

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

M I N U T E S

Council Chamber

August 16, 2016

CONVENE: 1:34 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Don S. Guzman, Chair
Councilmember Elle Cochran, Vice-Chair (arrived at 1:45 p.m.)
Councilmember Don Couch
Councilmember Stacy Crivello
Councilmember Riki Hokama (arrived at 1:48 p.m.)
Councilmember Michael P. Victorino
Councilmember Mike White (arrived at 1:54 p.m.)

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
William Spence, Director, Department of Planning
Mark Walker, Deputy Director, Department of Finance
Guy Hironaka, Real Property Manager, Office of the Director, Department of Finance
Rowena Dagdag-Andaya, Deputy Director, Department of Public Works
Brienne Savage, Deputy Director, Department of Parks and Recreation
Robert Halvorson, Planning and Development Division Chief, Department of Parks and Recreation
Jeffrey Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Hugh Starr
Jason Hobson, Teach Development LLC

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Durwin Kiyabu, Nishikawa Architects Inc.
Tanner Morrin, Nishikawa Architects Inc.
Plus (11) other people

PRESS: *Akaku Maui Community Television, Inc.*

CHAIR GUZMAN: . . . (*gavel*) . . . Good afternoon. Welcome to the Economic Development, Energy, Agriculture, and Recreation Committee. I'm Don Guzman the Chair of the Committee. Before we begin I'd like to introduce our Members of the Committee starting with Mr. Couch.

COUNCILMEMBER COUCH: Good afternoon, Chair.

CHAIR GUZMAN: Good afternoon. Thank you. Ms. Crivello.

COUNCILMEMBER CRIVELLO: Good afternoon, Chair.

CHAIR GUZMAN: And, Mr. Victorino.

COUNCILMEMBER VICTORINO: Good afternoon, Chair. Aloha.

CHAIR GUZMAN: Thank you. Also, we have with us today Mr. Jason Hobson. He is here to represent the Teach Development Company. As well as our Staff, we have Legislative Attorney, Sharon Brooks, and Pauline Martins as our Secretary. Also, we have Jerrie Sheppard for our legal counsel. Before we begin I'd like to remind everyone that is wishing to testify, you'll be limited to three minutes on the items that are specifically agendized on today's agenda. Before we begin I'll go ahead and check in with our District Offices starting with Hana Office, are you there?

MS. LONO: Yes, good afternoon, Chair. This is Dawn Lono at the Hana Office.

CHAIR GUZMAN: Thank you, Ms. Lono. Is there anyone wishing to testify?

MS. LONO: There is no one waiting to testify.

CHAIR GUZMAN: Thank you very much. And then we'll turn our attention to Lanai District Office. Are you there?

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

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

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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. Turning back to the Chambers, please call your first testifier.

MS. BROOKS: There's one testifier in the Chamber and that is Hugh Starr.

... BEGIN PUBLIC TESTIMONY ...

MR. STARR: Aloha, Chair Guzman, Committee Members. Hugh Starr from Makawao. I just wanted to offer a few comments. Some of them housekeeping and somewhat housekeeping critical. By and large the project is very ambitious, impressive. The people who are behind Teach LLC are a very impressive group of developers. And my concern, my perspective in talking is principally sort of considering my children, my grandchildren who, you know, are taxpayers in the County and will be dealing with life on Maui up to 60 years from now. So with that in mind these are some of the more housekeeping comments that, and are very...pretty specific. First of all, I just...I wanted to say that I feel that the timelines are extremely ambitious. And if the County has certain obligations which they do, we do, and I'm not quite sure exactly precisely how those parse out at the end. We need to be very attentive to those...to the ambitiousness of the timelines. It seems, you know, from my development experience, it seems like there's very little attention being paid to the State entitlements that probably will need to be addressed. Principally, Hana Highway which is a State highway. State Department of Health with respect to waste management onsite, et cetera. But principally, I'm concerned more about the State highway, Hana Highway. Since the County has a clear primary responsibility for the roads that lead to the project at Hamakuapoko. There's ambiguity as to whether the County source is going to come from a well on site or from the County's water system which is of course is in the Iao Aquifer. It states both ways and then there should be some clarity on that. Coming back to Hana Highway, the County's responsibility is to fix up the roads. There's going to be about 2½ miles of paved roads. So roads that need to be paved, 2½ miles roughly, possibly slightly more, around the perimeter of the project as well as over to Baldwin Avenue. The site distance at Hana Highway is horrific --

MS. BROOKS: Thirty seconds.

MR. STARR: --if you've ever come down Holomua Road. There's, basically I guess the last thing I wanted to say, I don't have a lot of time here, is that from my commercial real estate experience, I feel that with a 60-year lease that the County ought to have the opportunity to have a couple of 20-year reopenings. This is a for-profit operation. It's a commercial development with significant, maybe 30 percent profit margin. So I think that there should be some discussion --

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MS. BROOKS: Three minutes.

MR. STARR: --about there being the ability to reopen after the first 20 years, possibly the second 20 years so that the County could somehow participate in the project. And I'll submit other comments later. Thank you very much.

CHAIR GUZMAN: Thank you, Mr. Starr. Any further follow-up from the Members? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Thank you, Mr. Starr. What was your concern about the Hana Highway?

MR. STARR: I'm very familiar with Holomua Road --

COUNCILMEMBER COUCH: Right.

MR. STARR: --for years. We're getting an incredible amount of traffic right now on Hana Highway. There's a lot of ambiguity as to exactly where the Paia Bypass is. In fact, there is a mention of the Paia Bypass in here which is troubling because it's almost suggested it's something that needs...it's just a little fix but it's much bigger than that.

COUNCILMEMBER COUCH: Yeah.

MR. STARR: There's an incredible amount of traffic on Hana Highway. And I mean what happens is Holomua Road is at an indent on the coastline and so you have a curve coming around from Paia and you have another curve coming around from Hookipa. People are traveling 45-50 miles an hour. It's a very dangerous intersection. So my guess is that in the traffic study it's quite possible that will be signalized or even in an extreme instance be relocated. I don't...that seems extreme but signalizing 4...5, \$600,000 with turn lanes, especially you're in the coastal area. So that intersection concerns me and my question with that, Councilman, is, is that the County's responsibility to signalize Hana Highway? And if it is then that's a significant cost. So, you know, when you add up the paving, you know, et cetera, it starts to get significant.

COUNCILMEMBER COUCH: Okay.

MR. STARR: Thank you.

COUNCILMEMBER COUCH: And you said you had these concerns in writing that you...

MR. STARR: I can put them in writing.

COUNCILMEMBER COUCH: Yeah.

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MR. STARR: Yes, I'd be happy to send them to you. And I apologize for not having them. It just came up really fast. I didn't even know about this and so I'm kind of --

COUNCILMEMBER COUCH: Okay.

MR. STARR: --catching up.

COUNCILMEMBER COUCH: Thank you.

MR. STARR: Yeah.

COUNCILMEMBER COUCH: Thank you, Chair.

MR. STARR: Thank you. Thanks for the question.

CHAIR GUZMAN: Thank you. Any other follow-up questions from the Members? Seeing none, thank you very much, Mr. Starr.

MR. STARR: Thank you.

MR. BROOKS: There are no other testifiers in the Chamber.

CHAIR GUZMAN: Okay. Without any objections, Members, I'd like to close public testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR GUZMAN: Thank you. Public testimony is now concluded.

. . . 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: Moving on to the first item on today's agenda, Members, EAR-63. The Committee is in receipt of two County Communications 16-102 and 16-103 transmitting the proposed resolution relating to the grant of leases at the County property at the Old Maui High School Campus to Teach Development LLC for the repurposing of the campus. We are picking up from our consideration of a revised proposed resolution from the Economic Development Director transmitting with correspondence dated July 21, 2016 entitled, Authorizing the Grant of a Lease of County Real Property Consisting of Tax Map Key Numbers (2) 2-5-004:014 and (2) 2-5-004:053, to Teach Development LLC, Pursuant to the Chapters 3.36 and 3.40 of

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the Maui County Code; along with two attached proposed leases covering a total amount of 23.538 acres. The purpose of the revised proposed resolution is to allow the Mayor and the Director of Finance or their authorized representatives to enter into the lease with Teach Development LLC for the Old Maui High School Campus for \$1 per year, and a total of both parcels for a term of 60 years for use as the facility of innovation, social, economic and environmental benefits to Maui. The Committee may consider whether to recommend adoption of the revised proposed resolution with or without revisions. The Committee may also consider the filing of County Communication 16-102, County Communication 16-103 or both and other related actions. At our last meeting, Members, a number of questions arose which were subsequently addressed by the letters to the Departments Corporation Counsel and Attorney General. We'll go through the questions and the responses and also hear comments from Jason Hobson who is here. He's the general contractor and chief development officer of Teach Development. So going through I believe that you have these copies either via electronic PDF or hard copy. It's a letter dated August 3rd from your Chair, 2016, letter to the Economic Development Director and August 9, 2016 is the response of the Director. And so, if we could hear the responses from Ms. Rasmussen who is kindly here today to respond to those questions that we have.

MS. RASMUSSEN: So the letter that came to our Department, is that the one --

CHAIR GUZMAN: Yes.

MS. RASMUSSEN: --you'd like me to respond to?

CHAIR GUZMAN: Yes.

MS. RASMUSSEN: Okay, yeah. So it was kind of really putting it in a chart, you know, what the obligations of the lessor and lessee were. And so I think you have that in front of you. It's, again, the lessor to lease the land for a dollar per year for 60 years. The County...these are the obligations of the County of Maui and then is to construct and maintain at its cost the public road and pave it according to funds that are appropriated. So you as a Council would still have total control over the budgetary appropriation for that. And then to provide five years of abatement of any ad valorem property tax, special taxes or assessments. This is due to the fact that it's going to take a good amount of time for them to get the facilities just for, put the infrastructure in. And so we wanted to give them time to actually have something built out. And I should note that currently there are no property taxes being collected on this property. And then lastly, the lessor shall utilize its best efforts to provide and expedite all approvals and permits. And that is just basically best efforts and the cooperation of the departments. No promises about time or anything like that but we didn't want this project to languish. On the other side, it's pretty straightforward. There's a list there. I don't know if you want me to really...

CHAIR GUZMAN: Yes, if you can go...

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MS. RASMUSSEN: Do you want me to go through them?

CHAIR GUZMAN: Just for the record.

MS. RASMUSSEN: Go through them?

CHAIR GUZMAN: Yes.

MS. RASMUSSEN: So for the record, the lessee does agree to pay \$1 for 60 years. They would engage in 180-day due diligence period of studying the infrastructure and then they would complete an Environmental Assessment within 24 months of the effective date of the lease. They would engage in planning, design, development, and construction of the facilities to repurpose the campus within 5 years of the effective date of lease. The lessee to finance or obtain financing for all phases of development, construction, and operations within 5 years. The lessee to engage in operations within 5 years of the effective date. The lessee to maintain the property and improvements as set forth in the lease, including insurance requirements and maintenance covenants. And then the lessee to indemnify lessor for any and all liability incurred by the lessor with respect to release after the effective date of the lease. And finally, the lessee to surrender possession of the premises at the end of the lease term of 60 years.

CHAIR GUZMAN: So this was asked by Mr. Hokama to have it spelled out in a chart form or a bullet point format to indicate the obligations of the County and also the obligations of the lessee which would be Teach Development LLC. Going down the line with, Mr. Victorino, do you have any questions with any of these obligations that you may want to pose the Administration or Teach Development, Mr. Hobson? Mr. Victorino?

COUNCILMEMBER VICTORINO: ...*(inaudible)*... And first of all, thank you, Chair, for bringing this forward.

UNIDENTIFIED SPEAKER: His microphone.

CHAIR GUZMAN: Oh sorry. Sorry about that.

COUNCILMEMBER VICTORINO: Sorry.

CHAIR GUZMAN: That's okay.

COUNCILMEMBER VICTORINO: We're going to get used to this before I leave this term. How's that? You know I guess when I looked over it, you know, the dollar a year for 60 years, no problem as far as that. My concern is all these other...the planning, design, development, construction of facilities for the repurpose of the campus within 5 years of effective date. You know, there's a lot of 5 year, 5 year, 5 year timetables and my concern is always meeting those timetables and what are the effects if they are

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not met. And I guess that's my question. The rest, the dollar a year for 60, I agree, you know, and I'd like to see that property developed. I know that the testifier, Mr. Starr brought up a number of good points which I think we will have to address because if you're talking some of these intersections, especially the one down on Hana Highway that's not County, that's State. So that's already one issue. Will the State contribute or help us if we need to any kind of reconfiguring [sic] of the Hana Highway down at the base of Hamoa Road [sic] or whatever? Yeah. But anyhow so that would be something I would have to ask that, Mr. Chair, request that the State be informed and to see what the State's response if any to these traffic issues and other questions that was brought up by Mr. Starr. But this is ours right here --

CHAIR GUZMAN: Yes.

