

PLANNING COMMITTEE
Council of the County of Maui

M I N U T E S

Council Chamber

August 4, 2016

CONVENE: 9:01 a.m.

PRESENT: VOTING MEMBERS:
Councilmember Don Couch, Chair
Councilmember Robert Carroll, Vice-Chair
Councilmember Gladys C. Baisa
Councilmember Elle Cochran
Councilmember Mike White

EXCUSED: Councilmember Don S. Guzman
Councilmember Michael P. Victorino

STAFF: Greg Garneau, 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.: Michael J. Hopper, Deputy Corporation Counsel, Department of the Corporation Counsel
William Spence, Director, Department of Planning

OTHERS: Andrew Beerer
Mike Moran
Dave Thomas
Robert Purdie, Jr., Project Coordinator, Department of Education
Gaylyn Nakatsuka, Architect, Planning Section, Department of Education
Grant Chun, Vice President, A&B Properties, Inc.
Plus (7) other people

PRESS: *Akaku Maui Community Television, Inc.*
Colleen Uechi, The Maui News

CHAIR COUCH: . . . (*gavel*) . . . Will the Planning Committee meeting of August 4, 2016 please come to order? My name is Don Couch. I'm the Chair of the Committee. First

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things first, everybody please turn your cell phones on silent mode please? We won't ask this time, there's not very many people so we won't ask who it was if it does really ring. Alright, today we have voting Members. I want to welcome the voting Members, our Vice-Chair of this Committee, Robert Carroll. Good morning.

VICE-CHAIR CARROLL: Good morning, Chair.

CHAIR COUCH: Good morning. Councilmember Gladys Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR COUCH: Good morning. Councilmember Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha. Good morning, Chair.

CHAIR COUCH: Aloha. Good morning. Excused is Councilmember Guzman, for now. And also excused is Councilmember Victorino for the whole meeting. And Council Chair Mike White.

COUNCILMEMBER WHITE: Good morning, Chair.

CHAIR COUCH: Good morning. And we don't have any non-voting Members with us at this time, we may have one later. From the Planning Department we have Mr. Will Spence who will be here shortly. He's walking down the aisle now. And from Deputy Corporation Counsel we have Michael Hopper.

MR. HOPPER: Good morning.

CHAIR COUCH: Good morning. And we have our Legislative Attorney Greg Garneau. Good morning.

MR. GARNEAU: Good morning, Chair.

CHAIR COUCH: And Committee Secretary Pauline Martins. Good morning. And Hana District Office, we have Dawn Lono.

MS. LONO: Good morning, Chair. This is Dawn Lono at the Hana Office.

CHAIR COUCH: Good morning. And from the Lanai District Office we have Denise Fernandez.

MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez on Lanai.

CHAIR COUCH: Good morning. And from the Molokai District Office we have Ella Alcon.

MS. ALCON: Good morning, Chair. This is Ella Alcon on Molokai.

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CHAIR COUCH: Okay, we'll introduce the folks that are gonna be here as resources as their item comes up. We have four items on the agenda today, Members. PC-37(2) which is Increasing the Inventory of Available Housing. It's Rule 7(B) and it's a little bit of a report...not a report on the TIG but some comments on the TIG. Then PC-29 which is the Annual Compliance Report of Kihei High School. And PC-25 which is the Annual Compliance Report of Maui Business Park Phase II. And PC-27, Annual Compliance Report for Kamalani, which is a Kihei residential project that we approved a year ago or two years ago...I can't remember now. But right now we're gonna go into public testimony. For individuals testifying in the Chamber please sign up at the desk outside the Chamber door. If testifying from a remote testimony site, please sign up with District Office Staff. Testimony will be limited to the items on the agenda today - the ones that I just announced. Pursuant to the rules of the Council, each testifier will be allowed to testify for up to three minutes per item and we'll be using a lighting system. The light will be green for three minutes, yellow for one minute, and then at four minutes the light will turn red and please wrap up your comments. When testifying, please state your name and any organization you may be representing. Members, without any objection, shall we have public testimony?

COUNCILMEMBERS: No objections.

CHAIR COUCH: Okay. Alright, the first one I have signed up to testify is actually going to be the first two...you guys are gonna be resource people so you don't need to testify. Unless you want to testify? You're fine? Okay. That's what I thought. Okay. They're gonna be the resource people. So after that we have Andrew Beerer, followed by Mike Moran.

... BEGIN PUBLIC TESTIMONY ...

MR. BEERER: Aloha, Councilmembers. Thank you for being here this morning. Aloha, Council Chair or Chair Couch. And aloha, DOE representatives for being here to speak about the Kihei High School. So Kihei High School - I'm wearing my Kihei High School 2016...by 2016 shirt. So we got 2 brackish wells by 2016. Just give you an overview that this project has been funded since 2004 so we're now in our 13th fiscal year of funding. But don't worry, the DOE hasn't built a high school since 2000 so nobody else has jumped in front of us in line; there aren't any other districts who have gotten a high school before us. Our big push is to just keep pushing this thing and see if we can ever get it built. As a condition of the County-granted zoning changes to the land, the zoning changes and community plan changes that you have granted, the DOE must provide bi-annual updates to the Council and that is what we are reviewing today. Where we are right now just to give you an update is \$30 million was released in Fiscal Year '15. There was a \$130 million appropriation and as you know, \$100 million was hidden in a SEFI fund. Nobody could ever explain where it went. It still may be in that fund but the Governor was able to release \$30 million in Fiscal Year '15 for Phase I, grading and infrastructure. In addition, 37.5 million for Phase I

