crivello (arrived at 1:42 p.m.)
Councilmember Riki Hokama
Councilmember Mike White

EXCUSED: Councilmember Michael P. Victorino

STAFF: Sharon Brooks, Legislative Attorney
Pauline Martins, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)
Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Jerrie Sheppard, Deputy Corporation Counsel, Department of the Corporation Counsel
Teena Rasmussen, Coordinator, Office of Economic Development, Office of the Mayor
Danilo F. Agsalog, Director, Department of Finance

OTHERS: Barbara Long, Friends of Old Maui High School
Kathy McDuff, Second Vice President, Friends of Old Maui High School
Mark Chasan, Teach Development LLC
Mel Chiogioji, Teach Development LLC
Jason Hobson, Teach Development LLC
Glen Mason, Teach Development LLC
Rich Lucas, Friends of Old Maui High School
Jan Dapitan, Vice President, Friends of Old Maui High School

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Ruth Mukai, Secretary, Friends of Old Maui High School
Plus (7) other people

PRESS: *Akaku Maui Community Television, Inc.*

CHAIR GUZMAN: ... (*gavel*) ... Welcome to the EAR Committee, the Economic Development, Agriculture and Recreation Committee. I'm Don Guzman, the Chair of the Committee. I'd like to introduce our Members of the Committee starting with our Vice-Chair of the Committee, Ms. Elle Cochran.

VICE-CHAIR COCHRAN: Aloha.

CHAIR GUZMAN: Good afternoon. Don Couch.

COUNCILMEMBER COUCH: Aloha, good morning, Chair...afternoon.

CHAIR GUZMAN: Good afternoon. Mr. Riki Hokama.

COUNCILMEMBER HOKAMA: Mr. Chairman.

CHAIR GUZMAN: And, Mr. Mike White.

COUNCILMEMBER WHITE: Aloha, Chair.

CHAIR GUZMAN: Thank you. Oh, for our Administration, we have Teena Rasmussen from the Economic Development, Director; as well as Director of Finance, Mr. Danny Aagsalog. For our Staff, we have our attorney, our Legislative Attorney, Sharon Brooks; and also our Committee Secretary, Pauline Martins. Before we begin, I'd like to ask anyone who'd like to testify, please sign up in the lobby. And when you come to the podium, you'll have three minutes to testify, limited to only the agenda item. Do we have any testifiers in the gallery?

MS. BROOKS: There are three testifiers in the gallery; however, the Chair may want to check in with the distant locations.

CHAIR GUZMAN: Yes, I was gonna...I was just checking to see what the status was. So we'll go ahead and check in with our District Offices. In Hana Office, are you there?

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

CHAIR GUZMAN: Thank you, Ms. Lono. And on...in Lanai Office, is anyone wishing to testify?

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

CHAIR GUZMAN: Thank you, Ms. Fernandez. On Molokai Office, is there anyone wishing to testify?

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

CHAIR GUZMAN: Thank you very much, Ms. Alcon. I'd like to recognize presence of Ms. Stacy Crivello. Thank you.

COUNCILMEMBER CRIVELLO: Aloha, Chair.

CHAIR GUZMAN: Turning back to our Chambers, can you please call the first testifier?

MS. BROOKS: The first testifier is Barbara Long, and she will be followed by Kathy McDuff.

. . . BEGIN PUBLIC TESTIMONY . . .

MS. LONG: Good morning...good afternoon, Chairman Guzman and Committee Members. I'm Barbara Long. As most of you know, I'm past president of Friends of Old Maui High from 2003 when campus cleanups first began until I became president emeritus five years ago. So members of our board are here because this event is very important to us. First would be our vice president, Jan Dapitan; and our second vice president, Kathy McDuff; our secretary, Ruth Mukai, who is also Patsy Takemoto Mink's cousin; and we are expecting our president, Stanley Chong-Kee to be here as well. For all those years from 2003, Friends' volunteers worked, was Saber alumni and community members, to rehabilitate and preserve the century-old campus and plan for its future. And through those years, we've been very grateful for the ongoing support of the County Administration and the County Council. So we especially thank you today for giving this proud historic school a chance for a dynamic and meaningful future. I'm speaking today on behalf of the board of directors to ask for the Committee's support for the Teach Maui, LLC proposal and lease agreements for the reuse and repurposing of the Old Maui High School at Hamakuapoko. You've received a letter from us today signed by every officer and director. It explains the reasons we support the Teach proposal. After meeting with Teach representatives and much discussion, we agreed that their proposal reflects and enhances Friends' goals, and honors the legacy of the school and its alumni. We urge you to vote in favor of the Teach Maui, LLC proposal and the leases so that Old Maui High's future can be as bright as its past. If you have questions for us, we'll be happy to answer them. Mahalo.

CHAIR GUZMAN: Thank you, Ms. Long. Members, do you have any questions for the testifier? Seeing none, thank you very much for your testimony.

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MS. BROOKS: The final testifier in the Chamber at this time is Kathy McDuff.

MS. McDUFF: Aloha, Mr. Chair and Councilmembers. Thank you so much for allowing us to come to testify. I am on the board for Friends of Old Maui High, but today I'm testifying as an individual. I'm a retired land use attorney, and I'm quite familiar with Teach's proposal for Old Maui High. And I believe it would be wonderful and I think it would fit in completely with the master plan that Friends of Old Maui High was able to put together with the help of the community. The community came in on several occasions and told us what they would like to do with Old Maui High. And I believe that their proposal is consistent with this plan. And I think it would be wonderful for the community and for all of Maui if this were being...if this were accepted by you. And I humbly ask your confidence in that as well.

CHAIR GUZMAN: Okay. Thank you. Thank you very much, Ms. McDuff. Members, do you have any questions for the testifier? Seeing none, thank you very --

MS. McDUFF: Thank you.

CHAIR GUZMAN: --much for your testimony.

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

CHAIR GUZMAN: Okay. So that being said, Members, I'd like to close public testimony at this time, without objections.

COUNCILMEMBERS: No objections.

CHAIR GUZMAN: Thank you.

. . . END OF PUBLIC TESTIMONY . . .

**EAR-63 AUTHORIZING GRANT OF A LEASE OF REAL PROPERTY TO TEACH
DEVELOPMENT LLC (OLD MAUI HIGH SCHOOL CAMPUS) (C.C. 16-102,
CC 16-103)**

CHAIR GUZMAN: Turning to the only item that we have on today...excuse me. Okay. Go ahead. Turning to our only item that we have on today's agenda, we have the...we're gonna go ahead and receive a presentation and introduction of the project and be able to also ask questions of the project sponsors. And then at...possible we can either take action or I guess defer this matter for further discussion, depending on the will of the Committee. So turning to the item, the description of the today's item...we're going to be addressing number 3, which is the correspondence dated July 20, 2016,

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from the Economic Development Director, transmitting a revised proposed resolution entitled, Authorizing the Grant of a Lease of the County Real Property Consisting of Tax Map Key Number (2) 2-5-004:014 and (2) 2-5-004:053, to Teach Development, LLC, pursuant to Chapter 3.36 and 3.40 of the Maui County Code. Attached to those, to that authorization of the lease is 2 attached proposed leases of the total amount of 23.538 acres identified for the real property tax purposes as tax map keys (2) 2-5-004:014 and (2) 2-5-004:053 to Teach Development, LLC. The purpose of the revised proposed resolution is to allow the Mayor, the Director of Finance, or their authorized representatives to enter into 2 leases to Teach Development, LLC, for the Old Maui High School campus for \$1 per year in total for both parcels for a term of 60 years, for use as a facility of innovative social, economic, environmental benefits to Maui. We are here today...Members, the Old Maui High School in Paia opened in 1913 and closed in 1972 when a new high school opened in Kahului. The original Old Maui High School served students from the Hamakuapoko plantation camp near Haiku and Central Maui. In 1921, the mission-style administration building and classrooms designed by noted Hawaii architect, Charles W. Dickey, opened on...opened the 24-acre campus. Some Committee Members may remember those days before it closed. Although it is listed in the Hawaii Register of Historical Places, the property has been sitting vacant since that time. In 2005, community organizations including Friends of the Maui...Old Maui High School held community meetings to discuss revitalization of the area and started working to clean up and restore the campus. Friends of Old Maui High is actively involved in the preservation of, and the historical essence of the property. Senator Daniel Inouye helped to obtain a Federal grant through the EPA of 250,000 to clean up fire damage to the buildings to make it safer. In 2014, the Mayor's Office through the Office of Economic Development, issued an open request for proposal seeking groups interested in leasing the campus for 20-plus years to use and repurpose the campus consistent with the 2010 Executive Order No. 4343. By that order, the State set aside the campus to County for social services, education, agriculture and related support services. Before us, we have a plan to repurpose the Old Maui High School campus per RFP No. 14-15/P-15 through the grant of 2 leases to Teach Development, LLC for terms of 60 years for a total of \$1 per year. The project seeks to revitalize the...and restore and use the campus of Old Maui High School as an innovative campus and community center focusing on technology, education and agriculture. To describe the proposed...the proposal and to answer our questions, we have the Economic Development Director, Teena Rasmussen; the Director of Finance here, Mr. Agsalog; and the proposed lessees, Teach Development, LLC; as well as the representatives from the Friends of Old Maui High School as a part of our panelists. I'd like to introduce our panelists that we have before you. Members, we have Barbara Long at the...I guess your right hand side at the very end. She is the president, the Friends of Old Maui High and has been involved since the start of the organization in 2005. We have Rich Lucas who is also the program manager of the Friends of Old Maui High School. And sitting next to him is Mark Chasan, the CEO of the--oh so, on the very end --

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MR. MASON: There's Mark.

CHAIR GUZMAN: --all right--of the Teach Development. He's also a lawyer and a financier. Mark has worked with many large-scale projects including Clean Fund, Zip Power, and Transformative, Inc. And we have Mel Chiogioji...is that right? That's hard to pronounce. And he's the co-founder of Aina Koa Pono, the LLC in 2008 and serves as the president and chairman of the board of the advisors. He has also spent 5 years in the automobile repair business since June 1980 and has served on various assignments. He has 30 years of senior management experience in engineering and research fields. He's also an author of 2 books. One of them is the Industrial Energy Conservation, and Residential and Commercial Building Energy Conservation. He has also have extensive experience teaching graduate-level courses. We also have Jason Hobson. He is the general contractor and chief developer of...and officer of the Teach Development. Jason is an attorney who has been working with the California Public Utilities Commission's Low-Income Oversight Board and advising public/private partnerships and extensively as a developer of affordable housing. We...and last but not least, we have Glen Mason. He's the designer of Teach Development, and Glen has 39 years of architectural experience in both preservation of history, culture, structures and design of new projects. He is also the founder of Mason Architects. Before...I'm gonna go ahead and ask Ms. Teena Rasmussen for any opening comments before we proceed with the presentation by Mr. Chasan. Ms. Rasmussen?