COUNCILMEMBER VICTORINO: --these bullet points. So I would like to have these answered can these be met, you know, Environmental Assessments within 24 months of effective date of lease? A lot of, you know, it's like real short times and I don't hate to see us putting out these timeframes and not being met and then coming back. I may not be here but whoever is sitting in this seat asking the same questions, why were you given that and how come you can't fulfill it? So that would be my question, are these timeframes realistic and achievable or are we hopefully thinking that we can achieve it?

CHAIR GUZMAN: Yeah, and these are obligations on the lessee --

COUNCILMEMBER VICTORINO: Yeah.

CHAIR GUZMAN: --Teach Development. So, Mr. Hobson, do you have an opportunity to...yeah just grab the mic there.

COUNCILMEMBER VICTORINO: Sorry, you got to grab the mic.

CHAIR GUZMAN: Yes, you have an opportunity to respond to Councilmember Victorino.

MR. HOBSON: Sure, thank you. And thank you, Chair Guzman and Councilmembers, again for this opportunity. And I guess to answer your question specifically these are...we're working with the Economic Development Office putting these obligations together just to make sure everyone is clear on what you're covenanting and what the lessee is going to covenant under the...under this lease. And when we put together this development schedule in our presentation we did lay out the development schedule, how it's going to be phased over time and it would be fully operational in year five. One of the sticking points in our negotiation which Corporation Counsel Sheppard and Kushi wanted to make sure is that we were held to particular milestones. That there would be inspection rights upon notices and that this wasn't...these obligations were not evergreen, that we would have certain periods. They said, you know, 24 months is reasonable for an EA and then five years for your

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build out and operations. And so these were developed in concert...in consultation with Corporation Counsel, the intent being they did not want these, you know, they wanted to see some form of performance. And not that...you know the lease wasn't just evergreen, it would just sit there.

COUNCILMEMBER VICTORINO: And I understand and thank you very much for that clarification. Again, but the question I'm asking, do you believe these can be met?

MR. HOBSON: Yeah, so, I did forward...we'll get to one of the responses from Planning Director Spence in his guidance to one of the questions but I did forward these to our...we have two architects on our team and I forwarded it to them. And they said in light of this guidance that we received from Planning does everything in our development schedule still work and still hold and the answer was yes.

COUNCILMEMBER VICTORINO: Okay. And I guess the other question begs to be asked if there's an intervener especially when you're coming to Environmental Assessments and environmental issues. And you and I both know that happens an awful lot. It depends. And I'm not sure if that's going to happen here but if it does what happens to the rest of the timeframe? Because everything says effective date of the lease, you know, effective date of the lease. Okay, you make the lease --

MR. HOBSON: Yeah.

COUNCILMEMBER VICTORINO: --and then all these other issues come up. Now what?

MR. HOBSON: Sure. And I think we've always qualified these milestones based upon our diligence as well.

COUNCILMEMBER VICTORINO: Okay.

MR. HOBSON: That to the extent, you know, the water conditions or soil conditions are worse than we have...there are some old reports --

COUNCILMEMBER VICTORINO: Right.

MR. HOBSON: --that we're aware of and we're aware of the certain conditions but if conditions are worse that we would want the opportunity to come back and revisit these milestones. It would be in front of this body again to revisit those.

COUNCILMEMBER VICTORINO: Okay, so long as that is part of the options, Mr. Chair, I think that that's being fair to all parties concerned you know. I appreciate timeframes. I appreciate where we have something to hang our hat on so that 25 years from now we're still sitting out there twiddling our thumbs and wondering what's happening. So I thank for that. I just wanted to know if these...there were options or there were exemptions or there were opportunities should something come up that you don't

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know about today that you would be allowed to extend or come back to this body for an extension. 'Cause it seemed like pretty absolute here but you're saying no, that you would come back and ask for extensions or whatever other timeframes you might need to rectify the problem. Is that correct?

MR. HOBSON: If in our investigation --

COUNCILMEMBER VICTORINO: Yeah.

MR. HOBSON: --something came up that presented a larger obstacle, we would want to revisit those milestones.

COUNCILMEMBER VICTORINO: Okay, thank you. Thank you, Chair. I appreciate it.

CHAIR GUZMAN: Thank you, Mr. Victorino. I'll follow up with Mr. Victorino and ask the, Corporation Counsel, if the timeframes are not met is there I guess a subsequent default or action that the County can make the next step or take different steps? Or what is the result if the lessee does not meet the required timeframes?

MS. SHEPPARD: The first thing we would need to do, Chair, would be give them notice and an opportunity to cure the defect. They get 30 days to cure the defect and if that's impossible then we would have to determine whether or not the whole project has to go or whether there should be modifications to the lease, amendments, revisions.

CHAIR GUZMAN: Okay, very good. And on the monitoring of the lease itself, is it going to be under the Finance Department or the Parks Department, the lease agreements or the monitoring of? Who will be the lead department?

MS. RASMUSSEN: This land is not with the Parks Department.

CHAIR GUZMAN: Okay.

MS. RASMUSSEN: So it has nothing to do with the Parks Department. So Finance Department would, I mean the monitoring from Finance would be if they paid the lease. Well that, you know, that's a dollar a year so that's probably not an issue. I would be more...because this has been an OED project I think that it would be appropriate for the Office of Economic Development to monitor the milestones --

CHAIR GUZMAN: Okay.

MS. RASMUSSEN: --and bring a report to Council as they request.

CHAIR GUZMAN: Very good. Thank you. I just needed to clear that up because sometimes when we have different projects and when we pass them out the various departments look at each other and point the finger. So at least we now can clarify that Economic

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Development Office will take the lead on monitoring the milestones. Very good. So, we'll move on to the...any other questions from the Members? I'm actually going down the line. I'd like to acknowledge the presence of Chair White as well as Riki Hokama. Mr. White, if you would like to take the floor and ask questions. We are...before us right now we've...just to give you...get you up to speed, Mr. Hokama had requested that a form or a chart or bullet points be made regarding the...explaining the different obligations. So that's what you have before you. So you don't have to thumb through the lease and so these are the major substantial obligations on both parties. And so we're just talking about the different obligations if you had any questions to them. So, Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. After our last meeting I was still a little uncomfortable with the five-year timeframe of no property taxes being charged since this is a relatively new thing for the County to do. In fact, I recall that during the closure of the, what is now the Andaz, I knew they were closed for about five years and we were still charging them full value on their property taxes. So it's...I guess the question for Ms. Rasmussen is can you make me more comfortable with that portion of it? And especially in light of the comments that if things come up that are possibly concerning to the developer during the period of review that they would like a reopener, would that reopen...that ability to reopen also apply to the tax abatement provisions?

CHAIR GUZMAN: Ms. Rasmussen, before you answer. May I ask Mr. Walker or Finance Department to come down just to assist as well if questions need to be further elaborated on.

MS. RASMUSSEN: So to your question about property taxes and why do this, you know, a couple differences between the Andaz Hotel and this property is this property is currently executive ordered to the County of Maui. The property currently has no property tax generated from it. We are paying between 60...we have paid over a course of a couple decades between 60,000 and \$100,000 just to maintain the property. So the first thing that's going to happen is the County is no longer going to have to pay that bill so that's a good thing. What we're allowing them to do because there's so many infrastructure problems with the property, the water, the no fire protection, the, you know, the well that has to be, you know, looked at. They have to build a package wastewater plant out there. So we want to allow them time to do all of this and there are, you know, there's...they need the time. And so the idea was just to...for the benefit of having a \$56 million project it's worth foregoing 5 years of property tax in order to see that to fruition. They're doing us a favor by taking over, you know, the, you know, maintenance of the property. Can they get out of it if they extend? Only...according to this lease it says that the property tax abatements would be for five years. That would strictly be a answer for the Council, if the Council so wanted to give them an extension they could but under this lease it would not be allowed longer than five years.

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CHAIR GUZMAN: Mr. Walker, do you have any comments on the finance part of it or RPT?

MR. WALKER: No.

CHAIR GUZMAN: Okay, thank you. Mr. White?

COUNCILMEMBER WHITE: That's all for now, Chair, thanks.

CHAIR GUZMAN: Okay, thank you. Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, thank you very much. I appreciate you following through and getting the attachment from the departments to assist us this afternoon, especially from OED. So thank you. I want to follow up with Mr. White 'cause my concern is how do we use a lease as a legal vehicle to exempt a for-profit company from paying taxes? Where is the authorization coming from? So if maybe Corp. Counsel --

CHAIR GUZMAN: Corp. Counsel?

COUNCILMEMBER HOKAMA: --can give us some comments so we can kind of understand the...which document is key 'cause I would think we need an authorization through the County Code --

CHAIR GUZMAN: Right, I understand.

COUNCILMEMBER HOKAMA: --to allow this exemption, Chairman. So, again, I just find it interesting we're trying to do this policy through a lease.

CHAIR GUZMAN: Through a lease, yeah. I agree with that. Is that...Corporation Counsel, can you respond?

MS. SHEPPARD: Yes, thank you. We'll either have to work this out in more detail or perhaps even change the Code but, yes, we'd have to find a way...a means to make that happen.

COUNCILMEMBER HOKAMA: So, from your comments, Corporation Counsel, can the Committee understand this afternoon that until that vehicle is authorized and enacted by Council, the lease itself cannot waive the property tax?

CHAIR GUZMAN: That's correct.

MS. SHEPPARD: I don't believe the lease waives the property tax. It says that we intend to provide tax abatement measures.

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CHAIR GUZMAN: So I think basically the lease is saying that once we do an ordinance 'cause we're going to have to do an ordinance to abate, basically the lease is committing this Council to vote all nine yea's for that ordinance. That's what the lease is saying. Right?

COUNCILMEMBER HOKAMA: And another thing, Chairman, can this sitting Council commit the next sitting Council to a decision that has been made by us for them to follow through on because of this lease document? I need for us to be clear on the understanding. Are we already making a commitment for the next Council already?

CHAIR GUZMAN: That is a good issue because we are going to be turning this over. Corp. Counsel?

MS. SHEPPARD: This is probably something that we should take a little more detailed look at and perhaps staff this out better.

CHAIR GUZMAN: Okay. So that's another issue that we need to address. Mr. Hokama, any further?

COUNCILMEMBER HOKAMA: No that's my outstanding thing. I still believe in the mission and the goals that we're trying to accomplish, Chair, I just want to make sure we do it correctly and appropriately because I can see other for-profit entities coming to us for an abatement proposal that they feel is just as reasonable to request such an abatement. So it's a concern that I want to make sure if we move forward it's something that is smart, it's defensible, and that we can justify our policy decision on it. Thank you.

CHAIR GUZMAN: Mr. Hokama, in your years of experience have you seen a lease that has been before you with a proposed condition on waiving or at least adding the five year or any type of abatement?

COUNCILMEMBER HOKAMA: Not for a for-profit entity, Mr. Chairman.

CHAIR GUZMAN: Okay. Okay. Ms. Crivello, do you have any questions?

COUNCILMEMBER CRIVELLO: Thank you. I do have some questions more in regards to our County communication and lease and not necessarily our chart of obligations.

CHAIR GUZMAN: Okay, okay.

COUNCILMEMBER CRIVELLO: So I'll come back if we get to that.

CHAIR GUZMAN: Mr. Couch, on the obligations, the chart? Okay. Moving on, Ms. Cochran? Oh, the Committee will acknowledge the presence of Ms. Cochran. Thank you.

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VICE-CHAIR COCHRAN: Thank you, Chair.

CHAIR GUZMAN: Sorry, I didn't see you there.

VICE-CHAIR COCHRAN: No, that's okay. And actually just curious about a question in regards to the introduction where this Request for Proposal is not part of a competitive procurement process. So this whole...the way you chose Teach to take over this property wasn't as an RFP type process? What was...this was just...so how did that roll out? And you just...

MS. RASMUSSEN: Yes, it was an RFP process. We're using...I'm not a purchasing, you know, person in Finance but the language you're referring to is actual standard language that they put in. This process was opened up for seven months. It was published on the County, you know, RFP where we publish it on our website and we received three proposals, and then we made a selection based on their qualifications. So it...the language competitive--do you know if there's something specific?--I think it has to do with competitive meaning there's a price tag put on it and it's like low bidder. So it's saying that it wasn't that kind of RFP. We were basically putting it out there for a project proposal, and also we were saying that there is no guarantee that there would even be a project selected. So we weren't obligating the County through that RFP process that there would even be a project selected. So I think that's where the language came in.