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construction was approved in this current fiscal year, Fiscal Year '17. So we have 30 million. Last week Alpha, the well drillers, Alpha Inc., they completed the two brackish wells and then capped them until further construction occurs. In June, the DOE put a bid out for Phase I for grading and infrastructure. A low bidder was identified and hopefully, the contract will be awarded very soon. I have read the report from Superintendent Matayoshi and I want to make a few clarifications; number one, the language is a little bit confusing to the layperson and also, you know, to everyone out there especially with some of the political rhetoric that's out on the street right now so clarification, in the report, Phase I and II is referred to in different context. Imminently, there is Phase I of grading and Phase II which is the begin of construction. The document also refers to Phase I enrollment and Phase II enrollment. So Phase I enrollment would be the first 850 students after the first buildings are completed. Phase II enrollment would be up to 1,600 students when they need to build more buildings for a greater population. As you go through this report my biggest concerns, it's fairly benign in that it's your standard government document in that it addresses the basic status of the conditions that the DOE has to report on. But my biggest concerns that I'd like the Council to question the DOE on is that the current report for Phase I grading has a proceed date of 2018. Now in the Council Chair White's minutes, he refers to an enrollment date of 2018. Twenty eighteen is Phase I grading proceed date, that's when they can first scrape the land. Okay. Then it's gonna take two years to scrape the land, go to 2020, the first beginning of construction would start 2020 and the soonest you would be able to maybe put students in there would be 2025. So --

CHAIR COUCH: Four minutes.

MR. BEERER: --you need to question the grading; why the proceed date is so late. Hopefully, I know that there's permits that need to be required. But hopefully we can work with the contractor to get them in there scraping land while some of these other permits are done concurrently. I've also seen the bids...

CHAIR COUCH: Andrew? Can you wrap it up? It's been four minutes.

MR. BEERER: Okay, I'll wrap it up real quick. I've also seen the bid spec and the current bid spec has the grading of the land ending, which like I said would be 2020, with the contractor grassing over the area until a further construction phase would begin, whenever that would begin. That gives you the idea that you're gonna put, at that point, over \$60 million into this project, it'll be past 2020 and we'll be looking at a grass hill. If you can help us push this project along, we'd much appreciate it. Thank you.

CHAIR COUCH: Thank you. Members, any questions to the testifier? And thank you, Andrew, I have that highlighted in my thing. It's like...

MR. BEERER: Thank you.

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CHAIR COUCH: That's some big questions there. Next up is Mike Moran, followed by Dave Thomas.

MR. MORAN: Good morning, Chair Couch and Committee Members. Mike Moran for the Kihei Community Association and we're on two items this morning; PC-29 which we'll start with and then PC-27. PC-29, of course we've just heard lots of detail about, that's the compliance report on the Kihei High School. At KCA we have considered the General Communication No. 16-6 from the Department of Education Superintendent to Chair White and to Director Spence on this topic. We are testifying this morning to ask you to do your utmost to ensure that as we proceed with this long overdue project that the overall walkable/bikeable community is incorporated with coordination between our County departments and the State agencies. We wish to ensure that our South Maui students as well as teachers and staff of the school are able to walk and cycle to the new school in a safe and practicable manner. We celebrated when a condition was set by the State Land Use Commission that an over or underpass of the four-lane Piilani Highway for walking and bicycling to access the school. We direct you to condition 2A and B in this document. Chair, we celebrated this week the official opening of the Kihei Bikeway Phase II in part to facilitate this healthy transportation method for the elementary and middle school students. While we continue to champion moving forward on Phase III, proceeding southward across the community park, we cannot neglect extending Phase I northward to interconnect with an east-west greenway, extending from South Kihei Road to the highway to make this safe underpass connection in the area of Kulanihakoi and Kaonoulu. 2A states, "pedestrian and bicycle access to and from the school campus to connect to current and future pedestrian and bicycle networks in the vicinity of the campus." Thus, that's the Kihei greenways. And 2B states in part bicycle-friendly improvements on the school campus. We can drastically reduce motor vehicles in the area twice each day, enhance the health of our community through physical conditioning, foster friendships as students and teachers travel in a friendly climate to and from school in groups as opposed to isolation in motor vehicles. Obviously there are way more areas of imperative concern in this document. Civil defense, archaeological, flora and fauna, drainage, drainage is very important, and other environmental concerns, but for these three minutes we will address this single important one. Mahalo.

CHAIR COUCH: Thank you. And now you want to go on to another item?

MR. MORAN: Yes, sir.

CHAIR COUCH: Okay.

MR. MORAN: Please? Just go ahead? Okay. Okay so now we're moving over to PC-27, compliance, Kamalani residential project in North Kihei. Oftentimes as the communities addresses concerns to the Council or its committees on items in their area, they are advised you should've testified back then at the Planning Commission, at the Land Use Committee, at past Council meetings. KCA did all this, every one, including the three Land Use Committee meetings in this Chamber, an evening

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meeting in South Maui, and at a site visit continuously asking for conditions to offer relief of added traffic concerns to be imposed on residents of Kaiwahine and the surrounding streets to little avail. We now have to deal with an approved project now under construction. It is our understanding and we believe yours as well, Chair, that the developer now says sorry, I'm only following imposed conditions and not community requests made after the fact. Recently, we had communication with some of these residents concerned with the condition of Kaiwahine so we mentioned this morning's meeting and this item on, of the annual compliance report and you will hear from some of them this morning. What will be the outcome? Are they told you should've been here then even though a community voice was here then speaking their concerns repeated this morning? Are they advised to wait for another year for another project, though smaller and 100 percent affordable comes to fruition, which would be required to fix the entire road? Then what if that falls through? Do these citizens have any recourse? We can't answer that, only their elected representatives can. Mahalo.

CHAIR COUCH: Thank you, Mr. Moran. Members, any, Members, any questions to the testifier? Seeing none, thank you, Mr. Moran.

MR. MORAN: Mahalo.

CHAIR COUCH: Next up is Dave Thomas. And then we'll go to the District Offices.