MS. RASMUSSEN: Okay. Thank you, Chair Guzman. Members of the Committee, thank you for allowing us to come in today. This is a very exciting day for us because this represents over 2½ years of work to get to this point. Approximately 3 years ago, OED received a visit from a small group of board members from the Friends of Old Maui High School. They explained to us that despite their valiant efforts to raise funds to rebuild the administration building and rehabilitate the campus, which was intended to be a...the Patsy Mink Center. They were conceding that due to the aging of the alumni and the 40 years that had passed since the campus was vacated, they now did not feel that they would ever be able to see the project through. They informed OED that the infrastructure requirements to bring the campus back were too great for them to afford. There is no potable water. There's no fire protection. There's no septic system on the property. And all of this would be required. They furthermore explained that that they would not be capable much longer in being the caretakers of the property with the County grant. The County of Maui has been providing the Friends of Old Maui High a grant between \$65,000 and 100,000 per year to maintain the campus in the best manner possible. To their credit, this dedicated group has kept the usable buildings intact and protected them from leaking. They've protected the foundation cement of the administration building and have kept the campus from being overgrown. They've conducted numerous studies that detail the infrastructure problems as well as the study that shows the vision of what they believe the campus should be restored to. From this initial conversation with the Friends, OED convened a meeting with several directors in various departments as well as some staff in the

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County who had worked on this project in the past and some consultants who had been hired by the Friends' board. We met, we discussed this project. We talked about all kinds of angles and how the County might be able to step in and solve this. And the outshoot of that meeting, it was suggested that we put an RFP out for a \$1 long-term lease to see what kind of interest there would be. So on September 1, 2014, OED published the RFP for repurposing of the Old Maui High campus. We allowed ample time for good proposals to be developed. The RFP was open for 7 months. OED received 3 proposals, 2 of which did not demonstrate adequate financial backing or management expertise. The Teach proposal was selected unanimously by our review team and subsequently by Mayor Arakawa. Work began then on negotiating the lease and we are now here today for Council approval of that...those leases. It should be noted that the lease for the 22.15-acre Interim-zoned parcel, which is owned by the State of Hawaii but given to the County through Executive Order, has also been sent to the Board of Land and Natural Resources for approval. We do however have preliminary approval from the Chair of BLNR, Suzanne Case, that states the use under Teach proposal is consistent with the Executive Order, and you do have a copy of that letter in your packet. If you move today to approve this lease, the motion should be stated that it is contingent upon subsequent BLNR approval. As of this date, we do not know when it will be scheduled on the BLNR docket. You have met our guests today. I wanna wrap up by saying, I wanna particularly thank Department Directors Dave Taylor, David Goode and Will Spence, and our Corp. Counsel attorneys, Ed Kushi and Jerrie Sheppard, who have been extremely helpful in getting us to this point. I also want to express our utmost gratitude for the dedicated Friends of Old Maui High who have held the vision of this campus to be returned to a place of learning, innovation and inspiration. The decades of care that they have provided to this campus has been enormous, an enormous task that has gone relatively unnoticed by the larger community. Their service has been exemplary. We feel it is now time for us to honor their tireless work and entrust this property, which has such a rich and historical past to a new generation of innovators, educators and caretakers. We have the Teach group with us today and they have prepared a PowerPoint presentation for you which we'd like to go through now and then we're all available for questions. Thank you very much.

CHAIR GUZMAN: Okay. Thank you. Members, you'll have a copy of the PowerPoint, a hard copy that was handed to you as well so that you can follow along. Mr. Chasan, would you please...

MR. CHASAN: Mr. Chiogioji --

CHAIR GUZMAN: Oh, okay.

MR. CHASAN: --our chairman, will start.

CHAIR GUZMAN: Okay. Go ahead and proceed with your presentation.

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. . . BEGIN PRESENTATION . . .

MR. CHIOGIOJI: All right. Thank you very much, Chair Guzman, Chair White, Members of the County Council. We really appreciate the opportunity to be here today to explain to you a little bit of what our vision is with regard to repurposing of the Old Maui High School. Again, we would not be here were it not for a lot of support from the County Administration including Mayor Arakawa and in particular, Teena Rasmussen, who has been terrific working with us. We also really appreciate all the support that we've had from the Old Maui High...Friends of Old Maui High School, who we met with a number of times and who have been very, very supportive of what we're trying to do. And we will continue to work with them to make it such that, you know, this is a showcase institution that we can set up it by...having known Patsy Mink for many, many years, you know, I think this is really a great testimony to all the public service that she had given to the State over the years. And our intent is to name the old administration building, which we're gonna be renovating as the Patsy Mink Center. And so, you know, those are some of the thoughts and ideas that we have. We're gonna try to involve as many organizations within County of Maui to work with us on this to make sure that we have a demonstration site in which we can provide education and where Teach kinda, tells you kinda where we're trying to be as far as this organization is concerned. Although you got the PowerPoint presentation, we're not gonna go through the every page of it. We're gonna kinda highlight some of the items that are in there. Mark will kinda give you a bird's eye view of what our ideas are. Jason will give you some of the ideas that we have with regard to development and financing of the project. Glen will talk about some of the...what we're gonna be doing to get the TEACH Center to be where it need to be from a construction point of view. I'm just a tagalong so I'm here just to make sure things work out okay. So we'd like to thank you very much again. Again, hopefully we'll be able to answer all the questions that you have after our presentation. We really look forward to working with all of you to make this a success. So, Mark.

MR. CHASAN: Thank you, Mel, and mahalo to the Councilmembers and the Chair, for inviting us here today to share our vision with you. This vision really is one that comes from the heart. You know, Maui as everybody has acknowledged to us, is an island in transition. The world is also in transition. And in order to support the health of this planet and humankind, we need to make some changes, and to demonstrate what is possible to create an abundant, thriving and sustainable world for Maui and the world, and future generations. We believe that this property, its prior uses and what it represents can be a showcase of exemplary innovation that will help build a local living economy and the regenerative economy. And we will explain what that means in greater detail--if we can get this working--there we go. Teach Development was formed as a Hawaiian LLC specifically for the purpose of repurposing and developing and evolving the campus of Old Maui High School. Old Maui High School has been sitting abandoned and pretty much vacant except for the efforts of the Friends of Old Maui High School for about 40 years and costing the

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County between, as Teena said, 65,000 to \$100,000 a year. The evolutionary purpose and mission of the TEACH Center is to repurpose Old Maui High School, to foster increased and sustainable social, economic and environmental benefit for Maui. There's a lot to learn and we are here to make a long-term commitment to change that will hopefully benefit Maui in a very significant way as well as showcase new technologies, education, green job trainings for the world. So we're here to listen, to learn from, collaborate with, and serve the community of Maui, to help create a Maui that is more socially vibrant, economically thriving and environmentally healthy. The TEACH Center represents a living laboratory, an innovation campus and a gathering place that fosters an abundant local living economy. We also intend to honor the legacy of Old Maui High by being a place of education, but a place that educates people in meaningful work, in green jobs that will actually help the environment of Maui and will help to increase the economic development of Maui while fostering greater community health. Moreover, we look forward to creating an innovation center where we can facilitate entrepreneurs, inventors and makers in demonstrating new technologies specifically around agriculture, water, food security, energy security, bio-materials and ways to demonstrate integrative planning and design to showcase how we might be able to build in the future our communities. One of the big themes that I've been hearing and one of the big needs here is affordable housing. And part of making life affordable is affordable food, affordable water, affordable energy. And we believe that by demonstrating how communities can collaborate and come together, we can increase the quality of life while lowering the cost of living. Some of the economic benefits that we see from the TEACH Center and that we intend to bring to Maui in collaboration with the community is increased investment and economic growth in the region by virtue of the estimated \$56 million that we will spend in developing TEACH. We will create jobs. Once TEACH opens its doors, we will create more jobs. But moreover, the incubation of hundreds of companies has the potential of creating thousands of jobs for Maui. And these jobs are again not focused on, you know, menial labor and low-paying jobs but actually training people in things like renewable energy, waste management and upcycling, and water technologies and renewable energies. And when I use the term regenerative economy, that's exactly what is represented in a regenerative economy, is looking at living systems, natural capital in order to enhance the economy of Maui. Recently, the World Bank put out a number that pegged natural capital at \$72 trillion a year. And natural capital refers to the work that is being done by nature, phytoplankton making air, how nature cleans waters, our fisheries, our forests, our...and how the bees pollinate flowers. UNEP did a separate study showing that natural capital is being eroded by human activities at a rate of \$7.3 trillion a year. Now, when you do the math that means we have roughly 10 years to really make a difference, and really not even 10 years. So there's an urgency to showcasing new ways of living, new ways of relating to each other and nature. And we believe that the TEACH Center and this unique piece of property can be that exemplary showcase. In addition to the economic benefits, we see social benefits. Because of the fact that it can become a beautiful gathering place that really showcases these new technologies and health and wellness for the community, we see greater community engagement, helping the community to learn about food and

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exercise and mindfulness, and improved relationships. We hope that through our community efforts and community engagement that we can actually bring people together in the community to collaborate, to create a Maui that is more abundant, thriving, sustainable and healthy. Aside from that, the ecological benefits of the TEACH Center are that we're very fortunate to have on our team people like Mel who has done mission critical integrated energy and built environment projects; one of the leaders in the world, Bill Reed, who is a leader in regenerative planning and design and community engagement; Glen Mason who has been over 30 years here in renovation and looking at how buildings can best serve the community. So the ecological benefits we intend is to show how this built environment can actually create ecosystemic thriving and healing of the land rather than ecosystemic destruction. And it is our...the way our...we do agriculture, the way we build our homes, the way we manage water that is often leading to the destruction of those systems that support our life. It is our hope through community involvement, through involvement with business and government here that we can actually demonstrate the ecological benefits and economic benefits of doing the right thing. I am now gonna turn this over to Jason Hobson who is going to tell you about the nuts and bolts of our development and finance and talk about the facilities.