VICE-CHAIR COCHRAN: Okay. Okay, thank you, Chair.

CHAIR GUZMAN: Okay, thank you. I'm going to go ahead ask my questions on the chart. On the number, I guess bullet point number two on the obligations of the County regarding the construction and maintenance of public roads to the premises subject to funding appropriations. And then in parenthesis Section 1 of lease, Exhibit "8" of the lease. So when you look at Exhibit "8"...so that language in the lease basically tells me that okay they're requesting maintenance and construction of a property and then it's referring me to an Exhibit "8" and that's where the details are. So, you know, so you're somewhat incorporating Exhibit "8." So when we look at Exhibit 8 the first sentence that comes out is lessor commits to upgrading. So we're committing to upgrade and improve and pave the upper Hamakuapoko Road from Paia and it has other roads here indicated. So why isn't that just put in the lease? Why do you have to...why don't you refer it straight from...why are you referring in Exhibit "8?" Why don't you just put the language in the lease? Because unless you're saying incorporated...incorporating Exhibit "8," the...are you using the language in Exhibit "8" to direct the County to commit to something?

MS. SHEPPARD: No, if you want to change the language in Exhibit "8" we can change it. Section I on Page 7 of the lease, the one regarding property 014. Section I says the

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County agrees to construct and maintain at its cost paved public roads to the premises as set, and I see an error there, it says for, it should say forth.

CHAIR GUZMAN: Okay.

MS. SHEPPARD: And it says on, it should say in. As set forth in Exhibit "8" subject to funding appropriations. So Section I controls over the exhibit but if you want to change the language in the exhibit that's easy.

CHAIR GUZMAN: Okay 'cause it does commit us to upgrading.

MS. SHEPPARD: We can change that if you want.

CHAIR GUZMAN: This commits, yeah. So it's kind of a contradiction saying okay the language in the lease says okay we can maintain and build if the Council approves the funding for such, right?

MS. SHEPPARD: Correct.

CHAIR GUZMAN: And then the exhibit comes in, it says lessor commits.

MS. SHEPPARD: Yeah, we can change that.

CHAIR GUZMAN: So it's obligating us to do it. So I can see a problem with that later on if there's a tit-for-tat. You know you...the lessee is requiring us to do it and we're doing the defensible position saying no we're...it's a maybe because it's upon the approval of the Council appropriating the funds, yeah. Okay. Thank you. If you can change that language. And any further questions on this exhibit or I mean the chart? I'm going to move on to the next...

COUNCILMEMBER HOKAMA: Chair?

CHAIR GUZMAN: Oh, yes. Mr. Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chairman. If I may ask Mr. Hobson a question. You know regarding this discussion on point two of the lessor's obligation which is the discussion between Ms. Rasmussen and our Chair. Was there ever a discussion with your representatives and the County's representatives about in the abatement of the taxation as another way to just say this, pay the abatement and the County will commit that all your taxes that you do pay will go...go put back into the infrastructure improvement of the project site? Was that any...can you recall any discussions if that was...

MR. HOBSON: No, but if you can repeat your question I just want to make sure I'm clear for the record.

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COUNCILMEMBER HOKAMA: So let's say your ad valorem taxes is \$1,000 and you agree to pay it but the condition you pay it on is that the County in return you will put that \$1,000 that we pay back in a CIP project that improves the property site?

MR. HOBSON: There was no such discussion.

COUNCILMEMBER HOKAMA: Is that some...a discussion you folks willing to enter in for...to see if it makes sense or not?

MR. HOBSON: To...so for any taxes that we pay would be I guess allocated...

COUNCILMEMBER HOKAMA: Would assist the County in improving the capital requirements of the project site.

MR. HOBSON: We can have that discussion. Sure, we can have that discussion.

COUNCILMEMBER HOKAMA: Well, I appreciate your openness to that, Mr. Hobson. Thank you, Chair.

CHAIR GUZMAN: Thank you.

COUNCILMEMBER HOKAMA: I just wanted to ask if there was an opportunity for us to talk about that option. Thank you.

CHAIR GUZMAN: Thank you. Members, are there any other questions in regards to the bullet points on the obligations? Seeing none, so I'm going to move on to the next letter that was sent out dated August 3, 2016, letter to the Planning Director. Mr. Spence, may...please come down to the floor. And their response on August 9, 2016, this was a question regarding zoning and the Department's role on the timely review and approval of necessary zoning modification entitlements and permits. If you see my letter to Mr. Spence dated August 3rd, on the second page there are five questions and starting with number one what are the current zoning districts, community plan designations, and State land use districts of the parcel subject to the lease? Please respond to that question. And then we also have number two, the subject parcels including two tax map key parcels, one of which is greater than 15 acres in size. The lessee's plans for the project include both educational and agricultural uses. My understanding is that the historical school portion of the land is approximately 14 acres. If a district boundary amendment is required, for example the Agricultural to the Urban District may only the 14 acre portion be submitted for reclassification or must the entire property be considered? Number three, what assurances has the County given the lessee with regards to the expediting entitlements, licenses, permits or other County processes? And number four, if assurances have been made, how will the lessee's applications be expedited, by whom and in what manner? And what would be the Department's role with regard to timely

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review and approval of the district boundary amendments, Change in Zoning applications, and community plan modifications or other permits necessary for the proposed project? And finally, you are aware of any...are you aware of any other County departments having had insurances to the lessee to expedite applications for the lessee? So, Mr. Spence, in your response can you please elaborate on the floor for the record. Thank you.

MR. SPENCE: Thank you, Mr. Chairman. Good afternoon, Committee Members. With regards to number one, what are the current zoning districts, et cetera, the property is entirely within the State Agricultural District. Both properties are zoned Interim and a portion of it is community planned Public/Quasi-Public and a portion is Single-Family, designated for Single-Family. The reason those designations are there is when this community plan was adopted there was envisioned that there would be some kind of community reestablished up around Old Maui High. Mr. Chairman, I believe we forwarded that...the zoning confirmation forms to you.

CHAIR GUZMAN: Yes, they're attached.

MR. SPENCE: Okay. The second question...the lessee's plans include both educational and agricultural uses. What kind of permitting...if I could summarize and you can correct me if I'm wrong, what kind of permits do they need? The...so long as the area in which the educational dormitories, all those other uses are kept, they can...so long as they're kept under 15 acres they could be processed, and kept on the Public/Quasi-Public portion, they could be kept with a Special Use Permit granted by the Maui Planning Commission. Okay, and that's provided that it...everybody is satisfied that this is indeed a Public/Quasi-Public use, that it doesn't morph into, you know, something else. The agricultural component doesn't really need any Special Use Permit. You know there's no discretionary permit needed. So I mean there's...doing agriculture doesn't require a discretionary permit therefore they could just do it on that property. I'm envisioning that it would be on the Single-Family portion. I have not seen a site plan, you know, and we would certainly be willing to work with the applicant as far as what's needed for that. If they were to do part of the educational facility outside of the Public/Quasi-Public area then we would talk about a community plan amendment and that would have to go through the process and come back to Council for that amendment. Environmental Assessment is required because it uses State lands and funds and so that's pretty much a given. That would also...part of that Environmental Assessment would address Mr. Hugh Starr's comments about if there's a signal needed or something like that. A traffic report is a typical part of this kind of Special Use Permit application or Environmental Assessment. And there are certain warrants that are...as a part of the traffic study they look at is there enough traffic to warrant doing signalization. So that would be a part of that. It could come out that way. It may not. We won't know until the study is done. I believe that covers number two. What assurances, number three, what assurances has the County given the lessee? I'm not aware that we've given them any assurances as far as expediting permitting or processing, and that pretty much covers

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number five as well. The applications go faster so long as an applicant is responsive to questions and providing information. That's what really speeds things up. A lot of the very delayed applications come as a result of not receiving information in a timely manner, to a certain degree workload and stuff. But this also has potentially a very large public benefit in doing something with that historic property so I mean it certainly...it's certainly an interesting project and we would be paying close attention to it. Number four, okay, pretty much the same, if assurances have been made how will lessee's applications be expedited by whom in what manner? We would...conceptually this is a pretty complicated project as far as permitting goes. There are a lot of issues to be addressed with infrastructure, traffic, use of historic properties, et cetera. This would probably be assigned to a senior planner so someone with a lot of experience that would pay close attention to this. And again the speed in which permits are processed is dependent on the relationship between the applicant and the Planning Department, not, I don't...I'm not aware of putting them ahead of anybody else but, you know, going along, make sure it's...making sure it's complete. I think that's about it, Mr. Chairman.

CHAIR GUZMAN: Okay.

MR. SPENCE: I'm certainly willing to answer questions.

CHAIR GUZMAN: Yeah, thank you. Members, do you have any questions in regards to the responses from Mr. Spence? Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, if you would allow me to maybe pose a question to Mr. Hobson, please?

CHAIR GUZMAN: Yes.

COUNCILMEMBER HOKAMA: You've heard Director Spence of our Planning Department give his comments just recently. So hearing that, and tell me if my understanding is incorrect, my understanding was that your planning or your group is planning to hire local consultants, local companies which I would assume has experience and knowledge of how the County of Maui operates. And so hearing Director Spence's comments about, you know, if your consultants, your representatives I guess put in the information required for them to make a decision that you should have less difficulties in receiving approvals and reviews then if they had to wait for an engineer's resubmittal of an adjustment or something. So can you maybe give us comments of how you plan to approach the approval process, please?

MR. HOBSON: Sure, thank you for that question. And we did meet early on with the Planning Department just to give them an introduction to the project and get some early feedback. I mean we're very fortunate that one of our team members Glen Mason who some of you met a couple weeks ago has been involved with this particular site since 2007. He knows the buildings. He knows all the subject matter

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experts, all the engineers, and local consultants that understand. He's been through the process himself but he also understands there's, you know, the complexity of this project. And it's our intent to engage local subject matter experts to, you know, facilitate the process with Planning and to be responsive.

COUNCILMEMBER HOKAMA: One follow-up please, Chairman?

CHAIR GUZMAN: Yes.

COUNCILMEMBER HOKAMA: Real quickly. Have you or our Department through our Director have discussed things you would like to do in this project that maybe components of our Code is...may not be current enough or permissible or doesn't allow certain permitted things that you would like to kind of initiate with technology?

MR. HOBSON: You know what I don't...we're not there yet quite frankly. I mean we don't even have a site plan because --

COUNCILMEMBER HOKAMA: Okay.

MR. HOBSON: --we've yet to really investigate the site. You know part of our process is, you know, we're going to spend our six months doing a look, investigating, doing all of our diligence. But also during that process and a subsequent six-month process doing a community engagement process which really that is an important process that informs the entire development and then once we have the full scope of development that's when we proceed down the EA so we can understand the impacts of that. And at that point we would really be working collaboratively with the Planning Department.

COUNCILMEMBER HOKAMA: And I just bring it up because in the past we had people who had some great innovative ideas but our Electrical Code wasn't up-to-date where we could consider such an innovative approach. So, you know, I just bring that up if that is an area we need to also address at the same time.

MR. HOBSON: Sure.

COUNCILMEMBER HOKAMA: Yeah, thank you, Mr. Hobson. Thank you, Chairman.

CHAIR GUZMAN: Thank you, Mr. Hokama.

MR. SPENCE: Mr. Chairman?

CHAIR GUZMAN: Mr. Spence?

MR. SPENCE: Just as a follow-up to that. The Special Use Permit is required because it's in the State Ag District. With Interim zoning, Interim is very permissive and I know it's supposed to be temporary and that's a whole other discussion that I would like to

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resolve with the County someday. But it's very permissive. It allows universities, schools, Public/Quasi-Public institutions, all those things. So long as the application and all the uses fall into the teaching and that Public/Quasi-Public thing, you know, that concept, it could be permitted under the Interim zoning. So it's only the State side that has to be satisfied. And, you know, we are definitely willing to work with the applicant to make sure it meets the idea of a university teaching facility, et cetera. The...and if I could just also comment, the Committee has expressed concern over the terms of the lease and enforcing the lease, et cetera. That just recall too that that Special Use Permit will have insurance requirements, will have conditions on it that are enforceable, you know, as we would enforce any kind of zoning matter. So there, you know, however, assuming something is approved those obligations will be on that permit so, you know, we can continue to go down --

COUNCILMEMBER HOKAMA: Right, right.