MR. THOMAS: Aloha, everyone. And thanks for the chance to be heard. I'm gonna echo some of what Mike said. I'm testifying about PC-27 as well. I'm a 40-year resident; 30 years on Kaiwahine Street. I'm not an activist and I'm not a fresh-off-the-boat guy who's gonna do you a favor by telling you here's how we do it on the mainland. I'm a kamaaina who's been here for a long time and I'm here because I'm deeply concerned about what is happening now with development and what is not happening with infrastructure in my neighborhood. I know this hearing is about A&B's compliance and I'm guessing that they are in compliance. I commend them for their efforts to keep us informed as a neighborhood and to keep the dust down. But my point and my neighbor's is that they are complying with a flawed project that you approved and it needs to be remedied. The problem is the single way in and out that shares our existing intersection. Kamalani will triple the traffic already in a too-busy intersection. It will be unsafe in an emergency. Some of you in this room expressed grave reservations about this during the approval process but approved it anyway. Extra turning lanes won't solve this, only another way in and out. We've suggested since early in the year an easy remedy--at least it appears to us--of taking the existing intersection which is just down the road at the Monsanto Farm and punch in a road that's only a few hundred feet into the backside of Kamalani. Over the past several months we've had several different reasons on why not and the reason seems to change each time. I don't have a problem with A&B. They're doing what they were approved to do so what I'm asking you to do is look at the situation not as Legislators but as the caretakers of our island and the stewards of our community that you have agreed to be. Related to this is the Kaiwahine Village project at the top of the hill that

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will use the same intersection with an additional 200 homes. So if that does get built that will be 1,100 homes using an intersection that was built for our 283. Kaiwahine Street, as Mike touched on, has not been repaved in 30 years and that repaving is being held hostage, if you will, for this other project and the other project that was approved for an extension looks really doubtful; in fact, the for sale sign just went back up a couple days ago on the fence. So in closing, I strongly urge and ask you do the right thing for our community by correcting this significant flaw in the Kamalani project by adding another way in and out. Thank you.

CHAIR COUCH: Thank you, Mr. Thomas. Members, any questions to the testifier? Seeing none, thank you. Alright, let's go to the Molokai District Office.

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

CHAIR COUCH: Thank you. Lanai District Office?

MS. FERNANDEZ: There is no one waiting to testify at the Lanai Office.

CHAIR COUCH: Thank you. Hana District Office?

MS. LONO: There is no one waiting to testify at the Hana Office.

CHAIR COUCH: Thank you, ladies. If there is anybody coming up before we close public testimony, just let the Staff know. Thank you. Anybody else in the gallery wishing to testify? Going once. Okay. Seeing none, without any objection, we'll close public testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR COUCH: Okay. Public testimony is closed.

. . . END OF PUBLIC TESTIMONY . . .

CHAIR COUCH: Thank you, ladies.

PC-37(2) INCREASING INVENTORY OF AVAILABLE HOUSING (Rule 7(B))

CHAIR COUCH: Okay, Members, first we're gonna start with PC-37(2), which is increasing the inventory of available housing. It's the TIG we're working on right now. We last took up this item at our meeting of July 19th. At that meeting, the Committee formed our TIG, which is a temporary investigative group, to make findings and recommendations on policies relating to increasing the County's housing inventory. The Committee received correspondence dated July 28, 2016 from the TIG Chair, Councilmember Elle Cochran, transmitting a Legislative proposal seeking some

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changes to the scope of investigation and general rules for the operation of the TIG. The Committee subsequently received a revised Legislative proposal from the TIG Chair by correspondence dated August 2, 2016. The TIG Chair's request is to add two additional items to the list of things the TIG is assigned to investigate. These two items are noted under the scope of investigations as items 1S and 1T. In addition, the TIG Chair has requested the dates for the TIG's investigation to be extended through September 28, 2018 with a report due to the Planning Committee, this Committee, by October 6, 2016. This will enable the Committee to take up full discussion of the TIG report on October 20, 2016. My recommendation is for the Committee to adopt these changes, but before we do that I believe that Councilmember Cochran has additional revisions? Councilmember Cochran?

COUNCILMEMBER COCHRAN: Yes. Thank you very much, Chair. And on the last page of this TIG instructions, Page 4 of 4, Members, if you want to go to that area. Under General Rules, number 6, I would like to change the months from three to two being that we changed the due date to October. So it's kind of housekeeping really just to be consistent. So that's --

CHAIR COUCH: Oh okay.

COUNCILMEMBER COCHRAN: --an additional change I'm looking for there.

CHAIR COUCH: Okay.

COUNCILMEMBER COCHRAN: Yeah. Just to...

CHAIR COUCH: Any objections to that, Members?

COUNCILMEMBERS: No objections.

CHAIR COUCH: Okay.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR COUCH: Ms. Cochran, would you want to tell us, tell the folks that may not have this information in front of them what the two items that you wanted to add?

COUNCILMEMBER COCHRAN: Sure. Items S and T, and Members that are not part of the TIG, that would be Page 2 of 4, and so under item R I'm adding S. And what that's saying, it says find ways to ensure that affordable rental and ownership properties remain affordable in perpetuity. And there's that key word, perpetuity, that I love so much. And then second item to add, T, work to set lower price caps on residential affordable sales and rentals independent of HUD guidelines to reflect what residents can realistically afford. I inserted that 'cause I believe we hear so much that the HUD guidelines just really do not fit the true affordability of our residents here. And so I'd like that as item for us to look through and, you know, dig in to see what truly is

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affordable so we can get our people into housing and/or rentals. So that's my reasoning for T. And then the rest, Chair, on, are in regards to our meeting dates and --

CHAIR COUCH: Yeah.

COUNCILMEMBER COCHRAN: --times so but those...

CHAIR COUCH: To extend it to this September 28th?

COUNCILMEMBER COCHRAN: Right.

CHAIR COUCH: Okay.

COUNCILMEMBER COCHRAN: Yeah. Because and to justify that, the reasoning for that is 'cause once we left this Committee last, started to factor in the calendar, it ended up like we could do two meetings or --

CHAIR COUCH: Yeah.

COUNCILMEMBER COCHRAN: --something ridiculous. We need a whole lot more than that. So that's for the extension --

CHAIR COUCH: And --

COUNCILMEMBER COCHRAN: --on our TIG.

CHAIR COUCH: --Members, just so you know that the TIG is looking at meeting twice a week. We're gonna really work this until we get the information that we need and get it back to this Committee. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. I'd like to speak in support of the changes that Member Cochran is proposing. I think they're very necessary and we need them so I ask the Members to please support.