MR. HOBSON: Great. Thank you, Mark. Chair Guzman, Councilmembers, thank you very much for your time today and your consideration. And what I would like to do is talk about how this vision, which is a grand vision and it's a vision of the future, how that's going to translate into the facilities and the projects, and the various components of our project at Old Maui High School. And we envision using integrative design, sustainable practices and regenerative systems to repurpose approximately 2,000 [sic] square feet of built environment. And this includes the preservation of the Old Maui High School, the historical campus and specifically the Dickey building. And what we're creating here is an inspiring community-gathering place for innovation, for education, for agriculture, for community and for health, and to showcase the integration of all these components. And this educational center will also provide opportunities for training in clean tech, green jobs, innovation in farming, innovation in healing, as well as opportunities for our kids and our children to come at a youth camp and really better relate to food and agriculture. Most kids nowadays, they don't know where food comes from. They just go to the grocery store. This will actually be an opportunity for kids to come to a youth camp, understand food farming, truly what it is to be farm-to-table. We're also creating a co-working space that really will foster innovation in agriculture, in aqua tech, in food. Some of the facilities we're contemplating using is repurposing the old commercial kitchen of Old Maui High School, turning that into a commercial kitchen for local food entrepreneurs. There's such a huge food scene on this island, especially Upcountry and the North Shore, giving people an opportunity to come in, use those facilities, learn how to run a business, create an ecosystem around that commercial kitchen. So it is a food hub and also a place for incubating new technologies in agriculture. We've been approached by several soil remediation companies that are very interested in looking at the soil here, and doing some test farming to figure out what works, what doesn't

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work, what's the best practice. And so, we have a lot of uses that are planned. And when you combine all these uses, the common theme is one of wellness. And so when they're integrated, collectively we're creating an ecosystem of wellness, of innovation and a showcase for innovation in agriculture and health. And so I'm gonna turn to the next page, and I'm not gonna go through all these intended land use and facilities that we're planning of Old Maui High School, but I will, I think just maybe highlight one or two. The first is the center for agriculture, permaculture and living technologies. This would actually be farm demonstration sites, small-scale demonstration sites to figure out what crops may work, what technology initiatives would work best in farming and doing it on, in a...on a test basis to figure out what works and then being able to scale it on other farms or elsewhere in the islands. Conference facilities, creating conference facilities for thought leaders on issues around water, energy, homelessness, affordable housing, creating venues where thought leaders can come and we can talk about these issues from not just our head but our hearts. And Mark uses the frame...a phrase called whole tank, so it's not just a think tank, it's actually using your heart and the rest of what's available to us to look at solutions in a different way. Another area is the economic-social-environmental innovation, entrepreneurial and maker center. And this is an area where we are gonna be working with startups, creating an ecosystem of success for them, giving them an opportunity if they're interested in soil remediation or new technologies in agriculture, creating an environment and the capital for them to bring their idea to fruition and to market. And that just not only benefits Maui but the rest of the islands, and the rest of the world. Mark, go ahead and move to the next slide. In a project like TEACH, because of its size and a lot of the different anticipated uses, is a phased project. And we have different funding requirements at different phases. And so what I've laid out are three distinct phases that we have in our development plan. And let me just...I'll go through...I won't go in through detail but I'll kinda highlight a few things in our summary of development. The first phase is we're gonna really focus on site investigation and planning. We're gonna spend about six months looking at what is on the site, looking at the soils, looking at the water situation, looking at infrastructure, making sure that the integrity of the existing buildings that we'd like to rehab is actually there in spending six months looking and investigating to make sure we understand the land so we can better serve the land, and also engage the community during this process because this is a facility that's been there for a very long time. There's a lot of knowledge out there, but also engage the community to better understand what the community, what they would like to see here and how that can influence our programming. And so Phase 1 is first site investigation. And then the second part of Phase 1 is planning, a lot of predevelopment planning, engineering, engaging the architects. In a project like this where we are incorporating regenerative systems, this is...can be very heavy on engineering because buildings, the whole purpose of creating a regenerative campus is that the campus works together as 1 whole system. And so, we're not just serving 1 building and the system serving 1 building, but creating systems within the entire campus community. And so engineering will be heavy. Early on in Phase 1, we're also going to be able...given the...our understanding of the integrity of the buildings at the existing site is to do...have some early uses and...such as going ahead and having

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some demonstration farms, and bringing in some soil remediation companies that are interested in the soil remediation challenge. We also think we can actually currently host workshops, festivals and events on site. And we also believe that early in the process, convening think tanks and getting input from the community is going to be very beneficial. So that is Phase 1. Phase 2 is actually...once we have all the knowledge and we've done the preliminary planning, Phase 2 is gonna focus first on the preservation of the existing historic campus. Here we're gonna incorporate the Patsy T. Mink reception center, space for all the archives of the Friends of Old Maui High School. We'll also...given that the commercial kitchen is actually part of the old historic campus as well, we'll roll out the commercial kitchen. There is a makers lab that's a part of the campus where historically has been a part of the campus and so we will repurpose that so we have, the local entrepreneurs have access to tools and manufacturing, and manufacturing-type tools. We'll also incorporate a co-working space early on for all these...for local entrepreneurs that are interested in ag tech and various other technologies. And then once we are done preserving the existing campus, we're gonna move to building the new living systems, the new buildings, which will house the regenerative center and a number of the other new uses such as retreat housing, worker housing and what have you. So that is generally the plan. And then the third phase is...we'll have...once we have the environment all built out, we'll need funds and we'll need...we'll really focus on operations, programming, getting input from the community as to what programming they would like to see. So those are the three distinct phases of development. A little bit about Teach Development, I'm not gonna...you already heard the bios, but our core management team, we have significant experience in regenerative planning and design, finance, construction management, agriculture, real estate and community development. And given the intended uses and kind of the complexity of this project, we brought people with these different expertise and the economic resources to make this project happen. And I think with that, I will turn it over to Glen Mason.

MR. MASON: Thanks. Thanks, Jason. I was just thinking that it was ten years ago this month that I got a call from Barbara asking me to take a look at the old Dickey school building to see if it could be saved. And we put together a team that included a structural engineer, Walter Vorfeld. And maybe not to your surprise, but a little bit to my surprise, we found out that it was very salvageable. And the visit that you and I took to the site with Hans Riecke was quite an eye opener for me. We...I've done a lot of preservation work over the years and the magic of this site...and it's not just the buildings, it's the trees, it's the open space, it's everything else, it's pretty evident to anyone who's ever been there. I come from this from a little bit of a different direction in that I really get the importance of saving that site from a cultural point of view and from a...the point of view of the history of Maui. And it also became very obvious since we worked on a little bit more, we did the report, we actually did...went so far as to do construction documents to stabilize and save by putting a roof on it and some floors and whatnot in that original Dickey school building. And what became very obvious as some of the things have been commented on before. It takes a lot to do...to work this site. You don't...you can't just fix a roof. And the thing that's, that is very

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important about the Teach proposal is that it thinks big enough. If you think small, you can't do anything with this site. And that's really, really important. It's gonna take, you know, a million dollars plus to get utilities in before you can do anything. That has to be part of a much larger project. And that's the good thing about...and one of the main things about the Teach proposal is it's not trying to do a little. It's trying to do a lot. That's very important. A specific comment about the site in general, it's not just the Dickey building. We need to understand that we have a school there. There's at least ten significant buildings there and at least eight of those I believe are reusable and can be preserved. We need to study them a lot more to verify that, okay. But there are available...one of the funding sources for this is preservation tax credits. We believe that the central part of the campus is a historic district and should be placed on the register as a historic district, which will open up funding sources through preservation tax credits. This is one example of thinking about things more holistically. So there are some facilities on the site that will need to be demolished. They are pretty bad. And there's a couple that are marginal that we really will need to study. But there's a lot there that can be used and can be used fairly quickly. So go to the next slide. I am not gonna beat you to death with all of those words. But there are two parts of this that I think we should probably talk about. One is this regenerative development process. It isn't only about nuts and bolts and technology. It's about how do we capture the important cultural and historical aspects, not only of the site but of Maui. That's part of this planning process. It's a multi-stakeholder engagement. That's really critical. And the other thing that I kind of wanted to pick up on in this list of things, it says nature to inform the structuring and integration of, et cetera, et cetera, et cetera. What that really means here on this site is that nature will demand a creative approach to this site. We don't have water. How are we gonna get it? We can drill a well but then we've got other problems associated with that. We're going to have to think creatively about the way we get water, use water, process water and everything else. So what I'm really saying here is that the site will demand the kinds of things that we're proposing as part of the Teach proposal. And anybody who works up there is gonna have to do something like what we're proposing. So we're thinking big. We have to think big or nothing will ever happen to this site. So that's all I have.

MR. CHASAN: Thank you again for letting us present to you. Oh. Sure, go ahead.

MR. LUCAS: If I could just add a comment. First of all, I'd like to acknowledge the arrival of Stan Chong-Kee who is the president of our board of directors and also Keoki Raymond, a member of our board of directors. Both of whom are here in support of this proposal as well. You've been provided with a copy of a letter that is signed by all of the directors of Friends of Old Maui High School in support of the proposal of Teach Development. And while the letter I think very well outlines our unmitigated support of this proposal, I think you also need to know about the enthusiasm that the board of directors has for this proposal. We had the opportunity not only to review the proposal that was submitted to the Office of Economic Development, but we also spent an entire afternoon with part of the management team

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of Teach Development and sat down with them across the table, asked them questions and listened to their vision for this proposal. And the board of directors was thrilled with what they had to say, with their answers to the questions, and with the vision that they have for the future of the Old Maui High School campus. In 2007, Mayor Arakawa, during his first term came to us and said, I like what you're doing here but we need a plan. We need to know what the endgame is for this campus if we're going to proceed with the preservation and the redevelopment of the campus. And so the Mayor made available with the approval of County Council, a grant which allowed us to perform a study and do a master plan for the Old Maui High School campus. And with the guidance of Chris Hart and Partners, a series of meetings were held with the community to look at this campus and ask the community members what do you see for the future and what kind of a facility at this campus would best serve the people of this community. And what came out of it was a master plan. The Teach Development plan not only incorporates all of the important aspects of that original master plan, but it enhances them and actually makes this vision something that's economically viable and environmentally friendly. And because of that, I feel confident that we can say that this proposal not only has the support of the board of directors of Friends of Old Maui High School, certainly supportive, the alumni of the school, but also the support of the community who originally came up with this vision and shared it with us in workshops and community meetings. And we have seen that vision now take form with the participation and guidance of this group. And I think it's important that the community's voice in all of this be acknowledged as well because we are certainly excited and thrilled about what is to come on this campus through the great assistance of Teach Development. Thank you.

MR. CHIOGIOJI: Let me make one other comment here which I neglected to do. Of the four of us here, three of us are kamaainas. And so, you know, we have an aloha for doing the right thing here in the islands. And so, you know, what we'd like to be able to do is work with you, make this project a success, work with the Friends of Old Maui High School and anybody else within the community to make this a success. Thank you.

. . . END PRESENTATION . . .

CHAIR GUZMAN: Thank you. So what we'll go ahead and do before we open the floor to the Members, Mr. Agsalog, the Finance Director, do you have any openings statements prior to questions?

MR. AGSALOG: No, Mr. Chair. I'm just here in support of the effort of the Mayor's Office, Economic Development. My staff has been working with them in trying to come up with the current proposal that we have. If you have any questions to my Department, I will be more than happy to answer them.

CHAIR GUZMAN: Okay. Thank you very much, Mr. Director. So, Members, I would like to open up the floor for any questions that you may have. You may direct your questions

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to either the panel, the Administration or Corporation Counsel. Why don't we start down the line so that we can have a more fashionable, organized method. Mr. White?