MR. SPENCE: --the path to make this thing work right.

COUNCILMEMBER HOKAMA: But isn't Interim zoning about current permitted uses or current practices on the current property and not potential uses on the Interim zoning? Because that's what I...we got from the County in the 1970s 'cause Lanai City was all Interim and they told us only what was existing can continue --

MR. SPENCE: Right.

COUNCILMEMBER HOKAMA: --nothing new.

MR. SPENCE: Interim comes from I think it's 1958.

COUNCILMEMBER HOKAMA: Yes, and we're supposed to be out of Interim zoning already.

MR. SPENCE: Like I said it's...I brought the Code with me if you'd like me to read out of it but it just...it says universities, those kinds of things. So it allows whether it's high tech or low tech or...

COUNCILMEMBER HOKAMA: Even if it is not a current use it's permissible --

MR. SPENCE: Yeah.

COUNCILMEMBER HOKAMA: --under Interim?

MR. SPENCE: It would...whatever those uses would be they could go ahead with those for the County's side of things, not for the State Agricultural side.

COUNCILMEMBER HOKAMA: Okay, thank you for that clarification. Thank you, Chairman.

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CHAIR GUZMAN: Thank you, Mr. Hokama. Any further questions? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Thank you, Mr. Spence, for being here. I am referencing I think your correspondence, Chair, I guess to items maybe three and four. And it doesn't specifically say but is...do we have an executive order from the County to grant a right-of-entry to Teach Development, yeah, and then do we have...is this done prior to the approval of a lease by the BLNR, the Board of Land and Natural Resources?

CHAIR GUZMAN: I guess we're going to move...that letter was to the Corporation Counsel.

COUNCILMEMBER CRIVELLO: Okay.

CHAIR GUZMAN: Yeah, and so we can...if...hold on a second, Ms. Crivello.

COUNCILMEMBER CRIVELLO: Alright.

CHAIR GUZMAN: Is there any other Members that have questions for Mr. Spence regarding this matter? Seeing none, so let's move on to the August 3, 2016 letter to Corporation Counsel, and Corporation Counsel's response dated August 5th, and this is in regards to the authority of the County to grant the right-of-entry to Teach Development prior to the approval for the lease by the Board of Land and Natural Resources. And so Ms. Crivello has her question that was posed and Corporation Counsel...yeah.

COUNCILMEMBER CRIVELLO: Yeah, thank you, Chair. So do we grant a right-of-entry to Teach Development prior to approval of the lease by the Board of Land and Natural Resources?

CHAIR GUZMAN: Ms. Sheppard?

MS. SHEPPARD: Yes, we may do that. We have that authority. Basically, under the executive order we have the same authority that the Department of Land and Natural Resources would have to grant access to the property 'cause we're the managers of that property. And I did verify that with the Land Division of DLNR and they agreed. Also the Hawaii Revised Statutes Section 171-11 sets forth that very clearly that we have that authorization. So if they needed access even pending the BLNR review of the lease we can grant that access. So in a way they could ahead of the game a little bit and start doing some of that basic due diligence. So when the BLNR finally does hopefully approve the lease agreement, if they do approve it then we're that much further along the path way.

COUNCILMEMBER CRIVELLO: So we grant the right-of-entry?

MS. SHEPPARD: Correct.

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COUNCILMEMBER CRIVELLO: It's the County that grants that?

MS. SHEPPARD: Yes, yes.

COUNCILMEMBER CRIVELLO: Okay.

CHAIR GUZMAN: Yeah, and so just to follow up, the reason why the question was posed to Corporation Counsel just as a refresher, there was an issue as to in the lease agreement it allows 180 days --

COUNCILMEMBER CRIVELLO: Right.

CHAIR GUZMAN: --for Teach to go in and do I guess an assessment. However, they won't have access to the property unless the lease is approved by the Department of Land and Natural Resources. So, Mr. Hokama had suggested let's look into a right-of-entry. And so we went forward and Corp. Counsel did the research and it is possible that we could grant them a right-of-entry so to allow them to get ahead of the game because we don't know how long it would take for the Land and Natural Resource Board to approve the lease. So I think it was a great idea and it's possible and hopefully Teach will take advantage of that. But is there any other questions in regards to this letter?

COUNCILMEMBER CRIVELLO: Thank you, Chair, for that information. Thank you.

CHAIR GUZMAN: Yeah, Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, no more. Thank you.

CHAIR GUZMAN: Okay. Any other questions from the Members for this particular item? Okay, I will like to call on Public Works to come down to the floor and shed some comment to this section in the lease regarding the construction and maintenance and cost of paved public roads. And if you can give us an update or status, traffic impacts that are currently happening right now in that area. I believe one of the testifiers somewhat talked about roads in that area. There was mention on the Paia bypass and so on and so forth. So why don't you give us an update and then if you could shed some comments on that language in the lease agreement regarding the specific roads indicated in Exhibit "8" and they do mention some specific roads here.

MS. DAGDAG-ANDAYA: Thank you, Chair, and good afternoon, Councilmembers. For the record, Rowena Dagdag-Andaya, Department of Public Works. I went ahead and spoke with our district, our Makawao District staff on the condition of Holomua Road and here is some information that they provided. Staff did indicate that it's approximately four miles from Hana Highway to Baldwin Avenue but that's just an estimate. Roadway travel way width is approximately 20 feet. Approximately 2 miles from Hana Highway to Old Maui High School and then 2 miles from Baldwin Avenue

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to Old Maui High School. Holomua Road is currently within current County jurisdiction. And the staff, Makawao District staff maintains the roads approximately two to three times a year, sometimes more during years when we experience a lot of rain. What they do is they grade the road, make it passable for motorists. Any additional work in maintaining this area would likely require additional resources as you can assume. The section from Old Maui High School to Hana Highway was observed to be in fair condition. It is paved. From Old Maui High School to Baldwin Avenue however there's a lot of ponding and potholes and this section would require improvements in the form of resurfacing. So staff went and did a cost estimate on how much it would, how much materials would come out to. So they estimate approximately 211,000 for about an inch and a half of asphalt from Baldwin Avenue to Old Maui High School. So that's about 2 miles right there. Now that's the only estimate that they provided me with and staff did indicate that's just materials only, no taxes or any additional improvements that would be required as part of the traffic assessment. So when you think of things like improving sight distance or putting in, I don't know, drainage improvements or the gentleman earlier had indicated there may be some improvements needed along Hana Highway. That's not included in that 211,000. Mr. Spence made mention earlier regarding the need for a traffic study as part of the land use permitting process and I concur with that requirement. The traffic study would provide information on necessary improvements for accommodating additional traffic in the area resulting from the project. And as I said before, you know, we won't know what the additional traffic improvements would be until that study is completed. So I don't have an estimate at this time for what those costs would be. But if there are any questions that I can answer today, I'd be happy to answer them for you. If not, feel free to write a letter to the Department and we'll do our research.

CHAIR GUZMAN: Thank you very much. Members, do you have any questions for the Department regarding the roads? Mr. Hokama?

COUNCILMEMBER HOKAMA: Thank you very much, Director, we appreciate your assistance this afternoon. So we heard that first amount for the inch and a half topping on, to get to Baldwin. In the proposed lease there it says roads and highways so it's multiple. So you have a ballpark figure of what Teach is looking at the County regarding the whole comprehensive requirements of road project and road cost estimates?

MS. DAGDAG-ANDAYA: Okay, so...

COUNCILMEMBER HOKAMA: And again we understand you're going to give us an estimate. It's very rounded out. I mean, you know, there's a degree of flexibility. So we won't hold you to a number. We just want a sense of what kind of monies are we talking about.

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MS. DAGDAG-ANDAYA: Yeah and as I mentioned earlier for two miles of road in that area we're looking at about 200-plus thousand just for materials only. And I do apologize I have an ear infection so I can't really hear well right now so if I misunderstand the question. Yeah.

COUNCILMEMBER HOKAMA: Yeah. Is that the only road project we need to be concerned about regarding the Teach proposal or are there other County responsible roads or highways, right of ways that we need to consider for capital projects?

MS. DAGDAG-ANDAYA: In this area, you know, in talking with Ms. Rasmussen yesterday, my understanding was just that section, Holomua Road and...yeah, that's about it.

CHAIR GUZMAN: Is that Teach's understanding as well, Mr. Hobson?

MR. HOBSON: Yeah, sure. Excuse me. Yeah, there is no...we have not to-date even submitted a proposal or request for any roads. You know part of the thinking and the intent of this provision was when you're looking at...when we do our traffic study and we're looking at traffic flows, understanding if we're going to need Upper Holomua paved, if that's going to mitigate kind of the traffic impact. And so, and there are some perimeter roads but again we don't know what we don't know yet but there is no request in front of Public Works. And it would really be as a result of looking at the study traffic in that analysis.

COUNCILMEMBER HOKAMA: Thank you, Chair.

CHAIR GUZMAN: Ms. Rasmussen?

MS. RASMUSSEN: Yeah, if I could just respond for a second on this. So, yes, Holomua Road and the upper portion which is currently is what she's speaking of. So there's two 2-mile sections basically. That would be actually very helpful to have that in a much better condition because you could really actually turn, if somebody wanted to go up Baldwin Avenue you could turn there and avoid Paia altogether. You know so that could be actually really a beneficial way to mitigate some traffic in Paia and I think that would all come out in the traffic plan. So there could be a lot of public benefit to doing that.

COUNCILMEMBER HOKAMA: Thank you. Thank you, Chairman.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And to follow-up on that, so, Ms. Dagdag, you said from Hana Highway to the school is where...is the 200,000...a little over 200,000, is that right?

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MS. DAGDAG-ANDAYA: It would be from Baldwin Avenue to the school. I think that's the section that's...that's the section that needs to be fixed.

COUNCILMEMBER COUCH: Okay. So I thought that was more of a dirt road than anything else or is it just bad pavement?

MS. DAGDAG-ANDAYA: I think it might be just a mix.

COUNCILMEMBER COUCH: Okay. Alright that seems kind of low just because you would think you'd have to scrape off all the pavement and put down a base and the whole nine yards from what we hear.

MS. DAGDAG-ANDAYA: And I'm sorry and again that was just a quick and rough estimate and nothing else. If you're just looking at material that's the...

COUNCILMEMBER COUCH: Oh, just material but not...

MS. DAGDAG-ANDAYA: Right.

COUNCILMEMBER COUCH: Any ballpark on labor?

MS. DAGDAG-ANDAYA: Labor, no I'd have to...we'd have to calculate that but I mean we can utilize our County staff and then again we can calculate and factor that in as well.

COUNCILMEMBER COUCH: Okay, thanks.

CHAIR GUZMAN: Okay. Mr. Couch, do you have any further questions? Okay. Ms. Cochran, none? Okay. So moving on, Mr. Victorino, do you have any questions for Public Works?

COUNCILMEMBER VICTORINO: No, I think most of the questions that I had were answered earlier.

CHAIR GUZMAN: Okay.

COUNCILMEMBER VICTORINO: I believe there will be some ____ of old road repairs.

CHAIR GUZMAN: Yeah. There you go.

COUNCILMEMBER VICTORINO: We'll get this right. I'm glad I'm not the only one. Now everybody press their button before. You know I believe most of the questions I had have been answered and I know that the roadway and some of the roads traversing this property will be one of the bigger ticket items until you get to the actual workings on the property itself. So thank you, Ms. Dagdag, for that information. We do appreciate it.

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CHAIR GUZMAN: Thank you. Do we have any comment from the Department? One of the testifiers was indicating water issues, whether it seemed to be within the lease. It was ambiguous as to was the lessee required to find independent resource or they were going to use the Iao Aquifer. I'm not sure if you were present during that time but maybe, Mr. Jason Hobson, you can elaborate more on what you understand is the obligation of the lessee.

MR. HOBSON: There is currently...there is no obligation of the County to provide water. We're...quite frankly we're on our own. So we will be drilling a well or two. We did meet with the folks of the Department of Water to further I think investigate preliminarily the water issue and that's the guidance we received from the County.

CHAIR GUZMAN: Okay. Members, do you have any questions in regards to that subject matter?

COUNCILMEMBER VICTORINO: Chair?

CHAIR GUZMAN: Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, I guess, you know, there's a well there because that was a school and that was the primary source of water was the well. And I believe they were even looking at digging another well at one point but I'm not sure, you'd have to check with the Department. So but it's not connected to the County water system. So I mean there's not a if, but, or about it, you know, it's going to be their development of some water 'cause there's nothing close to that. I think it would be like three miles or three and a half miles before you could get a County system 'cause you got to go back to Kuau. That's how far back you have to go, Mr. Chair. So I mean again I don't think this is a problem but if they're aware of it and they've worked with the Department I think they know what they need to do and move from that point. So I'm relatively confident. I see Mr. Hobson seems to have everything well in-line so we'll see how it all pans out as the years go through. Thank you, Chair.