CHAIR COUCH: Okay. Any other discussion? Seeing none, I'll entertain a motion to revise the scope and rules of Temporary Investigative Group of the Planning Committee as authorized on July 19, 2016 and as noted in the revised Legislative proposal transmitted by the TIG Chair by correspondence dated August 2, 2016 with the additional revision as just made by Councilmember Cochran.

VICE-CHAIR CARROLL: So moved.

COUNCILMEMBER COCHRAN: Chair, I'll second that motion.

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CHAIR COUCH: Okay, we have a motion by Member Carroll and seconded by Member Cochran. Any discussion? Seeing none, all those in favor, please say "aye".

COUNCILMEMBERS VOICED AYE.

CHAIR COUCH: Opposed? Let the record show the motion passed with five "ayes," zero "noes," and two excused; Member Victorino and Member Guzman.

**VOTE: AYES: Chair Couch, Vice-Chair Carroll,
 Councilmembers Baisa, Cochran, and White.**

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmembers Guzman and Victorino.

MOTION CARRIED.

**ACTION: APPROVE PROPOSAL TO REVISE THE SCOPE AND
 GENERAL RULES OF THE TEMPORARY INVESTIGATIVE
 GROUP.**

CHAIR COUCH: Thank you, Members.

COUNCILMEMBER COCHRAN: Thank you.

ACTION: DEFER.

PC-29 ANNUAL COMPLIANCE REPORT – KIHAI HIGH SCHOOL (GC 15-7, 16-6)

CHAIR COUCH: Okay, moving on to our next item, it's going to be PC-29, annual compliance report for Kihei High School. And if we can have, if, without objection, we'd like to have the two resource people come up and have a seat right here so we can have a discussion with them. And while they're coming up I'll go through our my preparatory remarks.

COUNCILMEMBERS: No objections.

CHAIR COUCH: Okay come on up, guys. Members, we last took up this item on our meeting of September 3, 2015. There's an updated report here dated June 24, 2016. With us

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today we have from the Department of Education Ms. Gaylyn Nakatsuka. Did I do that right?

MS. NAKATSUKA: Yes.

CHAIR COUCH: Okay. And who is an architect, Planning Section, and Mr. Bob Purdie, Project Coordinator for the Kihei High School. Members, without objection...well, we already did that. They're up here, we're going to discuss. In the roles with DOE, Ms. Nakatsuka and Mr. Purdie are both government employees who have specialized knowledge in the status of the Kihei High School project. Okay. Everybody's there, ready, we have a handout apparently just from these folks. Mr. Purdie, I guess you did this one? Alright. So let's start. Anybody wanna start? Either one of you? And go ahead and grab the microphone and talk into it. That's fine. It's wireless.

. . . BEGIN PRESENTATION . . .

MS. NAKATSUKA: Okay. Good morning, Committee Chair Couch and Members of the Maui County Council.

CHAIR COUCH: Good morning.

MS. NAKATSUKA: As introduced, my name is Gaylyn Nakatsuka and I'm an architect and a planning coordinator with the Department of Education. We're testifying on PC-29, the annual compliance report for the new Kihei High School project and as mentioned this is our 2nd annual report and it was filed in June. My involvement with the Kihei High School project includes the site selection, Environmental Impact Statement, land use entitlements, and resources for the design phase of work. Basically as prior testimony we did get the \$30 million that was available from the initial \$130 million and that did go towards initially doing the wells which Mr. Beerer spoke about earlier and is also going towards the initial phase of infrastructure. I think in mentioning the phasing, Phase I is to provide facilities for 800 students and Phase II would be for the remainder which is the 1,650. When we're talking about phases within, I'm looking at trying to define it more like Phase IA, IB, IC so it will define that 800 students. So the initial phase of the wells, I would consider IA. The next, this initial infrastructure would be IB and the following with the 37 million that came in FY '17 would be IC or IB1. We need to really define that. But this phase is gonna need a lot more work and funding to occur. If all construction funding is appropriated by FY '19, then, you know, the earliest we could really look at the school opening would be about 2022 and this is because of the infrastructure work going in, getting all the permitting, and then also hoping for timely permit approvals, smooth bid award, no surprises in the weather or unforeseen issues at the site and anything that might impede construction progress. We're thinking that would be about two to three years for the infrastructure and then another at least two years to get the vertical buildings. With the funding that we have now we will just be able to complete all the infrastructure. We are...we've been asking for funding each year, but we haven't been getting Legislative support on

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it or Governor support but the estimate might be another 60 million to at least get Phase I going and we think it might with the inflation and with the way that the prices are coming in it might be higher. So as we move along with the design we will get better estimates and make sure that what we request is what we need to be able to complete Phase I. At this time I think we're basically working with the Department of Transportation in order to get our TIAR which is a traffic impact and analysis report and the pedestrian route study approved and we are working with them. We have met with them and we are, we have agreed to go through a process of submissions and approvals to make sure that they are involved in the design of the project all the way through and to make sure that we are getting incremental approvals from them. And we would also like to work with the County of Maui to make sure that things are moving as well. At this time Bob will now talk about the design and construction plans progress.