COUNCILMEMBER WHITE: I don't know if I can live up to your fashionable expectation but...

CHAIR GUZMAN: I was just taking after Ms. Cochran.

COUNCILMEMBER WHITE: I just have one comment to start with. Mr. Hokama has appendices that I don't have in my hard copy. And I...so I went on the online version and it's...the appendices don't appear there as well. So I was wondering if we can get copies of the missing pages.

CHAIR GUZMAN: Staff, do we have a...yeah. We'll get that to you.

COUNCILMEMBER WHITE: Okay. So one of...I guess one of my questions is whether or not...you said you have a...you obviously have a water challenge which I think we're all aware of. You have I'm sure other infrastructure challenges, getting utilities there and roadways, et cetera. What are you expecting from the County with respect to any of the solutions to any of these issues?

CHAIR GUZMAN: Anyone on the panel?

MR. MASON: Well, we're not asking the County for any specific things.

COUNCILMEMBER WHITE: Wait 'til you get...

CHAIR GUZMAN: Yeah.

COUNCILMEMBER WHITE: Yeah.

MR. MASON: Sorry.

CHAIR GUZMAN: There you go.

MR. MASON: We're not asking the County for anything with regards to that. I mean we actually kind of hope we might get a little bit of roadway help to that last piece that's kind of a mess. But other than that, anything on the site we see as being our responsibility. We intend to drill a well. We do not know what that well...we're gonna...part of the investigation phase is to find out what the water is like there. There's been, you know, all sorts of concerns that we might need a stripping well or something like that in order to clean the water. But no one can tell you...tell us what that water is really like. So part of that initial investigation phase is to learn more about what's there, to do a test well for example, to find out what we need to do. No matter what we do, we're going to be, as part of our work, maximizing capturing water

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on the site, reusing water on the site, recycling as much as possible because that...I mean that's the essence of what we're trying to attain here, is to try to create a site that has, you know, that doesn't need to pump very much water out of the ground. But we will need to do that. So there are facility...there are utility challenges. The good thing is electrically, there...we've got more than enough power on the site, amazingly enough. Although the electrical engineer who has been in that room has said he wouldn't walk in there again without making some changes to it. The power actually to the site is ample. So we have water and of course, sewer utility issues that we're gonna need to deal with. But that's onsite and we're not asking the County for any help on the...on those. Thank you.

MR. CHASAN: And again, we're not looking at silo'd systems such as water being a standalone system different from agriculture, and agricultural waste not being used as energy. So, you know, anything that would be considered a waste we're looking at how to recycle, upcycle, turn into energy. We're looking at how to conserve and purify water through the greywater and blackwater recycling systems and catchments. We're looking at how the built environment can be highly energy-efficient and utilize a lot of the natural air and light rather than power. There's new technologies that are on the verge of becoming commercialized for low-cost storage. So that the things that are intermittent like solar and wind can now be used to charge batteries so that we'll have power at night and energy security. So those are some of the things that we're looking at also putting in place on the site. And again, we're not looking for the County or the State to give us any money for that.

COUNCILMEMBER WHITE: And secondly or third would be, are there any expectations that you'll be coming back to the County for operating funds when you get up and going after Phase 3 or 4 is completed?

MR. CHASAN: No. And that's been made clear to us from the proposal stage forward that we're not seeking any funds from the County. We are potentially seeking some collaboration with the County around putting a PACE-finance system in place so that we can...which is not just for us but for the entire County to adopt PACE financing so that we can accelerate the rate at which we are doing renewable energy conservation and energy efficiency on the island. And if that is in place then we will avail ourselves of that and already have letters of interest to finance this property, utilizing PACE as part of our financing strategy.

MR. HOBSON: Let me just add to that, 'cause there is in the State enabling legislation that permits PACE-financing. Honolulu is gonna be rolling it out in the near term. And we feel like this is a perfect opportunity to collaborate with the County to come up with some innovative financing not just for our project, but for all commercial projects. And PACE-financing specifically finances energy efficiency improvements and water efficiency improvements. And that's ideal for where we are with Maui.

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MR. CHASAN: You may also want to talk about the economic advantage to the County potentially for the...

MR. HOBSON: It's also...I mean a lot...I worked on PACE transactions all over the country. The State of Connecticut, their Green Bank uses this as a revenue generator. They're issuing bonds, revenue bonds, not general obligation bonds but revenue bonds. And it's a profit center for them because they're collecting issuer fees on revenue bonds. So it is an opportunity. I know other joint powers authorities in other states use this as a revenue generator.

MR. CHIOGIOJI: Yeah, Chair White, you know, in terms of wanting anything from the County for financing, not in terms of building the facility out, there may be an instance in which the County may wanna have a program that you may wanna have in the center as a continuing education-type thing that, you know, you may wanna finance. But we're not asking for anything with regard to building out the facility.

COUNCILMEMBER WHITE: Of course continuing education, Mr. Hokama will probably remind you is the State's responsibility. But the other question I had was, your timetable looks very rapid compared to what we see other developers encountering. So can you share with us your sense of comfort that this timetable is workable?

MR. HOBSON: Sure. And how we structured the lease with Ed Kushi and Corporation Counsel Sheppard is that we have a 6-month look that we're actually not even taking possession for the first 6 months. We wanna make sure because we have a fiduciary obligation to our financing partners not to take possession of something we don't know about. So we are using that first 6 months to really again, investigate the soils, the water, the utilities and what have you. After that 6 months, we have an opportunity if there are issues that we don't know about. There are old reports that give us indications of the condition of the soil and the water. So we have...but they need to be updated. They haven't been updated for 10 years. And so based upon these investigations, we have an opportunity if we feel like there are significant challenges to come back and eventually relook at that schedule. But we do feel the condition of the buildings and Glen spoke about this, the integrity of the historic campus, we can actually reuse a lot of those buildings right away. And so that...we can do some adaptive reuse right away with really more cosmetic-type nonstructural modifications to the building. And so, a lot of the uses and we've agreed there are some performance milestones preferentially that the County negotiated for your protection to make sure that we're performing. But we all agree we don't know what we don't know until we get in there and investigate. We have an opportunity to come back and say, listen this water situation is a lot more serious than that report indicates from 10 years ago. We need to dig 800 feet, you know, who knows what can happen. But we feel that a lot of the uses, we can incorporate right away.

COUNCILMEMBER WHITE: Okay. Thank you.

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MR. HOBSON: But it is, you know, it's aggressive but we also feel like we can roll it out in phases. In each project, there are a lot of different uses. And each project will have different financing partners, different collaborators. And so we'll be parallel tracking a lot of the different project components.

COUNCILMEMBER WHITE: Thank you. Thank you, Chair.

CHAIR GUZMAN: Thank you. Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, thank you. Thank you, Chairman. To Ms. Long and Mr. Lucas, I thank you for your perseverance. It's been a long journey for many of you, to the Chong Kees, the old families that had the opportunity to enjoy that old campus. I did during my era so it's a special place. I would support that and I like the vision of where you would like to go. For me it's about the details and what is the expectations of the County if we move the agreement forward. So, gentlemen that represent the Teach component, my understanding is what the County is agreeing with you is we're gonna waive about \$231,000 worth of annual rent in exchange for \$1-a-year lease through the documents. So that's one part from the financial point of view. My understanding from your handout that you shared and it's interesting I got the one page that my colleague don't have, but it says, by us agreeing, we are agreeing to expediting zoning entitlements and permitting processes. Wow. So can you tell me what we're agreeing to as far as your understanding is?

MR. HOBSON: Yeah. I don't know the appendices you're speaking of. But there is in the lease a general covenant too and it's really, I think it's...we will reasonably cooperate with the facilitation of permitting. That's really the extent of any covenant of the County in the actual lease itself. I don't have the exact language, but we can pull it but that would be the scope of...we asked, you know, time kills projects. And so we did not want that to be the situation here so we did ask the County and we are collaborating with you. You are our partner to help build all this necessary infrastructure and the different components of the project. What we don't want is to die at the 11th hour because of permitting delays. And so --

COUNCILMEMBER HOKAMA: And...

MR. HOBSON: --there was a...

COUNCILMEMBER HOKAMA: No --

MR. HOBSON: Yeah, so...

COUNCILMEMBER HOKAMA: --we all understand that.

MR. HOBSON: Yeah. So there was just a general covenant or actually it's not even a covenant. It was a general statement of...

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COUNCILMEMBER HOKAMA: Well, I'm just wondering if you can tell the Committee this afternoon, any of you, what...if it's you, Mr. Hobson, that's fine. What is our departments telling you of your proposed uses and your existing current zoning, your community plan designation and State land use classification?

MR. HOBSON: Sure.

COUNCILMEMBER HOKAMA: Do we need to have those items, all three or one of those three land use designations adjusted to allow you to move forward, the vision as you're stating in your master plan?

UNIDENTIFIED SPEAKER: Yeah, we...

MR. HOBSON: I'll let you, Glen. Why don't you speak to that?

MR. MASON: Yeah. Yeah, we're definitely gonna have to go through that process. We're going to have to when...integral to this is getting a planning firm on board that is going to be leading us through the discretionary permit process. We...there is no way around it. We're not, you know, we...the only thing that we're really asking for is actually the continued support of the County in moving forward. We're not asking for any exemptions from any planning or zoning requirements. We know we're going to have to go through all of the typical processes that we would have to go through for permitting. So and what...don't read that as being like, hey, we want an exemption from this, that or the other thing. We're not asking for that.

COUNCILMEMBER HOKAMA: No, if you are --

MR. MASON: Yeah.

COUNCILMEMBER HOKAMA: --and you're upfront, I don't have an --

MR. MASON: No, no --

COUNCILMEMBER HOKAMA: --issue --

MR. MASON: --but --

COUNCILMEMBER HOKAMA: --with that --

MR. MASON: --we're not...

COUNCILMEMBER HOKAMA: --_____ if you --

MR. MASON: We're not --

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COUNCILMEMBER HOKAMA: --you know --

MR. MASON: --because --

COUNCILMEMBER HOKAMA: --if you asking that.

MR. MASON: --quite honestly, we don't know what we need to ask you for exemptions from even if we could at --

COUNCILMEMBER HOKAMA: And --

MR. MASON: --this point.

COUNCILMEMBER HOKAMA: --that's part of the questions this afternoon --

MR. MASON: Yeah.

COUNCILMEMBER HOKAMA: --gentlemen. We...I'm trying to find out when it says that we have...by approving, we agree to the following, I wanna know what we are, what we've --

MR. MASON: Yeah. Okay.

COUNCILMEMBER HOKAMA: --telling to you, we are agreeing to. Because at this point in time, I don't know what we've agreed to. So I'm asking you what is your understanding of this things regarding expedited zoning and entitlements, County roads --

MR. MASON: Yeah.