CHAIR GUZMAN: Thank you, Mr. Victorino. Thank you for that information because, you know, when we have testifiers, you know, we can't really engage them and actually explain how it really works. So it has to come out during discussion --

COUNCILMEMBER VICTORINO: Yes.

CHAIR GUZMAN: --and then we have to retract and say okay look let me answer that question that you stated in your testimony. So that's very good we were able to at least check that mark off, at least that issue is pau. So, I don't have any other questions or what was it, assignments that was given by the Committee to follow up on. We've completed the pending issues that were brought forth during the last Committee meeting. The only one that I would require, I would ask the

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Corporation Counsel to work on is the language in Exhibit "8" to let us, you know, try to strike out the word commit, yeah, but that's about it. Members, I'm going to give my recommendation.

COUNCILMEMBER VICTORINO: Recommendation.

CHAIR GUZMAN: Thank you. I would like to recommend and entertain a motion to pass on...out of Committee authorizing the resolution...Authorizing the Grant of a Lease of the County Real Property Consisting of Tax Map Key Numbers (2) 2-5-004:014 and (2) 2-5-004:053, to Teach Development LLC, Pursuant to Chapters 3.36 and 3.40 of the Maui County Code; and also allow any revisions that were set forth today; and the filing of the communication.

VICE-CHAIR COCHRAN: Chair, so moved.

CHAIR GUZMAN: Moved by Ms. Cochran.

COUNCILMEMBER VICTORINO: Second.

CHAIR GUZMAN: Seconded by Mr. Victorino. Any further discussion? Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, I'm happy to support your recommendation but I will do so with reservations. I await some guidance from Corporation Counsel regarding how we can achieve this...my concern regarding the ad valorem tax concern and the appropriate way to authorize such a waiver if that's what it's going to be at the end of the day. Because I don't think the lease is the --

CHAIR GUZMAN: Yeah.

COUNCILMEMBER HOKAMA: --appropriate vehicle, Chairman. But again I think this is a great mission that we want to move forward. It's pretty exciting for an old campus so it's, I'm very happy about it but I do have some of those concerns that I would like for us to be sure that we address for the general community. Thank you.

CHAIR GUZMAN: Thank you. And I thank you for bringing that up. I think it is a very substantial issue and we hopefully by the time this goes to first reading or I guess it's only one reading for this. Once it gets to full Council we'll have a response from Corporation Counsel. I believe you are correct, Mr. Hokama. I believe there has to be an ordinance. I don't think that there can be a blanket waiver via a lease like that or abatement. But anyway that being said if there's any further discussion, Ms. Cochran?

VICE-CHAIR COCHRAN: Chair, and yeah I want to thank Mr. Hokama for bringing that point up in regards to the abatement of taxation. And this whole thing is so different in a sense, especially the dollar lease for 60 years. I mean I know we condition...I

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mean we get Ameron come in after decades and then we got to renew them and we didn't just, you know, I know they're industrial stuff but it took them a while to prove themselves out. And so this something totally new. It's hitting on every point and topic this community and the people want to hear and see, you know, but it hasn't actually been done before and this is going to be precedent setting. And I think it's precedent setting for us to give a for-profit also. This almost like, you know, help that we normally do for a non-profit. So I see a lot of different things going on in this whole proposal and I, you know, want to give them the benefit of the doubt to fulfill what they're saying they're going to do but, you know, a dollar for a for-profit, 60 years is a long time. And, you know, part of it is Single-Family current community planned Public-Quasi and Single-Family and again trying to search out any speck of land for some kind of housing for our people has been very, very challenging and difficult. And this is, you know, going to be taken and transformed into something else and what have you. So, anyhow I am here to support it to see and like I say give the companies benefit of the doubt and it just seems like a whole lot of money put into something that has a great pretty picture and vision and it's going to cost a lot of money. So obviously they have a really solid plan and fail-safe plan in order to make sure investors aren't going to lose their shirts on this.

CHAIR GUZMAN: Right.

VICE-CHAIR COCHRAN: So let's see how that rolls out in 60 years.

CHAIR GUZMAN: That was one of my issues right from the get-go was wow 60 years. It's quite a long time to grant a lease to one entity, especially a profit but when I look...when I sit back and I reanalyze it okay, they've actually within the lease have six months to do a thorough investigation or analysis of whether it can move forward to phase one. So they're doing it in phases so I kind of have more confidence when they're...they've actually explained their phases and what they were going to do. I'd have to ask Corporation Counsel if at some point within the lease either party...there is provisions within the lease that allows us to get out of it. Correct? Can you elaborate on that?

MS. SHEPPARD: Thank you, Chair. Yes, as Mr. Couch said Section F on Page 6 of the lease and I'm looking at the Parcel 014, does provide for termination of the lease by mutual written agreement if it becomes something that the organization feels they can't develop and it's not going to be feasible. I mean we can work with a mutual written agreement and everybody walk away from the agreement. If the lessee should go bankrupt or go into receivership, that's another reason that it can fall out of this agreement. Default by the lessee is another reason. If the lessee just walks away and abandons the premises that would be considered a default and a termination. And then if they failed to perform the milestones it says set forth in Exhibit "7," yeah, those would be those 180 days, 24 months and then the various five-year timeframes, those milestones. So those would be other reasons that we could terminate the agreement

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but we could also review and revise the terms of the agreement as you can with any lease agreement.

CHAIR GUZMAN: Yeah, so that being said within the lease agreement I felt assured that when the topic came up of Mr. Victorino questioning whether they can meet these certain milestone deadlines. Yeah, according to the lessee they can but if they cannot it's a default and we can get out of the lease. So there are different measures, fail-safes for the County and as well as the lessee on whether this project will move forward to benefit the community as well as I guess the profit side of it.

VICE-CHAIR COCHRAN: And, Chair, so is there...is it in Exhibit "7" maybe where do they come back to us annually or is OED going to be bringing, giving us a report to just check in make sure these milestones are being hit and something to that effect?

CHAIR GUZMAN: Ms. Rasmussen?

MS. RASMUSSEN: What I think would be a good way forward is to, you know, the Council could request OED to give an annual update and, you know, at any time we could do that and we could work with the Teach group to, you know, to go out and inspect the premises and then, you know, come in and give an annual update or as often as the Council would like to see that.

CHAIR GUZMAN: Were you looking at more of putting it into the lease agreement?

VICE-CHAIR COCHRAN: I'd like it in writing in case some of us aren't here and didn't remember doing this here today.

CHAIR GUZMAN: My issue is in 60 years will we have a Office of Economic Development? I'm not sure, depends 'cause it's under the Mayor's Administration, right?

MS. RASMUSSEN: Yeah.

CHAIR GUZMAN: It's not under the Charter, right so?

MS. RASMUSSEN: No, we are not a Chartered office so that may be not a good thing to, you know, put in writing.

CHAIR GUZMAN: Right so...

MS. RASMUSSEN: It would be something that the Council could ask for.

CHAIR GUZMAN: I think we're going to have to...Mr. Hokama, do you have any suggestions on that? I mean how do you call up a, I guess a checks on something that's just a lease agreement?

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COUNCILMEMBER COUCH: We could put it in the reso.

CHAIR GUZMAN: Oh, we could put it in the reso?

COUNCILMEMBER COUCH: Yeah.

COUNCILMEMBER HOKAMA: You could put it in the reso, Chairman, or I would say again with the lessee representative Mr. Hobson or whoever is appropriate with our representatives, whether it be Mr. Wong Corp. Counsel or Ms. Rasmussen. I would say every lease reopener and there should be some, they have to report back to the Council and roll over the existing terms, propose new terms and whether or not they've hit the marks on their time schedule regarding each phase of requirements is one way I would approach it. Because I'm sure if the lessee is performing they would like to be able to report --

CHAIR GUZMAN: Yeah.

COUNCILMEMBER HOKAMA: --of their successes and that they are on schedule, ahead of schedule, under budget or their success is even greater than proposed in the application. So it's an opportunity for the lessee to also share the successes besides some of the difficulties that can occur regarding projects of this magnitude. So I think it's a good thing for both parties to have such discussions and I would say every five years you should have at least the consideration of having a reopener proposed.

CHAIR GUZMAN: Ms. Sheppard?

MS. SHEPPARD: We could put something in lease agreement that tells the lessee that they would respond and report to County Council upon request, periodically upon request or we can come up with language about that. And then as often or as infrequently as you desire to have them come you could request their attendance.

CHAIR GUZMAN: Okay.

COUNCILMEMBER HOKAMA: Either that, Chairman, or at the minimum like we do for all permits, zoning requirements, as Ms. Rasmussen I think suggested earlier an annual report back to Council.

CHAIR GUZMAN: Right. Why don't we have Corporation Counsel incorporate that language?

COUNCILMEMBER HOKAMA: And for me that's not too much if they're going to ask us to waive taxes.

CHAIR GUZMAN: Mr. Couch?

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COUNCILMEMBER COUCH: Yeah, thank you, Mr. Chair. Would that be in the lease agreement or could we put that in the reso?

MS. SHEPPARD: I think it's better to have it in the lease agreement.

COUNCILMEMBER COUCH: Okay.

CHAIR GUZMAN: Okay. So, Members, any other further discussion? Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. I'm just going to say my reservations once again with respect to the tax abatement. This is a for-profit entity and I understand that other places do this but at the same time we have a lot of other for-profit businesses in this County that have been either taken down during the downturn in business and yet we still charge them taxes. And I just went back and looked at the...and I don't recall how long the Renaissance was closed before it reopened as the Andaz but my recollection it was four or five years. And during that timeframe even though they were not in operation we collected in the neighborhood of \$2 million in taxes. And here we're giving somebody a 60-year lease which is a, it's a big piece of land with very little else. We're somewhat promising that we're going to put in all the roads to make sure that they can operate well and yet we're not going to collect any taxes in the first five years. So it's just something that I'm a little bit hesitant about because we've been unwilling to do that in any way, shape or form for anyone else.

CHAIR GUZMAN: Correct.

COUNCILMEMBER WHITE: So that's just my concern, my reservation I should say. Thank you, Chair.

CHAIR GUZMAN: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I understand the reservations and I too have them but if you look at it, the, I think the market value of the land was \$600,000 or something like that and they don't have an ag value because it's a school. So I don't know that it's that much that we're giving up but also to the applicant maybe, you know, they're not saving much with that tax abatement. What's the real, I mean you may be saving maybe 20,000 or \$30,000 or over...total over 5 years at the most. I mean for a \$57 million project it's peanuts. Is it something worth arguing over or are you okay with us pulling that out of the agreement?

CHAIR GUZMAN: Mr. Hobson?

MR. HOBSON: You know and I am open to discussion, a proposal that Councilmember Hokama raised, you know, 20-30 minutes ago about allocating any tax payments too, because I have looked at the historical assessed valuation and the property taxes. It's not much. We did feel that given the infrastructure costs, and

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they're significant, that there was not a lot the County could do as far as, and we weren't asking for financial assistance, but when I did ask, well, what about some relief on property taxes however small and so that's why it was included in the lease. So yes, to answer the question we would be open to, you know, that discussion.

COUNCILMEMBER HOKAMA: Thank you.

CHAIR GUZMAN: Ms. Rasmussen?

MS. RASMUSSEN: And if I could just remind the Council one more time about the fact that they will be taking over the maintenance so you will actually be getting a much bigger benefit because you will not be putting out a grant to the Friends of Old Maui High School to do the maintenance. So that's costing us like this year we gave them...they have a \$60,000 I believe in our budget for this year. Two years ago that was around 70-something thousand. So you're going to save that from the moment that they have executed the lease.

CHAIR GUZMAN: Mr. White?

COUNCILMEMBER WHITE: Yeah, I understand that. I appreciate that but there's a difference in the...there's a little bit of a difference in the amount of eventual value. The property that I'm referring to has a value of about \$76 million compared to 56 million and yet, you know, we're, as you say we're forgoing granting \$60,000. Well on the other property during the same period we're generating half a million dollars in taxes. So a \$56 million project in the future I know that they're not going to pay taxes on buildings until they're completed but still, if they complete the buildings in 2 years they're getting 3 years of tax abatement whereas others aren't getting any even though they were in a rough, you know, very rough period as well. So I understand the rationale. I understand the benefit. It just...it still gives me a little bit of a heartache.