MR. PURDIE: Thanks very much. I think my thunder was taken by earlier testimony about where the project is but let me just reiterate. We have completed the Kihei irrigation wells project. It was awarded to Alpha Inc. in October of 2015. The notice to proceed for that project was in January. There was ceremonial groundbreaking both for the wells project and for the school. It was held January 11, 2016 with dignitaries both of the State, the County and from the DOE. Our DOE wells K, H, S1 and 2 are permitted under DLNR Commission on Water Resource Management rules. They've been drilled, they've been cased, they've been tested with temporary pumping equipment and they were accepted this June 22, 2016. The wells themselves are drilled with a 14-inch internal diameter. They're nominally 138 feet and 124 deep respectively and they're equipped with louvered casing 20 feet below encountered groundwater. The sustainable and stable pumping rate of each well and the groundwater salinity was determined to be 300 gallons per minute and there's a nominal 350 milligrams per liter chloride content in that water. The groundwater quality and quantity is satisfactory and actually good for our construction and irrigation uses and this water is intended to be used as a bridge until reliable and satisfactory reclaimed water is permanently available to the site and an agreement is in place for DOE use of such water with Maui Water Reclamation Division. The well water will first be used primarily for construction activities, dust control, equipment washing, et cetera, and subsequent maintenance of erosion, controlled plantings and BMPs, which are proceeding in the next phase of construction which mister, which Andrew spoke to as Kihei High School Phase I infrastructure project. This project was bid on June 27th and is pending, is imminently pending DOE award. I expect it this week or next week. Funds available for this award are nominally \$23 million. The project provides several things. It provides an important protective property fence. The site has not been fenced completely and this will be done in this next phase. It provides onsite and offsite utilities services. It masquerades and stabilizes most of the site for future vertical building construction. Most of the grading materials will be stockpiled on the site and will remain for future use in construction. So there's not gonna be a lot of off-haul and a lot of spoilage taken away from the site. The project provides potable water and fire protection water, sewer service, power, telecom service and data service, and eventually will connect to a future Water Reclamation Division reclaimed waterline

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to the lower portion of the school property. These utilities are partly distributed within the site to future building areas under this Phase I infrastructure project. A utility crossing of Piilani Highway is accomplished all with underground casings, drilled through and below the highway, and the utilities are located in those casings. The project will make a paved driveway improvement at Piilani Highway for safe entry and exit of construction-related equipment along with appropriate traffic management plans, both for onsite and offsite construction activities. And permitting for this project has really just begun and is expected to continue through this year and perhaps through 2017; we don't really have a final timetable for permitting at this time. And that is why the anticipated completion of permitting and issuance to notice to proceed is expected during January 2018. However, the project may proceed sooner if permitting is completed at an earlier time. So we're not moving forward without permits. We will move forward exactly as required with permits and coordinated with both State and County agencies in this project. So I had provided a simple handout which gives you some understanding and information about the wells project and the Phase I infrastructure project. The first figure I have is the location plan for the wells. They're located on the mauka side of the property, both on the east and west access of the property. Again, these wells go down and hit basal groundwater which is slightly brackish. The wells have no permanently-installed pumping equipment, they're just wells at this time. Their use of the wells will be undertaken to contractor equipment installed and then removing water from the underground source as required. Again, the sustainable yield of these pumps have been tested and proven at 300 gallons a minute each. There's no interference between the wells that was noted, and the groundwater chlorinity is 350 milligrams chloride; which is actually quite low for landscape irrigation of the type that we're proposing for the site. There's a photo of one of the pump tests that was undertaken for well number two. It follows that. The following plate shows the perimeter fencing that will be installed. It's a 6-foot high chain link fence that will surround the campus site. It's approximately 77 acres in area within the fenced area. There are egress gates to be provided in this first phase and then as required later on when the design of the school site is complete. The background of the fence shows the projected design areas for the buildings. These are not complete at this time but these are the massing of the buildings redefined during review of the site for net zero energy design. So these buildings have moved around slightly around from the EIS but generally conform to the location and the configuration shown in the EIS. The next plate is complicated to understand but it shows proposed grading for the school site. What you'll notice is that there is a drain way that runs through the school site. This is a natural drainage which will be accented in the design of the school and provide a natural way for us to collect waters and reduce the amount of drainage infrastructure required on the project. The lower portion of the school site will have a retention/detention basin where storm events will be collected and held onsite. So the school itself will not exacerbate drainage-related runoff from the project area at all. The next plate shows a couple of cross-sections that are cut mauka to makai on the project site which show benches that are created for the various education, athletic, and the field areas in the lower part of the campus site. The following plate shows our stabilization plan. It shows the location of rock and gravel deposits to be left on the site at the completion

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of this next phase of, this phase of construction. It also shows that area which we are proposing to pave at this time; which is the driveway and access into various parts of the project site. The next plate shows the intersection between the school site and adjacent streets in which we will bring the utilities into the project and cross under the highway with casings. This is a complicated sketch, you're not...I'm not expecting anybody to understand it. It's just that all this work is underground. All the utilities that were described before, water, fire protection, sewage, data, telecom, and so forth, will be brought up into the school site and then that work will project into the school project area a small amount. The next phase of construction, the next piece of Phase I infrastructure will complete the distribution of site utilities to the various building pad areas at the campus and will make all those utilities live throughout the campus area. And then the final plate, the final plate is just a diagrammatic sketch that shows how the crossing of the highway will occur with sub-surface directionally-drilled casings and how that equipment will be located on the existing elevations of the school site and will project into the roadway areas on Kulanihakoi. And that's all I have for my presentation.

... END OF PRESENTATION ...

CHAIR COUCH: Okay. Great. Thank you. Thank you both for your presentations. Members, if you don't mind, I'd like to break a little bit from protocol and I have, since it's in my district, I would like to ask a couple questions first before I just turn the floor over to you guys.

COUNCILMEMBER BAISA: No objections.

CHAIR COUCH: Thank you. And I think the biggest question that is on everybody's mind is when you say your notice to proceed is expected to start in January of 2018 you expect...are there issues with the State or the County that you think is going to take a year and a half to get permits?

MR. PURDIE: Both agencies, Council.

CHAIR COUCH: Go ahead and talk into the microphone a little bit more. Thanks.

MR. PURDIE: Yeah. We anticipate that that would be the duration to iron out all permitting issues for the project. We don't see anything which is, you know, a highlight of permit issues but there are quite a number of permits which are required for this and we still, you know, we haven't begun permitting at this point. And we have a design package that's soon to be awarded and the permits will take time to be done. And it has been typical, especially working with the utility agencies, primarily with the power and the telephone and the data folks that an 18-month window or even longer is typical to arrange their utilities. So while this may seem to be a very long period of time it is more typical than not in projects of this scope and scale.

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CHAIR COUCH: Wonderful. Alright. I'm sure the other Members have questions on that. We'll get back to them in a second. The other major question I have and then I'll open the floor to the Members is on your drainage are you looking at low-impact design drainage, you know, rain gardens and those kind of things? I noticed in the diagram here you actually highlight and you mentioned it too, you're gonna highlight the gulch. Are you looking into low-impact design work?