COUNCILMEMBER HOKAMA: --and utilities. You know, is --

MR. MASON: We can, we...

COUNCILMEMBER HOKAMA: --increased ability to obtain grants, tax credits, favorable financing. Is this all from us, the County? I'm...that's why I'm...we're asking the questions.

MR. MASON: Well...

COUNCILMEMBER HOKAMA: We're just trying to figure out what are we agreeing to and who agreed to what.

UNIDENTIFIED SPEAKER: Yeah.

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CHAIR GUZMAN: Maybe, Ms. Rasmussen or the Corporation Counsel?

MS. RASMUSSEN: I have a little bit of insight. So, we have spent time with our departments to find out, you know, about the zoning. This is Interim-zoned property. Everything that they have suggested that they're going to do is okay on that zoning. They...if they keep the facilities, the built-out facilities to 15 acres or less, which their plan does, then they just need an EA. And they do not need to go to State Land Use. They do need this approval from BLNR for the lease because that's a standard procedure and that is already with BLNR. As far as the other things, there's no...all it was, was just a spirit of collaboration with the departments to get permits done. And the only thing they ask for specifically was for us to...when the project was complete or nearing completion, when it's gonna be used to pave the road. And it specifically in the lease says as funds are budgeted for. So, you as the persons who approve the budget would have to approve the funds to pave that road. So we have not obligated the County specifically for anything particular that would have to be done out there.

COUNCILMEMBER HOKAMA: Okay. No, I just...we just wanna know --

MR. MASON: Yeah.

COUNCILMEMBER HOKAMA: --if you folks have an agreement, what the...what are we agreeing to?

MR. MASON: Well...

COUNCILMEMBER HOKAMA: That's what we'd like to know this afternoon.

MR. MASON: Well, whatever we need to do to clarify that language would be fine. We have all, everyone in this room is probably familiar with EA processes that haven't been carefully followed and, you know, very well done. We do not escape that. We have to do a good job doing this. And part of what Teach is all about is all the things that EAs are for. And so we are going to...we gotta play by the rules here. And --

COUNCILMEMBER HOKAMA: We're...

MR. MASON: --we're --

COUNCILMEMBER HOKAMA: No.

MR. MASON: --going to be doing a...

COUNCILMEMBER HOKAMA: We appreciate that very much, Mr. Mason.

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MR. MASON: Exactly. So I think we need to just be...we're not trying to get around in any of those processes --

COUNCILMEMBER HOKAMA: No, we...

MR. MASON: --just to make that clear.

COUNCILMEMBER HOKAMA: And I apologize if you assume that I'm making any --

MR. MASON: No, no.

COUNCILMEMBER HOKAMA: --assumption.

MR. MASON: The language is...

COUNCILMEMBER HOKAMA: We just want clarification.

MR. MASON: Your language is...

COUNCILMEMBER HOKAMA: We just wanna know what you...your understanding --

MR. MASON: Yeah.

COUNCILMEMBER HOKAMA: --is at today so that we can be on the same page --

MR. MASON: Yeah.

COUNCILMEMBER HOKAMA: --at the same time.

MR. MASON: I think we're on the same page. We're not --

COUNCILMEMBER HOKAMA: Okay.

MR. MASON: --asking to get around and...

COUNCILMEMBER HOKAMA: And so one of the things that I will ask Corp. Counsel later to make sure that we all understand, 'cause my understanding of Interim zoning is if it's not a current existing use, it's not allowed. So if you're not doing none of these things that you would like to do currently, we're gonna get to need to have it zoned properly for you. Whatever is the right zoning option, project district or, you know, whatever it be that fits the need of this project is something that we can look at to allow the permitted uses and the appropriate accessory uses to allow this project. So the interesting thing is I know this is...well, the majority is State land, correct? There's a portion of County land.

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CHAIR GUZMAN: One acre.

COUNCILMEMBER HOKAMA: But you have a component regarding tax abatement and ad valorem, so what is your concern in that area since basically we don't tax State land?

MR. HOBSON: I think...

COUNCILMEMBER HOKAMA: Is there something that you're aware of that we need --

MR. HOBSON: No.

COUNCILMEMBER HOKAMA: --to be --

MR. HOBSON: That we...

COUNCILMEMBER HOKAMA: --made aware of --

MR. HOBSON: No.

COUNCILMEMBER HOKAMA: --Mr. Hobson?

MR. HOBSON: The intent of I think that provision was to provide a little bit of relief if it can't...this was again in the spirit of collaboration. If the County can provide any relief I know that quite frankly, it's not a lot...it's not huge sum, but if the County was willing to provide that relief of ad valorem taxes for the first, I think it was like three years and...

COUNCILMEMBER HOKAMA: Five.

MR. HOBSON: Or five.

MS. RASMUSSEN: Five. Five years.

MR. HOBSON: Or excuse me, five, for a limited period of time then we've built it into the lease. And so that is something that we could ask.

COUNCILMEMBER HOKAMA: Okay. And I appreciate that but yet already, we're gonna waive \$230,000 of rent. There's standard language, but are you aware of any potential issues on the force majeure conditions that --

MR. HOBSON: I am not.

COUNCILMEMBER HOKAMA: --you folks may anticipate regarding this project?

MR. HOBSON: I am not. No.

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MR. CHIOGIOJI: Force majeure is, says that you don't know what's gonna happen. So I mean, you know...

COUNCILMEMBER HOKAMA: No, we --

MR. CHIOGIOJI: If all of a sudden --

COUNCILMEMBER HOKAMA: --understand simple --

MR. CHIOGIOJI: --we get a --

COUNCILMEMBER HOKAMA: --acts of God.

MR. CHIOGIOJI: --hurricane --

COUNCILMEMBER HOKAMA: We understand --

MR. CHIOGIOJI: --you know --

COUNCILMEMBER HOKAMA: --those kind of things.

MR. CHIOGIOJI: --that we can't predict.

COUNCILMEMBER HOKAMA: Yeah.

MR. CHIOGIOJI: You know, it's pretty hard for any of us to do that so...

COUNCILMEMBER HOKAMA: But you see any other things that...

MR. CHIOGIOJI: Not that we know of.

COUNCILMEMBER HOKAMA: Okay. I appreciate that. The other one I wanted to check with you, gentlemen, is...on the County roads, there is one road you're saying that you would like the County to consider in assistance? Did I hear something earlier, Mr. Hobson?

MR. HOBSON: Yeah. There's Holomua Road from Hana up to Baldwin.

COUNCILMEMBER HOKAMA: Okay.

MR. HOBSON: And half of it is paved. And so we did build into the lease that we would like for the County to pave that second part from the campus. So there's a component from the campus to Baldwin that is currently just a dirt road, but it is subject to appropriation under the budget. So...

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COUNCILMEMBER HOKAMA: When you say appropriate, the State budget?

MR. HOBSON: Oh no. I'm sorry, the County budget.

COUNCILMEMBER HOKAMA: I was hopeful...be a State request.

MR. CHASAN: And that's paragraph "I" of the lease.

COUNCILMEMBER HOKAMA: Okay. Got it.

MR. CHASAN: That's built in there.

COUNCILMEMBER HOKAMA: I got it. Thank you. Chairman, I thank you for this opportunity.

CHAIR GUZMAN: Thank you, Mr. Hokama. Did you have a question for Corp. Counsel?

COUNCILMEMBER HOKAMA: I wanted it to see if they can get back to us on...because my understanding of Interim zoning is slightly different from Ms. Rasmussen. And I would like to, all of us have the same understanding of Interim so that if they propose something under entitlement, it would make sense to cover their areas of concern, Chairman.

CHAIR GUZMAN: Okay.

COUNCILMEMBER HOKAMA: Thank you.

MR. CHASAN: And that's the type of collaboration we're interested in, so thank you. We appreciate you raising that.

CHAIR GUZMAN: Ms. Sheppard, did you have any comments on what Mr. Hokama is requesting?

MS. SHEPPARD: Yeah. I'm not prepared to answer.

UNIDENTIFIED SPEAKER: You gotta touch the button.

MS. SHEPPARD: Thank you. I'm not prepared to answer a detailed question on zoning at this point.

CHAIR GUZMAN: Okay. We'll come back and we'll write you a letter to request a response for that. Thank you. Ms. Crivello?

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COUNCILMEMBER CRIVELLO: Button. Okay. Thank you. Thank you, Chair. Thank you very much for this impressive vision. And I hope to see it come in...be reality for the community. What sort of time frame and, you know, maybe I missed it somewhere, but what sort of timeframe are you looking at for the actual Phase 1 if we look at that? Let's start with the first phase. Is that your six months?

MR. HOBSON: Sure, actually Phase 1 if you look at, there are 2 different components of Phase 1. There's a 6-month just pure site investigation doing all the studies. And then there is 12 to 18 months for the predevelopment, architecture, the master planning, the engineering, which is gonna be very intensive on this project. But during that time, given the condition of the existing buildings, we will do some immediate adaptive reuse. Because some of the buildings aren't...quite frankly, they're in great shape. Friends of Old Maui High School, they use them as their offices now. But we would do some cosmetic repairs to make them a little bit more comfortable for a potential tenant.

COUNCILMEMBER CRIVELLO: And with the different phases coming up to your fifth year, so you're a private entity and you'd be raising private funding --

MR. HOBSON: Correct.

COUNCILMEMBER CRIVELLO: --for --

MR. HOBSON: So...

COUNCILMEMBER CRIVELLO: --the different phases of your...

MR. HOBSON: Correct. And the different funding requirements per phase early on, it's gonna be self-funding in private equity. Later, when we are working on the preservation of the historic building, we'll bring in a historic preservation tax credit investor to be an investor in that project. And so we'll be looking at different components of the projects separately. Because in the financing markets, there isn't...you can't just walk to a Bank of Hawaii or Bank of America and say, fund my entire project. Because you have so many different uses and buildings, we'll be actually likely financing this entire project, kinda project by...component by component, and looking at, okay this, you know, this historic preservation of the building, of the Dickey Building in the campus will bring in a historic tax credit investor. We'll go down to Bank of Hawaii or some other lending institution and borrow money to finance that as well. And so, it just depends on the use and the project component.

COUNCILMEMBER CRIVELLO: So that being said, when you say use, what...how do you see this fitting in with Interim zoning? I come from an island that's Interim zoning, and it's a mess to tell you the truth. And the process, it's just individuals need to go through for their actual land use and what they hope to do becomes quite

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cumbersome. It's the navigation process I'm sorry to say, with the County process is very, very intensive and tedious. So is that where you see us collaborating in...with the departments or what have you?

MR. HOBSON: Yeah, definitely that's another opportunity for collaboration. I mean fortunately we have two architects on our team including Glen who is a State historic preservation specialist, another architect who works on regenerative communities and understands these issues as they come up. And so...and we'll also have...and we'll be working with a number of local consultants who understand the process as well. But I do think it is an opportunity given the unique uses to collaborate with the County and the various departments, and they've been very accommodating to date, so.