CHAIR GUZMAN: Yeah, therefore the reservations.

COUNCILMEMBER WHITE: As the Chair knows, Mr. Hokama and I are a little bit picky on fiscal issues --

CHAIR GUZMAN: Yes, yes.

COUNCILMEMBER WHITE: --and especially when it comes to fairness. And if this is a non-profit I have no problem. We've done it for all non-profits or almost all non-profits but we've never done it that I can remember for a for-profit, that's my issue. You know it's an issue of fairness. So that's all. Thank you, Chair.

VICE-CHAIR COCHRAN: Chair?

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CHAIR GUZMAN: Thank you. Let me ask Mr. Hobson again that I believe Mr. Couch had touched on it a little bit. Would this be a deal breaker if you yielded the abatement clause?

MR. HOBSON: No, but...it's not a deal breaker but I guess what I would suggest or request is that there would be some form of agreement that Councilmember Hokama proposed that again because of the infrastructure cost to the extent we can utilize those payments, you know, those funds for those infrastructure that's going to benefit the project and the community that we be able to do so.

CHAIR GUZMAN: Do you think the Committee needs to go and research that portion of it and defer this matter one more time or do you feel that we can move forward with this as is with the proposed amendments? Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, if you would allow me to make a suggestion, please?

CHAIR GUZMAN: Yes.

COUNCILMEMBER HOKAMA: I would suggest...and I appreciate my colleague from Haiku/Paia's consistent concern regarding fiscal discipline 'cause I come from the same school of bean counting. But for me, Chairman, I believe Mr. Hobson has always come forward with sincere intentions. I have no reason to doubt the intent of those representatives of the Teach proposal. So I would suggest that if you will allow the Committee to make a decision whether we want to forward it to Council by the motion on the floor, if at the time it reaches Council under Mr. White's jurisdiction we don't have appropriate responses or there's additional concerns then of course the body can either we refer back to your Committee or defer decision on the Council calendar to await the appropriate information required. But I don't have a problem moving forward at this time because I still think the outstanding issue is going to have to be resolved regarding the lease being able to waive taxation --

CHAIR GUZMAN: Right.

COUNCILMEMBER HOKAMA: --which is to me the bigger issue of policy.

CHAIR GUZMAN: Right.

COUNCILMEMBER HOKAMA: So I would say in the meantime I'm happy that Mr. Hobson and his team deal with Corporation Counsel representatives, OED, and even if you are part of the discussion, Chairman, to see if we can work out this thing on the taxation.

CHAIR GUZMAN: Right.

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COUNCILMEMBER HOKAMA: I hear Mr. Hobson as being open. He hasn't agreed to anything but I would say his comments have shown me he is open to see if it makes sense for his partners and the consortium to say if we pay the tax they're going to put it back in projects that improve our project. So is it really that bad? Because if it's a road requirement that will make a difference on the success of the project, I would assume the consortium would like the road done sooner than later.

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CHAIR GUZMAN: . . . *(gavel)*. . . Why did I just do that? I don't know. I guess I wanted, oh, I know why I actually needed to take a recess because we have architect personnel that's going to present for the South Maui gym so that's why I did that. So we'll take a quick recess for setting up of the Chamber. Thank you. . . . *(gavel)*. . .

RECESS: 3:05 p.m.

RECONVENE: 3:11 p.m.

CHAIR GUZMAN: . . . *(gavel)*. . . EAR Committee shall now reconvene.

**EAR-16 AUTHORIZING REDESIGN OF THE SOUTH MAUI GYMNASIUM TO A
MULTIPURPOSE CENTER (KIHEI) (MISC)**

CHAIR GUZMAN: Members, turning your attention to the next item on today's agenda, EAR-16. The Committee is in receipt of the miscellaneous communication dated May 28, 2014, from the Deputy County Clerk, relating to potential redesign of the South Maui gymnasium to a multipurpose center. Members, this matter was originally referred to our Committee in 2014 from the Budget and Finance Committee to evaluate the feasibility of expanding the project scope to create a multipurpose facility capable of hosting conferences, tournaments, and other events that can generate economic activity. Over the past two years, we have met three times to discuss the project as design ideas progressed. In October 2014, we received a presentation from the Interim Director of Parks and Recreation regarding potential designs of the facility to be more of a multipurpose center. The recreational components including indoor/outdoor court space, outdoor centers, fitness areas, and different types of rooms that can be rented out or used for recreational purposes. At our meeting on March 17, 2015 we learned that the project design had be revised to be a multipurpose gym with two courts in the center, four basketball courts, bleachers, softball fields, and 225 parking stalls. Today we have Deputy Director of Parks and Recreation, Brianne Savage, the Chief of the Planning, I guess he's not--oh, there you are, the Chief of Planning and Development Robert Halverson. And we have two architects from the design firm that will provide us a presentation on the latest design plan. The architects are Durwin Kiyabu and Tanner Morrin from Nishikawa Architects, Incorporated who are the primary design consultants for this project. So, Ms. Savage, you have the floor.

. . . BEGIN PRESENTATION . . .

MS. SAVAGE: Thank you, Chair, and good afternoon, Members. This is just a brief update. There hasn't been really any changes as far as the larger scale design. But just wanted to provide an update with where we were at in the project. So, again just as kind of an overview and the same handouts you guys have are in the same order as

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the slides. We just did some of 'em a little bit larger so you can see the detail. The first is just the overall site plan. If you look up on the screen you can see the top left-hand corner by the soccer field is where the gym site for the recreation center will be located. Again, next just for your reference just to show that same location. This is the conceptual exterior from the backside of the building followed by again what a, conceptual interior. A little bit easier to see with that type of visual. And then the next two you'll see this is the actual floor plan layout. This has with just the regular two full-size courts, drop down netting between the courts. And then on the following layout are a couple of the different options that can be configured. And so you can see the details underneath where there's again the two basketball courts full-sized, directly underneath that on the left-hand side you have two volley ball courts full-sized or when you move on to the right side you can see where there's four basketball courts that are configured and underneath that the two...another configuration this could be worked for basketball and softball to have two more practice style and volleyball, sorry, and one full size. And again there's plans for drop-down nettings between each of the different court locations so that you can have multi-play, multipurpose. You could have basketball on one half, volleyball on another half or a variety of other types of configurations. Following that we wanted to give a brief update just on the timeline. Currently the project is in permitting both with DCAB and through our County permitting processes. We're hoping to continue to move that through optimistically October 2016 looking at approved permits. So obviously the whole timeline for everything else really hinges upon when those approved permits come through. If that process takes a little bit longer than the rest of the timeline you'll see will bump back. Once we have that then we'll look at setting up for the bidding, which is scheduled in November and then once we have the exact bid opening, dates are scheduled then we'll be looking at coming in for a budget amendment for the amount of the contract at that point in time. And then obviously depending upon again this timeframe if things were to be pushed back further there might be the decision to include it in the Fiscal Year '18 request. But we're hopeful that the permitting will go through and we'll be able to come back in and get construction funds allocated for this project prior to the next fiscal year. And then for construction you see an estimated 18 months construction period. The next slide we wanted to provide just kind of an overview of what some of the other operating and maintenance expenses would be for the facility and we would look at incorporating this into the budget amendment for the construction as well to be able to look at getting started. With the ordering equipment as you guys know a lot of times it takes around that 12 to 18 months oftentimes from once we have the funding to actually get pieces of equipment. So there would be some of those items we would want to be able to move forward with. And so this is just an overview of the positions. We would look at an expansion Park Caretaker position, two Park Caretaker I's, and a recreation position to look at the programming for the facility. Operations, this is everything from utility, water, electric, sewer, janitorial, medical safety supplies, all of the normal different expenditures that we have associated in our B Accounts for this type of a facility. And then equipment listing and as we move forward we can provide more detailed breakdowns of all this but we

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wanted to just kind of give a number so that there was the...some projection that could be looked at. And then with that we will move into the 3D rendering.

MR. KIYABU: Good afternoon, Chair, Committee Members. Durwin from Nishikawa Architects. I'd like to do a quick walkthrough the project. You don't have it in front of you. It's a visual. So basically this is a 3D rendering of the project and we can take you through around the building and actually inside.

CHAIR GUZMAN: Would you like to walk around the building?

MR. KIYABU: Yeah, we can go any ...

CHAIR GUZMAN: Okay, let's walk around the building before we go inside.

MR. KIYABU: Around the building slide.

COUNCILMEMBER VICTORINO: I'd rather go inside first...

CHAIR GUZMAN: Just so we get the outside taken care of before we go in.

MR. KIYABU: The front half of the facility will have meeting rooms, the entry, and concession area as well as some restroom facilities. There are four cross courts so we have restroom facilities on the front half of the recreation center and on the back half. We tried to pick up the vocabulary of the existing structures within the South Maui park utilizing the similar materials and similar colors. Backside over here along with the air conditioning equipment we have, which is not shown right now, some large trash enclosures. Back here there is some, although there is no locker rooms but there is a shower facility as well as the restrooms in the back, as well as several offices. As you come back towards the front, this front corner here that you're looking at will contain this concession area, concession window. And we've also recently incorporated some exterior space that would allow for future food truck uses or flexible space for that in case they need to come up. And as we go inside, okay, so basically as you first come in there is the main court which is the major court. And the far side, so this is like a double facility if you're looking at it, there's two cross courts here in the light gray color and there's two other cross courts on the opposite side. So potentially there's a use for four basketball or volleyball courts at the same time. Bleachers are retractable to allow for the cross court usage. And all of the basketball backstops are also retractable. And in between every court there will be a divider curtain to make sure that the...each court doesn't mix up with the balls. I believe the scoreboard system will have the flexibility of individualizing the courts. So potentially there could be one scoreboard for each court or it can be combined once the main court is used so two scoreboards can be used for one court. So in the back in the restroom facility is similar to the front. This would be public restrooms to allow for all the spectators to use from either side. The back half there is an additional room in the back for some shower facilities but very basic. It's not designed to be a full locker room. In addition we have

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several offices in the back with windows towards the court so you can monitor activity, and some storage, storage room in the back also.

CHAIR GUZMAN: Is the concession on this side or on the other side?

MR. KIYABU: The concession in on the front portion of the facility.

CHAIR GUZMAN: Okay.

MR. KIYABU: So basically everyone needs to...how it's designed is to get to the outside 'cause we don't really want to encourage to have food in the gym but the facilities outside and then it could tie in for any additional if needed food trucks or any kind of fundraiser things on the outside. Everything else would be on the outside. And the front half also contains all of the meeting rooms. Do you have any other questions or areas you want to take a quick look at?

CHAIR GUZMAN: Members, any areas you want to look at or questions?

COUNCILMEMBER VICTORINO: ...(*microphone is off*)... I only have one question. . .(*inaudible*). . .

CHAIR GUZMAN: Mr. Victorino?

COUNCILMEMBER VICTORINO: Okay, sorry. I do have one concern and it's come up time-in and time-out and I was looking at...and, you know, don't get all excited everybody but I looking at the restrooms. Because the females always seem to have a problem with numbers and I noticed that one side there's a whole mess of female but then on the other side there's more leaning towards the males. And I always like to see that the females if nothing else a 2-to-1 ratio because I just been told that that's what they want. And so, in looking at your design here, you're on the...I don't know how you figure out which side of which side of the gym. Here's the floor plan, right? On one side you get two female restrooms and one male. On the other side you have one female or I think two but the two male rooms come on the outside and actually equal to more than the females. Anyhow, my question is has that been given consideration that the females have more stalls than the males so that we can make sure that they're taken care of? I know that may be facetious but it's an honest concern because I hear that all the time, my friend.

MR. KIYABU: Yes. The facility was designed with the new code in mind.

COUNCILMEMBER VICTORINO: Yeah, yeah.

MR. KIYABU: The old code with the Health Department on the stall counts --

COUNCILMEMBER VICTORINO: Yeah, yeah.

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MR. KIYABU: --wasn't used. So based on the new code, there are a lot more facilities for females especially, compared to the male. It's not a 50-50 split. So it is designed per code and it is a lot more restrooms.

COUNCILMEMBER VICTORINO: So I counted 32 female and 21 male. Is that pretty much...I'm trying to follow this plan so.

MR. KIYABU: Yeah.

COUNCILMEMBER VICTORINO: I count each stall, you know, I...

MR. KIYABU: Yes 'cause the back half is pretty much equal if you look at. It's symmetrical.

COUNCILMEMBER VICTORINO: Yeah.

MR. KIYABU: The front half is where we did the difference. So the facilities for female is a lot larger than the facilities for the male.

COUNCILMEMBER VICTORINO: In other words more accommodations for them.