MR. PURDIE: Yes. We're incorporating that as well as our retention/detention facilities in this design. And that design has not been completed. It's part of the vertical construction design.

CHAIR COUCH: Sure. So that gulch there that goes right through the middle of campus, as you know, since 2011 we've had three 100-year storms go right through that gulch. Are you gonna take that into account, that size of storm?

MR. PURDIE: Yes. That is the design criteria for our retention/detention basin.

CHAIR COUCH: Okay. Alright. Members, sorry for doing that but any questions to these folks? We'll start with Ms. Baisa then Mr. Carroll.

COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you for the presentation. Mr. Purdie, I'm kind of confused. I listened to all of the information about the wells and I heard you mention the results from the testing and how many gallons per minute and the salinity. This obviously is water that you're not gonna use for potable purposes so where are you going to get that water from?

MR. PURDIE: Oh, County water.

COUNCILMEMBER BAISA: County water?

MR. PURDIE: Yes.

COUNCILMEMBER BAISA: Okay. Thank you very much.

CHAIR COUCH: Mr. Carroll?

VICE-CHAIR CARROLL: Thank you, Chair. I'm gonna say what, just basically and we're not trying to shoot the messengers over here. Keep that in mind. It's been two years when my Land Use Committee passed this out. We expedited it. We got it out quickly. Planning Department was realizing that this is for the common good. They were willing to go and work with you what was ever necessary as far as permitting to where you are now. There should've been a start date of 2015. We should've been having this discussion 2015. It's really disturbing. We went through this in the Planning Commission. It was presented before us from the Department of Education, their timeline and everything and it seemed like there were a lot of reasons and we all know the reasons and I followed this closely. But it seems like the right hand didn't know

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what the left hand was doing and there was no sense of urgency in the Legislative side or in the Department of Education side to really press. And I'm sorry but this is a true statement. There was no real urgency on either side to truly press this project. I find it disturbing. You heard the community. The Council finds it disturbing. When we take you at your word and we pass something out, we expect action, we expect results. And it's not just us that gets upset. The ramifications of this are the children suffer, parents suffer, the community suffers. Now this is an update; it's all in your court. There's nothing we can really do. We appreciate your coming before us and passing on the information you had but we need to see results. We need to see there'll be a strong effort on both sides, Legislative, the State Legislature for funding and from the Department of Education really pressing to get this project completed. The timeline is unacceptable. Unfortunately, since two years have passed and we can't go back in time we have to live with some of it but we don't have to live with all of it. If the effort is made we can complete this faster than what's been proposed today. And I would hope that we would proceed along that line. Thank you, Chair.

CHAIR COUCH: Thank you, Mr. Carroll. Members, any further comment? Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. On the first plate...it's because of the size I can't tell what the numbers are on topo lines.

MR. PURDIE: Yeah.

COUNCILMEMBER WHITE: What is the drop in elevation from the top of the property to the, to Piilani Highway?

MR. PURDIE: It's approximately 90 feet.

COUNCILMEMBER WHITE: Okay. And what is the distance?

MR. PURDIE: Thirteen hundred feet.

COUNCILMEMBER WHITE: Okay. And so looking at the large, the darker lines on the topo, is the difference between them 10 feet or it looks like it must be more like 20 feet.

MR. PURDIE: Yeah. I believe they're 20 feet, sir.

COUNCILMEMBER WHITE: Okay. And then on...I believe it's sheet 38, the one with the...this one here.

MR. PURDIE: Yeah.

COUNCILMEMBER WHITE: Is that a condensed...

MR. PURDIE: Excuse me?

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COUNCILMEMBER WHITE: --I'm assuming that these lines are condensed so they fit on the page 'cause that's...

MR. PURDIE: Yeah.

COUNCILMEMBER WHITE: Okay. I looked at that but --

MR. PURDIE: It's not...

COUNCILMEMBER WHITE: --wow, that's a pretty darn steep --

MR. PURDIE: Yeah. No --

COUNCILMEMBER WHITE: --incline.

MR. PURDIE: --that's a scale effect of the drawing.

COUNCILMEMBER WHITE: Yeah. Okay.

MR. PURDIE: But in truth, you know, we are creating terraces for these educational and athletic areas --

COUNCILMEMBER WHITE: Right.

MR. PURDIE: --on the property.

COUNCILMEMBER WHITE: You mentioned earlier that you're expecting a notice to proceed this week or next. Was that on the design?

MR. PURDIE: No, we're intending to award the first phase infrastructure project very shortly.

COUNCILMEMBER WHITE: Okay, so...

MR. PURDIE: This is the construction contract.

COUNCILMEMBER WHITE: And when will that actually proceed?

MR. PURDIE: The notice to proceed for that is predicted in 2018.

COUNCILMEMBER WHITE: Okay, so...

MR. PURDIE: When the permitting is completed for that project. It may occur earlier if our permitting runs smoother than predicted but a condition of the contract is that we are not, we don't incur escalation costs until 2018 going forward for the project.

COUNCILMEMBER WHITE: So is the design complete for the infrastructure or is this...

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MR. PURDIE: Yes. The design, for this phase of work design is complete. What is not complete is the permitting of what has been designed.

COUNCILMEMBER WHITE: Okay. So when we...I understand how permitting takes a lot of time --

MR. PURDIE: Yes.

COUNCILMEMBER WHITE: --but I think you can understand the concern that this has been a long, long, long process and...

MR. PURDIE: We heard the community as well as the Council direction on it.

COUNCILMEMBER WHITE: Yeah. Because I think the concern is that people who have been pushing for this high school so their kids can go there might be looking at their grandkids being the first students. And, you know, it's always a challenge. It's a challenge for funding. It's a challenge for permitting. Do you see anything that could be done by the County at this time that would further facilitate the timetable?

MR. PURDIE: I think the County has been very cooperative with our design consultants. And I think as long as that same spirit moves forward then we'll press on to get this done as soon as we can.

COUNCILMEMBER WHITE: Okay.