COUNCILMEMBER CRIVELLO: Thank you.

MR. CHASAN: As well the uses that we're seeking, most of them have already been put into the master plan done by Friends of Old Maui High School. And there's already some precedent for preexisting uses on the campus. So for example, you know, there's a cafeteria there. Well, we can then use that as precedent for a restaurant. There was a precision machine shop there, so we could use that as precedent for our makers lab. There was already, you know, a convening hall which we can use as a precedent for our conference facilities. There are...there's already festivals and events and workshops that happen there. So again, there is a lot of precedent for the uses that we want to do and as well, DLNR has given preliminary approval of those uses. So hopefully, you know, this Interim zoning will not pose big challenges to us. And again as Jason said, it's a...those are the areas where we really would love to have collaboration in our partnership with the County.

MR. MASON: Yeah.

COUNCILMEMBER CRIVELLO: Thank you.

MR. MASON: Let me, Mark, let me jump in here. We did spend some time talking to planning, two planning firms locally. And their interpretation of the Interim zoning question was similar to what Teena was articulating. Now that said, we need to get...the whole idea behind this six-month period is that we need to actually get boots on the grounds and actually do that work, and talk to appropriate State agencies, to talk to appropriate County agencies and verify the entire process. I mean their preliminary idea was that the...that this would work. Well, if it turns out that it won't then we will know that at the end of the six --

COUNCILMEMBER CRIVELLO: Right.

MR. MASON: --months and we will know the way forward in some great detail of, you know, with subject matter experts that tell us. So, you know, we...we're...we acknowledge

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that that groundwork needs to be done. It's built into our schedule. So we do wanna acknowledge that.

COUNCILMEMBER CRIVELLO: I also wanna extend thank you for doing this and at least coming up with some solutions as we're transitioning like you say, Mr. Chasan. And I certainly appreciate this. Thank you.

CHAIR GUZMAN: Okay. Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair, and thank you, guys, for being here and thank you for a very good proposal. Question for you, it says in there that the lessee is able to sublease. You know, we're only charging you \$1 or I mean...yeah, charging you \$1 a year for 60 years. When you sublease it, is that...is the County gonna be a part of that sublease as far as, you know, paying it a little bit forward if you...do we get a percentage of that or...

MR. CHASAN: Well, that was not our original discussion or negotiation. And subleasing will be necessary in order for this, to make this an economically viable project. And while the County is giving us a lease for a \$1 a year, we're looking at an estimated \$56 million investment into this property. And, you know, as we've addressed, it's not the easiest property because of the lack of utilities, the environmental contamination on the property, the location. But it does have some really unique benefits because of the uses that have preceded our coming into this project. So, you know, that was not our intent nor negotiations, but I think that we will be creating a lot of benefit for the County in the way of jobs and training and education, increased tourism and in convening whole tanks that will address some of the big challenges on Maui.

COUNCILMEMBER COUCH: Okay. And you mentioned a maker center. You guys were talking about a maker center. Have you worked with our current maker community? There is a Maui Makers community and they're very active. Have you talked to them on this?

MR. HOBSON: We have not talked...we've talked to certain groups where we wanted some input. We also didn't want to be too premature and go shout that we have a lease when we don't have a lease, and engage a lot of potential partners. But this is...this project, given its different uses, our whole essence and our approach is one of collaboration and working with local groups such as the makers group, working with commercial kitchen incubators, working with other community stakeholders and bringing them into the fold to make this truly a community impact project.

MR. CHASAN: And to Councilmember Crivello's statement, also, even though we are a primarily for-profit from the standpoint of developing the facilities, we also will be collaborating with many nonprofits for community benefit as well as creating our own nonprofit so that we can provide jobs for the disadvantaged, so that we can provide

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education to the disadvantaged, so that we can help in ways that are not profit-motivated.

COUNCILMEMBER COUCH: You're reading right off my notes. That's the next thing. What kind of things were you gonna do to help the homeless and, you know, there was at one time was a thought of gonna be a mental health area where they can work on mental health and substance abuse --

MR. HOBSON: Sure.

COUNCILMEMBER COUCH: --as well as homeless.

MR. HOBSON: If I could take that one. I've actually developed a permanent supportive housing for formerly homeless folks who are frequent users of the County's health system. And it's actually...it's an entire wellness community is what we created because the issue of homelessness is very complex. It's multifaceted and you need the support of an entire ecosystem. And so the project that I worked on and my work in...on homeless issues is we created a home...we created an apartment community, 70 units. We brought in a medical clinic. We brought in a teaching, instructional kitchen, a community garden, service providers, wellness center for exercising and active movement because this particular community had issues of diabetes and hypertension. And so that is one that you can actually modify through behavior. But we felt that because we're housing formally homeless persons that we need to create an entire ecosystem. And so when I did hear about this proposal early on that this is a site that would be potentially earmark for a homeless services center. And my initial reaction based upon my experience in working with a lot of homeless organizations is, it's...I laud and I applaud the intention. It's a little too remote for that. But to address issues around this, you need to bring a lot of different subject matter experts. You need to bring in local nonprofits and people that have boots on the ground. I mean that is, you know, the...in...a homeless count, understanding who the homeless population is. Is it families? Is it families living in garages, in cars or is it chronically homeless living on the beach and dealing with issues around drugs and other types of addictive behavior? So understanding, bringing the experts together, and what I envision 'cause I did this in a different form, is I brought some people from the Federal government and the state government and the county to listen to what people on the ground are experiencing. Because, you know, you think about our form of government, you have people in these positions that are creating policy that have no clue what's going on, on our streets, on our beaches and our parks. And so what we did is we brought...I know the...he's the director of the US Interagency on Homelessness and his whole...he's the homeless czar for the country. His whole task is to work with the various agencies addressing homelessness and come up with an allocation of resources that is smart and efficient. He has a tough job because I don't see it as smart and efficient yet. But what I do see is an opportunity for engagement of policymakers working directly with decision makers so you can be informed as well of what's going on.

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COUNCILMEMBER COUCH: Okay. Along those lines, are there gonna be any affordable or transitional housing provided on that property at all?

MR. HOBSON: So we will have worker housing, and we do envision the housing that I have developed before was with bonds and tax credits, but it's all privately financed and we did restrict it to...we...I do envision that part of this so long as it's economically feasible. But I believe or based upon our preliminary models, it will be a component of affordable housing.

COUNCILMEMBER COUCH: Okay. And lastly, at least on my list of questions that I had after looking at this, you know, you've got a lot of acreage there and a lot of ideas. And we're, you know, we're battling about some ideas about ecovillages, you know, tiny house ecovillages, those kind of things. Are you looking at doing some things like that or...

MR. CHASAN: Well this site being 23 acres to some may seem large. When it comes to a really scalable ecovillage, it's small. You know, a true ecovillage that will serve 1,000 people and provide affordable housing will provide a what's...what we call a collaborative consumption to lower the cost of living, shared renewable energy, shared the wellness center, shared cars, shared kitchens, fresh-off-the-farm food. It's going to take, you know, 500 acres to do it right and to scale it right. What the TEACH Center is looking to do is to be, you know, that place where people can come get training, who potentially are disadvantaged, who do wanna work, and then can get jobs. It's a place where entrepreneurs and inventors and makers can come together and create and prototype their inventions and we can help raise the funding and scale them and create businesses. So we see this as more of a demonstration and a showcase than we do as, you know, an ecovillage. It's more of the components of an ecovillage can be demonstrated here --

COUNCILMEMBER COUCH: Right.

MR. CHASAN: --and potentially be used on the rest of the island to help solve some of the affordable housing issues on the island.

COUNCILMEMBER COUCH: Yeah. I guess I should have used the word pilot project for not necessarily a full-on village. Okay. And I'm a little stuck on the...on two things. The road in the Exhibit "8" it basically says lessor commits to upgrading, improving, paving and maintaining upper Hamakuapoko Road from Paia and Holomua Road from Hana Highway and the parameter roads surrounding the premises in a manner that allows for recommended traffic flows to and from the premises for the purposes, uses and volumes anticipated pursuant to traffic survey to be conducted by lessee. So it looks like three or four roads that you're looking at on here for us to maintain. Admittedly, some of those we already do. So I'm not sure. And then I noticed in the lease provision, it did say subject to appropriate funding.

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UNIDENTIFIED SPEAKER: Yeah.

COUNCILMEMBER COUCH: I don't know how the...our attorneys would say --

MR. MASON: Well, I think...

COUNCILMEMBER COUCH: --if we're...hang on a second. If we're committing to it in one spot, whereas in another spot, subject to appropriate funding, which has more precedence on that.

UNIDENTIFIED SPEAKER: Let me answer that.

MR. MASON: Yeah, I'm not sure about the language that's...

MR. CHASAN: The language actually...

UNIDENTIFIED SPEAKER: Yeah.

MR. MASON: Use....go ahead.

MR. CHASAN: The language of paragraph "I" specifically states, the County agrees to construct and maintain at its cost, paved public roads to the premises as a forth on Exhibit "8" subject to finding appropriation. So, anything on Exhibit "8" is subject to the appropriations.

COUNCILMEMBER COUCH: Okay. 'Cause I was reading from Exhibit "8," so. Okay. And lastly, this is more to Ms. Rasmussen. Did you get that, the whole thing about the 15 acres from the Planning Department? Because it's my understanding especially working on it in Planning Committee that the parcel size has to be 15 acres or less, not the use size.

MS. RASMUSSEN: That...I actually just talked to Mr. Spence yesterday, and that's what he conveyed to me.

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

CHAIR GUZMAN: Did you want us to follow up? Mr. Couch, did you want the Committee to follow up on that --

COUNCILMEMBER COUCH: Yes --

CHAIR GUZMAN: --issue?

COUNCILMEMBER COUCH: --I would. I was gonna do that but --

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CHAIR GUZMAN: Okay.

COUNCILMEMBER COUCH: --yeah, and...

CHAIR GUZMAN: Well, we'll send a formal request to Department.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR GUZMAN: The Planning Department.

COUNCILMEMBER HOKAMA: Chairman?

CHAIR GUZMAN: Mr. Hokama?

COUNCILMEMBER HOKAMA: I prefer you go to Attorney General.

CHAIR GUZMAN: Okay. We will send...Staff, okay, Attorney General's Office. And then we'll go ahead and...are you finished Mr. Couch?

COUNCILMEMBER COUCH: Yeah.

CHAIR GUZMAN: Okay. Thank you. Ms. Cochran?

VICE-CHAIR COCHRAN: Thank you, Chair. And thank you, gentlemen for...and, young lady, for being here today. The...I'm just trying to get it straight, Chair, for our agenda. We are here to authorize the grant of 2 leases. Each...both of these being for a \$1 for 60 years. Is that...