MR. KIYABU: Yes.

COUNCILMEMBER VICTORINO: Large doesn't mean a lot if there isn't more accommodations for them.

MR. KIYABU: Yeah, more accommodations.

COUNCILMEMBER VICTORINO: Okay. Okay, so that was one of my...it may sound, you know, a little but it was really important because I hear that more and more today when we design buildings and we design facilities that we have to take that into consideration. You know I know the disability stalls, I checked that out, you know, and they were well placed and accommodating but that was the other area I wanted to see. And then the final question I have here is I noticed seats, larger seats on one side and smaller seats on the other side. So this is where you're talking the main part of the stadium would be, I mean, the gym so when you have larger events they would be on this side of the gym and then if you have smaller events or concurring events then you'd would have the two based upon the size of the event itself. Is that right, Ms. Savage?

MS. SAVAGE: Thank you, Chair. Yes, that's correct. And a lot of this configuration came from the meetings that we had with the community and looking at when we run different rec programs or there's games or tournaments, you know, how much seating is needed in different areas. And so I think we ended up with a really good compromise where there still will be able to be seating for all the different...most of the

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configurations but we're not losing usable activity space in order to have more bleacher space. Thank you.

COUNCILMEMBER VICTORINO: Well, thank you, and I know the area rep from South Maui is going to be happy but this goes back a long, long time we've been waiting. I think when I first walked in this was one of the items of discussion because you go from Makena all the way to Maalaea there is no gym in all of South Maui. It's kind of sad but it's always been that way. So I'd like to see this. Unfortunately, I won't be sitting here, somebody else will be when you finally break ground but that's life but I'd like to see this get done sooner than later 'cause it's been sure a long later 'cause how many times we've had plans and changed and changed. And so I hope this will be the final version because I believe this would really be a really good facility for South Maui, well deserved. Thank you, Chair.

CHAIR GUZMAN: Thank you. I will call on I know Mr. Couch is chomping at the bit here. So, I'll call on the area representative Mr. Couch followed by Mr. Hokama.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I want to thank the Department, they went out to the community and talked to potential stakeholders and stakeholders of different areas, different park facilities and we had a really good meeting and this is what came out of it. So that's...this is truly a community-designed facility. Just so, you know, it was supposed to be we were thinking about a multiuse and the community said nah we're looking...we'd rather have more indoor courts than anything else. So it is...there isn't enough seating here for something like similar to the Classic then is that correct?

MS. SAVAGE: That is correct. And a lot of when we at that point had looked at, you know, configuration and space and size, parking access, there was a lot of other needs that really require a little bit of a larger footprint than what was available. That in conjunction with what the community's needs were as well as what we see just from the programs we run out there, for just the need for recreational space is kind of what put this back into let's look more of a recreational complex concept, not a traditional, you know, 1960s gym setup but having multi-courts that can be used for different sports and having meeting rooms that can be used. Again, whether it fits for community meetings or for other types of smaller programs; arts and crafts, cultural activities. As well as having a concession component that can be used the way we see a lot of our special events operating out of our current facilities. And so those are the things that we had in mind when these last provisions and adjustments were made.

COUNCILMEMBER COUCH: Okay. And regarding these special events I have two questions. One, there are no real locker room facilities, was there a reason for not doing a bit more of a locker room facility?

MS. SAVAGE: We really again looked at for the amount of space that was available what's going to be the maximized usage on a consistent basis. Even the facilities that have

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locker rooms primarily it's afterschool recreation programs, it's leagues in the evenings. The community uses, they might use some of 'em for changing room areas but there's not a whole lot of heavy shower usage. And so we kind of said in order to utilize some of the other spaces we thought in ways that would better serve what the community needs were on a regular basis. That we would still have showers so if we still have, you know, some larger games or facilities there are still ways that we can utilize those to where it would be beneficial but we're not losing space that doesn't get as much use on a daily basis.

COUNCILMEMBER COUCH: Okay. And then the kitchen, is that a full commercial-grade kitchen? The pictures didn't look like that was a commercial stove.

MR. KIYABU: It is designed to be a commercial kitchen. We have the hood design, the grease trap on the exterior. All the sink requirements, it meets all the codes to be a full kitchen. As far as having the gas stove, things like that, is not in there. It is more of a standard electric type stove that's part of the design but it still meets the requirement as far as a full kitchen.

COUNCILMEMBER COUCH: Okay. So the teams, I mean somebody hosting a basketball tournament or something, the teams can cook the concessions right there?

MR. KIYABU: Yes.

COUNCILMEMBER COUCH: And then augment it if necessary by food truck.

MR. KIYABU: Yes.

COUNCILMEMBER COUCH: Are there places to sit? Are there going to be places to sit outside since you don't want them going into the gym with the food?

MR. KIYABU: There's some seating area on the lower portion right next to the gym, the recreation center. So we provide for some tables and some seating areas.

COUNCILMEMBER COUCH: Okay 'cause otherwise they will come in and --

MR. KIYABU: Yes.

COUNCILMEMBER COUCH: --bring the food in. Okay. And you anticipate this being used 24/7? Not 24/7 but every day, all day, all night. I think so too 'cause it's everywhere right now that everybody's outside. Well, it looks like a really good design. Again thanks for listening to the community who came out and the actual users who would be using it, I think they'll be very pleased. Thank you, Chair.

CHAIR GUZMAN: Thank you, Mr. Couch. Mr. Hokama?

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COUNCILMEMBER HOKAMA: Thank you, Chairman. Give us some sense of seat capacity in the proposal? What are we talking about as far as seat capacity? Twenty-five hundred seats? What are we talking about, please?

MR. KIYABU: We're looking at about 1,100.

COUNCILMEMBER HOKAMA: For the whole structure or is that just for your main court area?

MR. KIYABU: The main court.

COUNCILMEMBER HOKAMA: Just the main court?

MR. KIYABU: Yes.

COUNCILMEMBER HOKAMA: So if you also include the second court with the less amount of bleachers or seats, what are we talking about, please?

MR. KIYABU: Okay, approximately 1,200 to 1,300.

COUNCILMEMBER HOKAMA: Twelve to 1,300. Okay and then so when we match that up with your birds-eye on your proposed parking, where are we with amount of stalls versus seat capacity? And that's...I'm assuming that only the gym is being used and none of the outside fields are being used, so.

MR. KIYABU: Okay.

COUNCILMEMBER HOKAMA: So can you tell us how you approached the parking --

MR. KIYABU: Okay.

COUNCILMEMBER HOKAMA: --requirements first then so we can understand that?

MR. KIYABU: Well, the parking...the original facility phase one, it was already...the whole park was designed allocating parking per field, soccer field, softball field, baseball field, the gymnasium, and all the other support facilities. So we used the same chart and updated it with the...the gym obviously is revised and so we added to the parking calculations. So it's still designed for the whole park basically as it moves forward. So there's extra stalls that's going to come in the future for all the other future uses. But what's built on the plan for this particular project will accommodate what's existing plus the recreation center. But the parking itself is not 100 percent built out yet so those will come in future phases.

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COUNCILMEMBER HOKAMA: Understood so thank you, Mr. Kiyabu. So that means...so our understanding can be correct if we say that the parking is geared on maximum use of the facilities?

MR. KIYABU: Yes.

COUNCILMEMBER HOKAMA: Or are you just saying if there's only the gym in play ample parking. If there's only outside fields play ample parking but if every facility is being used we have parking issues.

MR. KIYABU: Well, basically the gym is designed per code basically for the amount of parking. Now I cannot...I understand where you're coming from.

COUNCILMEMBER HOKAMA: Mr. Kiyabu, yeah, bottom line for me is I could give a rat's butt about the code. If it doesn't make sense, kiss the code. We got to build what makes sense because a lot of times for government we build facilities with insufficient parking and that's the gripe afterwards. Where do we park to use the facilities? Okay. So my thing is we have the opportunity to make sure we take care of the parking so that the facility can be maximized to its best potential and the community benefit. So that's my concern now is if it's a success that I'm thinking it's going to be, the fields are going to be utilized for either youth soccer, adult soccer. Makule league you need softball, baseball. You're going to have the gym for volleyball, badminton, volleyball, basketball. See all these activities that the...we're trying to build for a healthy and healthier community goes into play. I just want to make sure that we can accommodate the residents' vehicle needs because it doesn't make sense to us spend all these millions and yet the people cannot use the facility.

MR. KIYABU: Right now as far as my opinion, activities that will take up the most parking if there is a larger organized event, those are the events that will take up a lot of stalls. The everyday use...

COUNCILMEMBER HOKAMA: So when you say large events, tournaments, what kind of ...

MR. KIYABU: If there's some type of MMA or something more organized that would bring people there at...for one evening or whatever date that is that is the times when...and I believe Brianne we spoke about this before and maybe she can elaborate as far as how they would schedule the gym.

MS. SAVAGE: Thank you. So parking is always an issue at every single one of our facilities always and so that was one of the things we had a lot of conversations about with this. Part of it is the way the site space available is somewhat restricted in what we can do and so we maximized every area around the actual gymnasium to maximum the parking. Part of that, I mean yes if everything is happening at the same time we're still going to have parking issues. But part of the reason that we had requested in this current fiscal year is monies to update the master plan and begin the design for the

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rest of this park is we've discovered some things in just the uses of all these different areas that we understand we need to relook at the layout for what was planned in the rest of the space. And I think as hopefully that North-South Collector Road at some point gets put in there so we have other access to the park. You know we're going to need to be looking at perhaps having more access to the ball fields and the playing fields on the other side where we would look to develop more of those. And so I think they'll be some...again we know that we have a lot of parking built into this but if everything is operating at the same time there will still be parking issues. Most of the events that we run though for those larger ones that are really going to have like the gym at capacity, those are typically in the evening hours, a lot of times on the weekend evenings. And so most likely we wouldn't have large activities going on on the immediate adjoining soccer and softball fields. And so it would...we would coordinate that the same as we do at a lot of our facilities right now with trying not to have too much conflicting uses in similar or proximal facilities.

COUNCILMEMBER HOKAMA: I thank you for your comments, Director. What I had hoped to see from my perspective was at least a road design and parking design, one, and because of the concerns we all share regarding ample parking for the facility is how to get the Maui Bus or the transit shuttles to be able to access the property so that our students or seniors that don't want to drive still can access public transportation and get to a facility within a reasonable time and distance to walk. Then it alleviates some pressure on the parking because we're allowing other transportation modes to have access to the property, Chairman. And so I was thinking why wouldn't we try and design something so that the bus can have enough circumference to do a circular route or turn around route to enter the project, allow our residents to use that form of transportation. And for me, more people is additional security for the other element we got to be concerned about which is the security element. And so for me I'm thinking, you know, maybe this is something if it's...I don't know if it's still a doable adjustment but I think these kind of things I would ask to be considered if we are going to promote more public transportation as an alternative for our people. So I would ask that you consider that. And I appreciate you folks doing what you did. This is definitely not what I had in mind for a multipurpose facility, Chairman, but it's okay --

CHAIR GUZMAN: Several...

COUNCILMEMBER HOKAMA: --because I have great anticipation and hopefulness that with the proposed changes at the R&T Park, they will make use of their opportunity to build facilities that they can take care the multipurpose component that I believe is critical for a healthier diversification of this economy. So I'm...hopefully then public...private sector can then do the investment for those type of requirements that I had foreseen in a multipurpose facility for the County. My one concern for this is there's still a lot of youths in our County that would like to come to a nice facility like this, and that's your Molokai, your East Maui, your Lanai youth. We're not going to make...try and accommodate their needs so that, one, is of course cost factors and we

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all know what it takes to travel nowadays. We had eight Maui teams do amazing things in baseball this year and the amount of sacrifice the families had to outlay for financial support for their youth, their members of the family was tremendous. If we can provide facilities that can help offset some of the additional costs as a Councilor I mean I'm very open to those considerations. And so I appreciate Mr. Victorino's comments and Mr. Couch's comments and others that have a concern that if there's still a chance I would really like to see the ability for us to house youth programs within our facilities. Instead of going...not that I don't want to go to Mr. White's property but at the end of the day we know who get asked for the donations. So I hope there is, I don't know if there's time. If there's no time just tell us straight and, you know, hey, it is what it is but if you still have opportunities for some adjustment then I would ask that you consider those requests.

CHAIR GUZMAN: Ms. Savage or the architect?

COUNCILMEMBER HOKAMA: Thank you, Chair.

CHAIR GUZMAN: Would you like to respond?