MR. PURDIE: I commend the County for their efforts with our design consultants in this project.

COUNCILMEMBER WHITE: And I'm assuming that the infrastructure work includes all the grading.

MR. PURDIE: Yeah, the mass grading. It doesn't include the fine grading. The fine grading is the finish elevations that would be --

COUNCILMEMBER WHITE: For each building?

MR. PURDIE: --you know, the elevations that you would view after the buildings are built. The mass grading is to get the bulk of the site material pushed around to where it needs to be.

COUNCILMEMBER WHITE: Okay. Thank you. And, you may not know this but, what is the amount of salinity in the water that is acceptable for potable water? How far away is the 350 from...

MR. PURDIE: This water would be excellent in southern California for drinking.

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COUNCILMEMBER WHITE: Okay. Means it's probably okay here too.

MR. PURDIE: Yeah. Chula Vista, California has water salinity upwards of 500 milligrams per liter and they drink that as their number one water.

CHAIR COUCH: Wow.

COUNCILMEMBER WHITE: Okay. Thank you very much.

MR. PURDIE: So this is very good water.

COUNCILMEMBER WHITE: Yeah. Sounds like it. Thank you very much.

MR. PURDIE: Sure.

CHAIR COUCH: Thank you, Chair White. Member Cochran, any comments?

COUNCILMEMBER COCHRAN: No. No, not at this time. I echo frustration of Mr. Carroll, so I'm good.

CHAIR COUCH: Yeah. And the community's. Thank you. Thank you guys for being here and as Mr. Carroll said not trying to shoot the messenger but if you can send the message back to whomever you have to deal with in the permitting process. If you need help from us to see if we can ask Maui Electric or whoever the data carrier is, let us know because as you can see, the frustration. I mean, Mr. Beerer has been doing this since before his kids are born practically and now that they may not get to the high school it's frustrating. I remember working on it back when I was working for the Administration as well and so it is extremely frustrating and the community is just, you know, they're at a tipping point. So anything that we can do as individual Councilmembers please let us know, if we can just call, write a letter to the utilities, whomever it takes. It sounds like you're getting good cooperation from our Department so we're happy to hear that. But the more you can stress the frustration to your superiors and also to the utilities the better. Do you have any further comments? And then we'll...oh yeah, Chair White? Go ahead.

COUNCILMEMBER WHITE: Thank you. You mentioned Phase I for the first 850 students, is the, are the design monies available now for that phase?

MS. NAKATSUKA: So the I guess the design funds would also come from that, the newer monies that are coming out in with the FY '17 funds so those will be requested or at least part of the design will be requested for the infrastructure now and then we will be requesting the remainder before it goes out to bid for that second phase. And part of that remainder money that we're also requesting will be the rest of the design to start on for the vertical structures. Our challenge is that we have been requesting the funding for the construction of the design, the buildings, and that has not been

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coming so far. I think one of my frustrations too being with this project from about 2006 myself is that, you know, the funding is just not showing up. I think with the 130,000 we were...I mean 130 million we were hoping to do a design/build type of project where we would hire a design/builder contract and have them design and build the structure. But part of that is we needed all the money at one time so when we were looking at the 130 million we were really trying to press the State to release that 100 million so that we could go in that route. But over the 2 years of the life of the fund, funding it was realized that that wasn't going to happen and our continued discussions with B&F turned out that that 100 million was in the SEFI funds which they are no longer providing so that it was basically in name only that the funding was shown but it was not really there. So we had to regroup and change our direction on how we were going to design and construct the project so we had to go back and go back to a design build process --

MR. PURDIE: Design/bid/build.

MS. NAKATSUKA: --oh sorry, design/bid/build process so we had to renegotiate the contract again. The other thing is because of the location and situation with the power we were told that, you know, we should try to be as self-sufficient as possible and look at possibly trying to save as much energy as we can. So we've looked at a net zero type of facility which also meant some changes in how we were approaching the project. So there were some things that added to how, the timeframe but once we get the monies or once we know the monies are there, we are setting our schedules to match that so we really need to see the next money.

COUNCILMEMBER WHITE: Okay so so far the only design that has been done is for the infrastructure? You don't yet have funds for the vertical building?

MS. NAKATSUKA: Yes. You're correct.

COUNCILMEMBER WHITE: And those are anticipated or are they identified in the Fiscal '17 budget?

MS. NAKATSUKA: Each year our budget includes funding for the project, it's just that by the time we get it from the Governor and go through the Legislative session we see that it's cut or not there so there's at least been the strong push to provide the 30 million in, each time we've gotten it. I think the challenge is the next phases because we really don't want to build a building and leave it there for four years while we wait for the rest of the facilities that we need in order to open a school that's functional. So that would bring other issues of a building sitting there unoccupied for years and so we would like to make sure that we get the bulk of it together so that we can build it at a time and have people populate it, you know, right after. So that's our challenge. And so we're saying we can get it incrementally but we want to make sure that their lifespan works so that we can bid it at one time. That would be the goal or otherwise get as much of the facilities we need to open and then have some of the ancillary structures come in right after that.

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COUNCILMEMBER WHITE: Are you likely to get the design monies for Phase I and Phase II at the same time or are you gonna, are you feeling like you're gonna get only the first phase?

MS. NAKATSUKA: I think Phase I is the main goal and then after that we can look at Phase II. We could --

COUNCILMEMBER WHITE: I guess the...

MS. NAKATSUKA: --if we have enough money we can hold it over to start Phase II. But again, that, the challenge would be the rest of it. And then we would also need to look at our numbers to see the population of the school and how much of Phase II, you know, when we can phase in the next phase.

COUNCILMEMBER WHITE: Yeah, I guess my challenge with that phasing is that if you're gonna go through a very long permitting process it seems that you might be better off going through the permitting for both phases and then just doing some extension on permits afterwards. It seems like it would be better to have it all ready to go so if you end up in a good building climate, which we're not in right now, you might actually be able to get the money and go. But, anyway, we can all be hopeful.

MS. NAKATSUKA: Yes.

COUNCILMEMBER WHITE: And you can ask them if they can have some of the TAT that they didn't give us.