CHAIR GUZMAN: Correct.

VICE-CHAIR COCHRAN: Is that everyone's --

CHAIR GUZMAN: Yeah.

VICE-CHAIR COCHRAN: --understanding? Okay. I just wanted to get that straight 'cause as I went through the 157 pages along with the RFP and what have you, it has a section in here that states, otherwise, I mean at least from my initial looking over, and it was hinting towards I think the first or maybe I mixed...maybe it was for Old Maui High School lease. But the first at 20 years with a guarantee of additional 2 20s, which equals to 60. So I'm...do...does anyone here recall or get --

MS. RASMUSSEN: I...

VICE-CHAIR COCHRAN: --what --

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MS. RASMUSSEN: I can --

VICE-CHAIR COCHRAN: --part --

MS. RASMUSSEN: --answer that.

VICE-CHAIR COCHRAN: --I read there.

MS. RASMUSSEN: There was an original...that was the original proposal that came in from the RFP. But when we discussed it, we realized that it's much better to just make it 60 years. It's much cleaner, and also we did discuss it with the Department of Land and Natural Resources. They will allow up to a 65-year lease. So they were okay with that as well.

VICE-CHAIR COCHRAN: Okay. I just wanted clarification on that, Chair. And also I saw in the County Communication 16-102, I thought something with asking Council, County for 5 million for the first year to start, and then from there on out, it's like your seed startup money from us, no? Is that not correct? Okay. I thought I had read that somewhere.

MR. CHASAN: I'll make it official.

MR. CHIOGIOJI: We...

MR. CHASAN: We're not seeking any money from you.

VICE-CHAIR COCHRAN: Okay, very good. Thank you. Heard that loud and clear. It's on record now. And in the RFP, it did state on Page 45, it wanted samples or examples, models, or something of that sort of what you folks are proposing here. So it doesn't follow up with an answer to that. And I, you know, I mean I love all the stuff you're saying and it really hits on every single topic and subject that people wanna see here, but it doesn't really go. And this...see look at this. This is where we do it. This is where it's been proven. This is where the been built. So do you have those examples or samples?

MR. CHASAN: Actually, if you look at potentially certain university campuses, self-improvement centers, places that are doing co-working, you'll find examples of this in various places, Councilmember. But unfortunately, nobody that I know of has actually built this yet, which makes this so impactful and so important. And doing it here on Maui, which is an island that, you know, islands have ecosystems that tend to be more fragile and ecological destruction, you know, is accelerated. It's...it is a place where we can actually showcase the impact on 23 acres and make a real difference here. But to my knowledge, and to the people on our team, this is really a premiere and unique site and project.

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MR. HOBSON: It...

VICE-CHAIR COCHRAN: Mr. Hobson, you have...

MR. HOBSON: Yeah, if I may. It is unique. The individual uses within our project are not unique --

VICE-CHAIR COCHRAN: Right.

MR. HOBSON: --actually. But what...the plan here is to create this regenerative community and really show the relationship between all the uses. All the engineering, all the systems will work within the buildings and within the uses. So it creates an ecosystem where it is a little bit more...it's a lot more sustainable and regenerative. But the individual uses, yeah, I mean for example, I use my...the...I developed over 1,000 units of housing, all affordable, creating communities. And, you know, I'm a self-professed health nut. And so what I wanna create is wellness, an opportunity for wellness because not, you know, wellness, everyone deserves wellness. Sometimes people can't afford it. Some people don't have access to it. And so we're trying to create a campus project here that gives folks an opportunity for wellness. And well, I use that term broadly 'cause wellness means a lot of different things. It's not only personal health, it's community health and health of the land. So there are the different components of the project that we can point to, but this mixture of the uses and how we're integrating it is unique.

VICE-CHAIR COCHRAN: Okay. Very good. And it was interesting on one of your last pages in the RFP that you're targeting West Maui because of the LOHAS, Lifestyles of Health and Sustainability, demographic and culture of the people when I represent that area so, you know. But...so I just thought that was interesting that in your proposal you say targeting West Maui. And I mean...I...that's wonderful but I would think it wouldn't just be --

MR. HOBSON: Quite frankly --

VICE-CHAIR COCHRAN: --us people --

MR. HOBSON: --I think...

VICE-CHAIR COCHRAN: --in West Maui.

MR. HOBSON: Correct me if I'm wrong, that was an error because we're actually targeting all of Maui.

VICE-CHAIR COCHRAN: Okay.

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MR. HOBSON: So that...but the LOHAS if you want to maybe expand upon that, I mean it's a...it's folks who are interested in health, healthy lifestyles.

MR. CHASAN: And for those that don't know what the acronym ALOHAS means, it means "A Lifestyle of Health and Sustainability." And I would just say that, you know, for me this is a passion project, a heart project. When I met with Councilwoman Cochran, I told her a story about how the tide pools where I grew up were destroyed from being the most amazing living system to completely dead in a period of about five to seven years. I've seen the changes happening when I visited Maui as a child and what one snorkeling at Ahihi Marine Preserve and watch the fish depleted and the corals starting to die. We gotta do something. We've gotta do something to make Maui a thriving and beautiful environmental example of what can be done right. And that's really at the core of our purpose and mission here. So it is about creating a lifestyle of health and sustainability but it's malama aina. It's serving the land. And if we serve the land, we actually get to thrive. If we don't serve the land and we destroy the ecosystems, we will perish.

VICE-CHAIR COCHRAN: And thank you for your comments. And this is a...I mean your project and is visionary, and it's a tall order and is taking...it's gonna take a lot of money. So just wanna...and I...the questions have been asked in regards to I guess the whole sustainability of just that, of how you're gonna keep yourselves going 60 years, you know, out and keep it thriving and, you know, sufficient without having to come here for any funding to keep yourselves going. And of course, Infrastructure, I'm the Chair of that Committee here, and so we've discussed roads. But in this, the lease it also mentions utilities, and so County roads and utilities. In what regards though the utilities? I mean if MECO already gives service to it but I read it's been 45 years since it's been upgraded. So you definitely, with this technology and things you guys are shooting for, you're not gonna make it happen on existing infrastructure and utilities. So are you saying that you're looking towards to us to do this upgrades? 'Cause it's on your...

MR. CHASAN: No, we're not.

VICE-CHAIR COCHRAN: Okay.

MR. CHASAN: I mean the only thing that we're looking for is collaboration on helping us expedite permitting and not, you know, to skip over anything to Glen's point. And, you know, for the paving and maintenance of the roads subject to appropriations.

VICE-CHAIR COCHRAN: Okay.

MR. MASON: I think what we're really asking for is that the road that's already there be maintained, and the...there is a...frankly there's about a 200-yard or 300-yard length that starts just before the school that's a wreck. But other than that, I mean we're just asking for the road to be maintained and I mean...that's what we're asking for. I

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don't think that that's unreasonable. 'Cause it's not on our property, okay. But if we can still...you could still get to the property right now and that doesn't change no matter what. So I think the whole thing about the road is to just recognize that fact. And if language needs to be clarified, then we should clarify that language. But utilities once again, utilities are our responsibility, okay. They're not the County's responsibility.

VICE-CHAIR COCHRAN: Okay. Very good. And a question, "atmospheric water," does that mean rain? What is that?

MR. CHASAN: Actually, as I understand it, I haven't been there but on Lanai they're using atmospheric water which means that it actually pulls moisture out of the air and makes clean water. So rather than --

VICE-CHAIR COCHRAN: Like...

MR. CHASAN: --rain catchment, it is actually pulling moisture from the air.

MR. MASON: We're gonna...we'll figure it.

VICE-CHAIR COCHRAN: Like fog drip or...I was just reading your ideas, number one...I mean I went to the toxic remediation section and the...looks like some hurdles and challenges you will be facing with that in regards to water. I guess the old reports do show from the old reports of contamination from surrounding ag fields and lead paint of course of the age, the sheer age of the buildings, and then the tiles that were utilized have asbestos and what have you. So there's a quite a laundry list of things that need to be remediated and of course, you're speaking of health and wellness, we're gonna have to do that. So and that was in there, I'm like oh, interesting concept, atmospheric water. I just thought it was a fancy way of saying rain catch. But thank you very for that explanation. And, gentlemen, thank you for your, you know, just really grand ideas and vision. So thank you for being here.

MR. CHASAN: Thank you so much.

CHAIR GUZMAN: Thank you, Ms. Cochran. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Still stuck on the road. I heard at some point in either the presentation or in a discussion with one of the other Members is that you're looking at the dirt road from the school up to Makawao that you're looking to have that paved as well.

MR. HOBSON: Yeah. Let me clarify.

COUNCILMEMBER COUCH: Or is it just the stuff that...

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MR. HOBSON: I don't have the lease in front of me but I do recall it saying, pave and maintain. So the maintain component is not only the...it's...would be the existing road. But what we did ask, subject to appropriations, is paving the road from the campus site to, paving the rest of Holomua up to Baldwin --

COUNCILMEMBER COUCH: Okay.

MR. HOBSON: --subject to appropriations.

COUNCILMEMBER COUCH: That...

MR. HOBSON: And so that was in the lease.

COUNCILMEMBER COUCH: That's pretty much building a road, too. So, yeah. Okay. Thank you. Thank you, Chair.

CHAIR GUZMAN: Okay. Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, I wanna ask our panel a question that Mr. White brought up earlier regarding your master timetable schedule. We see on Page 25 of your document, award lease to Teach, June 1, 2015. We're obviously past that date. So when you answered Mr. White's question, you're still gonna stick to your proposed timetable as presented or is everything gonna be adjusted accordingly to 15 months later?

MR. HOBSON: Everything will be adjusted based upon the date of the executed lease.

COUNCILMEMBER HOKAMA: Okay, because I was...

MR. HOBSON: And I guess just to, Councilmember Couch, just to address. We actually...the road access from Hana Highway is sufficient. But because of potential traffic issues, we thought it best to at least include it in the lease. But the project works with the road from Hana Highway, but it wasn't asked.

MR. CHASAN: And my sense is too that based upon our success, based upon the adoption and use of the facilities, it will either be worth it or not for the County to make the appropriation or not. And it really is in your court to do so. And, you know, I just want to also say, you know, as to Jason's point, you know, time is money, time potentially is a deal killer. And we're gonna try to get this done as soon as possible. And, you know, we, to Glen's point, have to get on the land and put, you know, boots on the land and do our research, do our studies, and then we'll have a much better idea of timetables, cost and expense. This is about as good as we could do right now on what we know.

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COUNCILMEMBER HOKAMA: We appreciate that. And I would say...I...we understand time is money. So I would say before the next meeting, if you need ten ducks in line, make sure you have your ten ducks in line. Because don't expect us to move if you only got seven ducks.