MR. KIYABU: Yeah. Thank you, Mr. Hokama. I'd like to assure you that the facility is designed where we do have a bus drop off area. So large buses can come in, turn around. There's a drop off zone --

COUNCILMEMBER HOKAMA: Okay.

MR. KIYABU: --and still leave the facility. Even though the park itself is not 100 percent built out the ability is still there.

COUNCILMEMBER HOKAMA: And of course we cannot see it but would that be right on the side of the front entrance area, Mr. Kiyabu?

MR. KIYABU: Yeah, paralleling the facility on the, let's say the eastern edge there's an access road that goes towards the back rear of the facility.

COUNCILMEMBER HOKAMA: Right.

MR. KIYABU: That is the area where we'll have --

COUNCILMEMBER HOKAMA: Your buses and trucks.

MR. KIYABU: --the buses enter and turn around so they can actually drop off on the gym side.

COUNCILMEMBER HOKAMA: Okay. One quick question, Chairman. Department Director, I don't know if it's allowed but if...is an Uber type transportation mode allowed to enter

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County property for commercial pickups and drop-offs regarding transit ride sharing or whatever it be? Or would they need to have Finance authorize them one permit and one license to operate on County property like the State airports?

CHAIR GUZMAN: Ms. Savage?

MS. SAVAGE: Thank you, Chair. That one is outside of my wheelhouse but we can do some research on that and look at that.

COUNCILMEMBER HOKAMA: I was just curious, Chairman, if, you know, if that's something that's allowed --

CHAIR GUZMAN: Right.

COUNCILMEMBER HOKAMA: --you know that's great and if it's not allowed should we consider permitting that type of alternative transportation.

CHAIR GUZMAN: I guess it's good to follow up on I guess transportation to the facility or the gym. Is there connectivity to bike paths or pedestrian paths that lead into neighborhoods and things? Oh, you can answer that? Wait let's let the Department answer it before you answer it, Mr. Couch. Ms. Savage and then Mr. Couch.

MS. SAVAGE: I would welcome deferring that question to Councilmember Couch.

CHAIR GUZMAN: Okay. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Yeah, we do have...we just blessed the bike path that ends right at the beginning of this park. It goes all the way down to Waipuilani so there is both pedestrian and bike path to there and we've already got design money in thanks to this...the Budget and Finance Committee to continue the bike path to the end of Welakahao which is off the map there. So that is ongoing as we speak. To address Mr. Hokama's youth facility place, I'm assuming a place for youth to stay, you know, especially from off island, as part of the SMA for this facility there is a requirement that there be a youth center. So once that gets put in that probably would be where they would stay.

CHAIR GUZMAN: So there has to be another --

COUNCILMEMBER COUCH: There has to be --

CHAIR GUZMAN: --build out.

COUNCILMEMBER COUCH: --a building for a youth center is required as part of the SMA, yes.

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COUNCILMEMBER HOKAMA: On the park site?

CHAIR GUZMAN: When is that phase going happen do you know?

COUNCILMEMBER COUCH: It's not required. There's no timing, it's before the end of the project, you know, somewhere on this facility there's meant to be a youth center.

CHAIR GUZMAN: Ms. Savage, do you want to elaborate?

MS. SAVAGE: Thank you. So there was a lot of things that were intended to be incorporated into this space and I think a lot of times the actual spatial configuration needed for all of those things, whether it's just that we need larger than when the master plan was initially completed. So that's the primary reason we asked for the additional monies to be able to update the master plan so that we can go in and actually see what fits where and what's going to be the best configuration. It also ties with the design money that was allocated for the South Maui Baseyard 'cause we don't have base yard on that side as well and so a place to keep equipment. So we need to be able to explore all of those. Look at some of the other property on that side that we would have access to and try to identify what's going to be the best location to put all of those different items in. And then looking at, right, what is required on different sites for different reasons. So we are looking forward to once we can get this project into construction moving into finishing the master plan update for the rest of this site and then get started with design for the next phase.

MR. VICTORINO: Chair?

CHAIR GUZMAN: Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: And thank you. And I would hope like we do with our other districts like Lanai and Molokai that...and I've talked to some of the people who are involved in the actual construction of the new Kihei High School that some of that will be incorporated also. That, you know, because the high school is the primary user on our youth sports of these facilities and hotels are just out of...they just can't afford to do that. You know and we're spending all our money, I mean we're like...we spend almost five to one versus what Oahu and other neighbor islands spend for travel costs 'cause we do not travel by bus. Everything is done by air and by sea, a lot of our travel especially for the outlying districts. And I would hope that and, Ms. Savage, you can put this down that maybe some of these big meeting rooms that are, you know, these could be set aside for our youth. You know because this is also supposed to be an emergency shelter whenever a tidal wave or other, tsunami warnings this will be one of the sites utilized along with the Kihei Community Center. Am I correct?

CHAIR GUZMAN: Ms. Savage?

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MS. SAVAGE: Correct.

COUNCILMEMBER VICTORINO: Yeah, so, you know, hopefully, Chair, that we could have like they do on Lanai and Molokai have carts and other things that are going to be utilized not only for emergency purposes but also for our students and our youth as they travel. I mean I traveled many, many a time with my sons and we went to many gyms. I know all the gyms well because we slept there a number of nights and when you don't have money, especially from a small catholic school you don't have money. So you look forward to that. So I'm hoping that that will be incorporated because there are enough shower facilities and other facilities available, you just need a room from where carts can be put out and the kids can sleep, you know, 'cause we can't afford hotels and that's just not going to be possible. And Mr. Hokama is right, there's a number of teams that have done well. Baseball but, you know, soccer and other sports they doing well. Our teams just went up to California and two of the teams did very well up there in soccer. So youth sports needs to be accommodated within our facilities and I'm hoping that the DOE will help us with that new school. When the new Kihei High School is built that some accommodations can be put in there like we do with Lanai and Molokai right now --

CHAIR GUZMAN: Right.

COUNCILMEMBER VICTORINO: --and Hana, actually all three. Thank you, Chair.

CHAIR GUZMAN: Thank you, Mr. Victorino. Any further questions?

COUNCILMEMBER HOKAMA: Chair?

CHAIR GUZMAN: Mr. Hokama?

COUNCILMEMBER HOKAMA: Just one on some general...since we don't have a topo, are doing a lot of excavation and filling requirements? Again I know there's a slope but I don't know how you folks are planning to approach the site development. So I just was wondering is there a lot of field requirements or you're going to have excess field material where we could use it at another County site or for future requirements?

MR. KIYABU: The basic building pad is pretty much set. There is some cut on the high side but there's some fill on the low side. We tried to make sure the site is balanced as much as possible.

COUNCILMEMBER HOKAMA: So, you would say it's not that much on the tradeoff between the fill and cuts?

MR. KIYABU: I do not believe so. There's not going to be like a lot of excess material leftover.

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COUNCILMEMBER HOKAMA: And the seating that you showed us in your 3D presentation, that is permanent seating or that's movable seating?

MR. KIYABU: It's movable.

COUNCILMEMBER HOKAMA: Everything is movable in the proposal?

MR. KIYABU: Yes.

COUNCILMEMBER HOKAMA: Nothing is...

MR. KIYABU: Oh, let's say retractable seating. So they can retract to allow for the cross court usage but even with the cross court set up there would be at least one or two rows that still can be put out to have some seating.

COUNCILMEMBER HOKAMA: So like things that move around like we know such as Aloha Stadium eventually it doesn't work and needs to be replaced. So in the proposal you're showing us the first year operational expense really is not a good indicator for me 'cause everything is brand new. There's warranties, there's contractor's bonds, you know, to ensure performance. So I'm more concerned about as it ages and replacement time, that's when for me the true cost of this project is going to hit us. Building it is not my problem. Maintaining it is my concern. So what are we looking at realistically on an annual operating maintenance budget of a facility like this as it matures out and it's past its warranties, it's past its bond limits on time and whatnot? What are we truly looking at? Seven hundred thousand a year?

CHAIR GUZMAN: Ms. Savage?

MS. SAVAGE: Thank you, Chair. Some of those numbers, unfortunately I don't have a good breakdown right now for this specific facility but as we're working on doing those operating and maintenance breakdowns for all of other existing facilities we think we'll be able to have a much better understanding of how much are we spending right now at some of our facilities that are at the end or past, you know, what I mean their useful; their useful life. We've been repairing and fixing in a lot of creative ways for quite a few years in different locations. So once we have those then we'll be able to kind of blend we think those two together to have a better understanding of what long-term maintenance costs will look like.

COUNCILMEMBER HOKAMA: Okay. And Mr. Kiyabu is our professional representatives on this project at this time regarding architect and knowing the construction environment currently today in this County with what's happening on Oahu also. What is our chances to hit the budget? Or shall you just tell us why don't you wait till Ms. Savage gives you a budget amendment?

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MR. KIYABU: What we're hoping is we'll get a complete drawing package put together. It is in permitting. We're getting some questions and, you know, we need to respond to. So anything that we can we'll incorporate into the drawings. So our hopes is once the drawings go out to bid we...we're going to minimize any type of change orders and have a really tight bid set going out. As far as the bidding timeline and the environment, this is a large facility and I know there's a lot of contractors looking at it. We get calls basically asking for status. So it looks like a project that a lot of contractors are waiting for which would translate to very competitive bidding.

COUNCILMEMBER HOKAMA: So a precon...your precon meetings have not occurred as of yet?

MR. KIYABU: No.

COUNCILMEMBER HOKAMA: Or have you done some initial preconstruction meetings?

MR. KIYABU: Only for suppliers. We've talked to a lot of suppliers as far as for the design of the facility.

COUNCILMEMBER HOKAMA: Okay. Thank you very much, Chairman.

CHAIR GUZMAN: Thank you, Mr. Hokama. Any other questions? Seeing none, I just have one...

VICE-CHAIR COCHRAN: Chair?

CHAIR GUZMAN: Oh, sorry, Ms. Cochran?

VICE-CHAIR COCHRAN: And in this photo when you went through the restrooms there were those, you said the windows and you can look back out at the court. Obviously those are what ball proof or whatever? I mean 'cause they're kind of level where a ball could bounce into the glass windows. Is that right?

MR. KIYABU: Yes.

VICE-CHAIR COCHRAN: Yeah, so...

MR. KIYABU: Actually the gym is designed to be a shelter so all the windows in the facility will meet the requirements for impact resistance.

VICE-CHAIR COCHRAN: Okay, very good.

MR. KIYABU: Yeah.

VICE-CHAIR COCHRAN: Impact resistance, that was the words.

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MR. KIYABU: And that's the office, yeah.

COUNCILMEMBER VICTORINO: That's the office side, it's not the restroom.

VICE-CHAIR COCHRAN: Okay, alright. Okay, thank you. I just noticed that but that's a super cool thing this 3D cruise around app, whatever, that's pretty awesome. Thank you.

MR. KIYABU: Thank you.

CHAIR GUZMAN: The AC, air conditioning, is it enough to accommodate the load or what are you using there? I don't see it anywhere.

MR. KIYABU: Those two large tubes --

CHAIR GUZMAN: Oh, okay, I see it.

MR. KIYABU: --cutting across.

CHAIR GUZMAN: Yeah, ventilation. Okay.

MR. KIYABU: Those are the AC. It's a fabric duct so that supplies the whole center section. So there's...it's split into three different sections. The front section for the meeting rooms and facilities in front. This middle section, and towards the rear there's another system for that.

CHAIR GUZMAN: Okay, that's good. Any other questions, Members?

COUNCILMEMBER VICTORINO: No.

. . . END OF PRESENTATION . . .

CHAIR GUZMAN: Okay, well, thank you very much, Department, for the update. We look forward to I guess receiving more updates as they come along. And hopefully we can make some of those changes that we were suggesting and we can move forward. So without objections, Members, I'd like to defer this matter.

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER.

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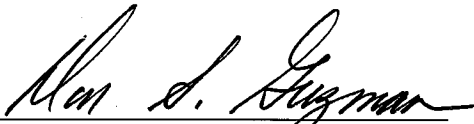
Council of the County of Maui

August 16, 2016

CHAIR GUZMAN: Okay, thank you. This will conclude today's agenda. The EAR Committee is now adjourned. . . .(gavel). . .

ADJOURN: 4:00 p.m.

APPROVED BY:



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

ear:min:160816:cs

Transcribed by: Cathy Simmons

**ECONOMIC DEVELOPMENT, ENERGY, AGRICULTURE,
AND RECREATION COMMITTEE**

Council of the County of Maui

August 16, 2016

CERTIFICATE

I, Cathy Simmons, 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 this 12th day of September 2016, in Wailuku, Hawaii.



Cathy Simmons