MR. CHIOGIOJI: Yeah. I think one of the other issues, you know, I'm not sure exactly how the situation here on Maui is. Maybe Jason does. But in Honolulu, you know, the construction projects are coming in much higher in terms of cost than has been in the past. A lot of it because of the light rail system and other things. Maybe Maui is not the same situation. But, you know, we know that the cost of construction is escalating. So the quicker we can get this thing done, the better off we're gonna be. So, you know, it's to our benefit, you know, to get this thing done quickly rather to make it stretch out.

COUNCILMEMBER HOKAMA: Okay. So if today is the day one, within six months your financing is all in line?

MR. HOBSON: So we're using...correct...we're using the six months to actually investigate the site, which will be self-funded or private equity. And then we move to Phase 2, which is the kind of predevelopment planning, engineering. And so having funds to pay for our consultants --

COUNCILMEMBER HOKAMA: Right.

MR. HOBSON: --and as well as --

COUNCILMEMBER HOKAMA: Right, right, right.

MR. HOBSON: --for the initial adaptive reuse.

COUNCILMEMBER HOKAMA: In general, Mr. Chairman, I like the proposal. I appreciate my colleague from South Maui's concern about subleasing and whatnot. But I would say, after five years, we can tax 'em.

COUNCILMEMBER COUCH: Yeah. Yeah.

COUNCILMEMBER HOKAMA: Okay.

MR. CHIOGIOJI: Be reasonable please, sir.

COUNCILMEMBER HOKAMA: No, I'm just saying we agreeing to an --

MR. CHIOGIOJI: No, we understand.

COUNCILMEMBER HOKAMA: --abatement of five years, which is on the ad valorem.

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MR. CHIOGIOJI: Yes.

COUNCILMEMBER HOKAMA: Okay. On State/County uses, that's correct. But once it gets leased by government, it becomes taxable. So we understand the five-year abatement request. But my thing to my colleague is, if appropriate. And the issue is how to pay for some improvements to the project site then we may consider some type of tax consideration to help support the project --

MR. CHIOGIOJI: I love that.

COUNCILMEMBER HOKAMA: --moving toward full construction, okay. So I just share that with my colleagues that that's another way to look at the financing this. Thank you, Mr. Chairman.

CHAIR GUZMAN: Thank you, Mr. Hokama, for that information. All right. Mr. White?

COUNCILMEMBER WHITE: Just one clarifying comment. My understanding is that the...that Teach is a for-profit entity, not a nonprofit.

MR. HOBSON: That is correct.

COUNCILMEMBER WHITE: Okay. Thank you. Just wanted to --

CHAIR GUZMAN: Okay.

COUNCILMEMBER WHITE: --be sure we had that clarification.

CHAIR GUZMAN: Okay.

COUNCILMEMBER WHITE: Thank you, Chair.

CHAIR GUZMAN: Thank you. I have a question in regards to...if you're gonna use the six-month period, I know it's under the lease agreement for the look, I guess to examine the property and to see if it's feasible. If you're going to be starting it at that time of the...the six-month period is gonna start at that time of the execution of the lease, how will you I guess put into consideration the land and...DLNR approval? Because...are you gonna wait until the DLNR approval of the lease? 'Cause that takes some time, they're gonna have to have a board meeting. And, you know, although they have said that, you know, they've sent a letter saying that, okay we are considering it, you know, it's...preliminarily, we'll approve it but they still need to go through a board meeting. And whenever that is, it could be two-three months down the line after we approve this or pass this out of Committee. How will...when was that six-month period gonna start of examining the property? At the time --

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MR. CHIOGIOJI: Mr. Chair --

CHAIR GUZMAN: --of the...

MR. CHIOGIOJI: --I think all of us understand that, you know, we really don't have a lease unless we get the DLNR approval mainly because it's...well maybe 90 percent their land. And so, you know, we would...we wanna work with you on this. I would venture to guess that we're hoping and I'm kinda working with the Deputy there, Kekoa, to see whether we can get that thing expedited. I...we talked to him earlier this week and he said, you know, at this point in time, because of the backlog, you know, he cannot even tell us right now when it's gonna be approved. But he understands that, you know, it's a high priority issue, and he personally knows about it. And so we'll see what can be done there. But as I said, we wanna work in collaboration with you on this project. And so, you know, we may ask for some relief, you know, if it takes 3 months or 4 months before we get the DLNR approval. Because there's no way we can spend any money on this property until DLNR approves because of the fact that, you know, most of the land is theirs. I mean I think we have like 2 acres...

CHAIR GUZMAN: One acre is County --

MS. RASMUSSEN: Yeah.

CHAIR GUZMAN: --right now.

MR. CHIOGIOJI: One point three acres if, you know, if they don't approve. And so, you know, that's kinda the dilemma that we all face, you know, you and we.

CHAIR GUZMAN: Okay. And then also on the lease agreement, usually leases have provisions in there for insurance. I don't see any insurance coverage for damage.

MR. CHASAN: I think it was paragraph 12.

CHAIR GUZMAN: Is it paragraph 12? Let me see.

MR. CHIOGIOJI: Two million, I think.

MR. CHASAN: I think it's...

CHAIR GUZMAN: I may have missed that.

MS. SHEPPARD: Look at Exhibit "9."

CHAIR GUZMAN: Okay. Okay. I see that.

COUNCILMEMBER HOKAMA: I saw that --

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CHAIR GUZMAN: Okay.

COUNCILMEMBER HOKAMA: --someplace.

CHAIR GUZMAN: Got it. And then, oh yeah, Mr. Agsalog pointed out a question that I wanted to...this number 9 on Page 4 of the lease, the campus housing and the retreat housing. Is that going to be a hotel or is this, are these students or retreat housing, is that gonna be a rental or what is this?

MR. CHASAN: It is not a hotel. And in fact, our intention is not really retreat but for it to be used for housing for education, for certification, for workshops, for people coming to visit to learn about regenerative systems and designs, take classes in permaculture. So that is our intention. And the worker housing are for people that are actually working on site.

CHAIR GUZMAN: Okay. Okay. Not like executive retreat --

MS. RASMUSSEN: No.

CHAIR GUZMAN: --vacations?

MR. CHASAN: No.

CHAIR GUZMAN: Okay. Okay. Thank you. Any other questions from the Members?
Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, again, I don't know if it's possible but maybe Corporation Counsel can see if the State would agree to an administrative right-of-entry.

CHAIR GUZMAN: Very good.

COUNCILMEMBER HOKAMA: So they can at least --

CHAIR GUZMAN: That's actually --

COUNCILMEMBER HOKAMA: --go on --

CHAIR GUZMAN: --a good point.

COUNCILMEMBER HOKAMA: --property with acknowledgement from the State for due diligence purposes and it's just a right-of-entry. As...it's one way to move forward without maybe waiting when Land Board will agendize the item. Just a suggestion, Mr. Chair.

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CHAIR GUZMAN: Actually, that's a very good suggestion. Why don't we, Staff, write a letter to Corp. Counsel to see if we can request Corp. Counsel to follow up on that suggestion. That's great...that's a good one. Any other questions, Members? At this time I would like to recommend passing this out but we have other questions that need to be answered that formally were set forth on the floor. I'd like to have those letters sent out and responded to. So probably if you, if the Department and Corporation Counsel could respond to these different questions before the next I guess first reading, we could probably pass this out right now depending on...once it comes up to first reading and the responses are not to our satisfaction, we can always recommit at that point. Mr. White?

COUNCILMEMBER WHITE: Yeah. I would prefer that we hold off on passage until we get the answers to the questions.

CHAIR GUZMAN: Okay. Very good. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. You know, in checking with Staff, et cetera, I found out that, yes we do...I would like to withdraw my 15-acre question 'cause I think that's a standard practice that we're doing, so.

CHAIR GUZMAN: Okay.

COUNCILMEMBER COUCH: Thank you.

CHAIR GUZMAN: So we still have our Corporation questions from Mr. Hokama. And we have a couple other questions, Staff, is that correct? Okay. What is the question? Can you restate?

MS. BROOKS: The question about the right-of-entry.

CHAIR GUZMAN: Or...and that...

MS. BROOKS: The question about the right-of-entry.

CHAIR GUZMAN: There was one more with regards to the roads, is that right?

MS. BROOKS: Perhaps, Ms. Sheppard got that.

CHAIR GUZMAN: Ms. Sheppard?

MS. SHEPPARD: Yes. I believe the other question had to do with zoning.

CHAIR GUZMAN: With the what?

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MS. SHEPPARD: With zoning.

COUNCILMEMBER HOKAMA: Interim zoning.

MS. SHEPPARD: He withdrew...

CHAIR GUZMAN: Zoning, yes, the zoning. And that was --

MS. RASMUSSEN: Oh, that's right.

CHAIR GUZMAN: --Mr. Couch, oh Mr. Hokama's question. Okay. Why don't we...I'm gonna go ahead and defer this matter just for the next meeting. I'll put it back up for the next meeting. And that should be plenty of opportunity, that's I think two weeks from now to get those answers, and then we'll...Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, if...and I support your recommendation. I'm supportive but I would like some responses back --

CHAIR GUZMAN: Yes.

COUNCILMEMBER HOKAMA: --for the Committee. And I would ask if the appropriate administrative people, whether it be Ms. Rasmussen or Director Agsalog, just simply tell us, this is what Teach is, we're gonna...is agreeing to and this is what we're asking the Council to agree on behalf of the County. And I think that would make it very clear for our community to understand what they're proposing, what we're supporting and clearly what each party will bring to the table to make --

CHAIR GUZMAN: Right.

COUNCILMEMBER HOKAMA: --this a positive thing.

CHAIR GUZMAN: What are the parties' expectations and obligations, yeah, very, very clearly written out so that there is no misunderstanding. And so I will go ahead and put this...defer this matter. Without objections, I will put this up at the --

VICE-CHAIR COCHRAN: No objections.

CHAIR GUZMAN: --next agenda --

VICE-CHAIR COCHRAN: No objections.

CHAIR GUZMAN: --that I have, and so that we can have these questions answered.

ACTION: DEFER.

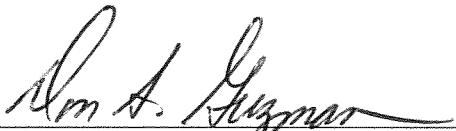
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CHAIR GUZMAN: Okay. Members, without objections, I will adjourn the meeting. And I would like to thank the Administration as well as Corporation Counsel and all the panelists for joining us today for this informed permission. Thank you. . . .*(gavel)*. . .

ADJOURN: 3:35 p.m.

APPROVED BY:

A handwritten signature in black ink, appearing to read "Don S. Guzman", written over a horizontal line.

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

ear:min:160802:acqp

Transcribed by: Ann Carmel Q. Pugh


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CERTIFICATE

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

DATED the 18th day of August, 2016, in Kula, Hawaii

A handwritten signature in cursive script, appearing to read 'AC Pugh', is written over a horizontal line.

Ann Carmel Q. Pugh