CHAIR COUCH: Thank you, Chair White. I know you can fit that in everywhere.

COUNCILMEMBER BAISA: Go, Mike.

CHAIR COUCH: Members, any further questions? Any comments from DOE? Are you guys fine? Okay. Planning, any comments?

MR. SPENCE: Thank you, Mr. Chairman. We don't have any comments except to say that I'm confident that when we have permits in front, I can only speak for my department, that we will put it at the top of the heap and expedite as much as we can. But I also know the other directors are very aware of the need for this property or for this project, I'm sure they're going to give it their full attention as well.

CHAIR COUCH: Okay. Thank you. Alright, Members, without any further discussion, what's your thoughts on this? We have two reports, last year's and this year's reports, we can file those and wait for the next year's report and bring it up, but we won't have these two to refer back to. Or we can defer the whole thing and keep the reports to the next term. Any comments? Mr. Carroll?

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VICE-CHAIR CARROLL: Thank you, Chair. I would like to see...

CHAIR COUCH: You need to turn your microphone on.

VICE-CHAIR CARROLL: The green light?

CHAIR COUCH: There you go. Yeah.

VICE-CHAIR CARROLL: I would like to see this deferred because --

CHAIR COUCH: Okay.

VICE-CHAIR CARROLL: --not only for when it comes up next year but if something comes up in the interim we can still use this then come to back to it. So I think deferral would be --

CHAIR COUCH: Okay.

VICE-CHAIR CARROLL: --the acceptable course.

CHAIR COUCH: Members, without any objections...Ms. Baisa?

COUNCILMEMBER BAISA: I support what Member Carroll is saying. But one of the things that I think is important is, you know, we're here in August and Legislature and who gets money and who doesn't get money and all of that pretty much we know by May. We may want to ask for something as an interim if we have this on your agenda and have somebody come and tell us how they did or how things are going. You know, we wait a whole year and again it's another year. I think that we as a community have to get together and push because somebody's got to understand what this high school means to us. And, you know, it's very funny but people that don't live on Maui don't get it.

CHAIR COUCH: Right.

COUNCILMEMBER BAISA: But we get it. And so unless we scream and push it's he who gets the squeaking wheel that gets the grease.

CHAIR COUCH: Right.

COUNCILMEMBER BAISA: And so I think we gotta keep this in the forefront or we are gonna wait until...I think '18 is very optimistic from what I hear. Thank you.

CHAIR COUCH: And I would like to implore the next term, anybody who's there for the next term, put that in the Legislative package, the County's Legislative package, to --

COUNCILMEMBER BAISA: To push.

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CHAIR COUCH: --get the funding and push the funding. Okay. Members, then hearing that, without any objection, we'll defer this item?

COUNCILMEMBERS: No objections.

CHAIR COUCH: Okay, this item is deferred.

ACTION: DEFER.

CHAIR COUCH: And, Members, right now, we'll take a 10-minute break, so be back at 10:15. And we'll have Mr. Chun up here. So right now, we'll be in recess until 10:15. . . . *(gavel)* . . .

RECESS: 10:04 a.m.

RECONVENE: 10:17 a.m.

CHAIR COUCH: . . . *(gavel)* . . . Will the Planning Committee meeting of Thursday, August 4, 2016 please come back to order?

PC-25 ANNUAL COMPLIANCE REPORT – MAUI BUSINESS PARK PHASE II (GC 15-4, 16-4)

CHAIR COUCH: Members, we're now on item PC-25, the annual compliance report for the Maui Business Park Phase II. We took this item at our meeting of August 20, 2015. There's an updated report dated May 31, 2016. With us today we have Mr. Grant Chun, vice-president of Maui A&B Properties, Inc. I'm gonna have him sit up here as well and when you're ready, Mr. Chun, we'll have an opportunity, give you an opportunity to update us on the status of the project. Go for it.

MR. CHUN: Thank you. Thank you, Mr. Chair. Happy to do that.

CHAIR COUCH: You gotta talk into the microphone a little bit. Your voice is a little soft.

MR. CHUN: Okay. Good morning, everyone. Thank you very much for having me here once again to update you on the progress of our work at Maui Business Park. Of course, we've been doing this annual visit for a number of years now so many of the requirements have already been addressed and completed. But just to give you an update as far as what's all occurring within the light industrial area at Kahului. We have two owners who have started construction within the Maui Business Park since our last meeting here. They are Lowe's and Pacific Pipe that are both well underway in terms of their work. We have several other owners who are in various stages of permitting and design for their new facilities. These include Servco, American Savings

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Bank, BMW, and Kihei Auto. Subdivision of the north project area, which is the separate area across Hana Highway in back of Costco, had its subdivision completed at the end of 2015. So that's occurred since my last visit with you folks on this project. We are, as you probably notice as you drive along Hookele Street going towards Hana Highway there are a number of large lots that are kind of behind vinyl fences so we are in design for the last of the actual subdivision improvements within those large lots. So there'll be some additional internal roadways and infrastructure that will be, that are in design and will go through permitting and we'll keep you updated on the progress of that as well. The, oh something we always discuss is the areas that are to be dedicated to the County of Maui for use by the Department of Housing and Human Concerns as well as the Parks Department. That, the subdivision for those areas has been winding its way through the process at the County of Maui. As you recall, in June of last year we got preliminary subdivision approval from the agencies. And since then have been working with the agencies and finally got enough clarity, I guess you'll call it, from the various agencies so that the final plat for the subdivision has been submitted actually within the past couple of weeks. So the final plat with all the adjustments that have been requested by the agencies is now before them and as you know, the process calls for it to go for yet another round of review and sign off and hopefully before too long those parcels, the 40-acre parcel for the Department of Housing and Human Concerns, as well as the parcel for the Parks Department, development of the new Kahului Community Center will become available for dedication to the County. One specific follow-up item that came up last year was Chair had asked that we make sure to have a continuing dialogue with Chief Faaumu of the Maui Police Department concerning the potential for a future police substation within the subdivision and you'll see from the submission that we did in fact meet with Chief and his staff and they are aware of our willingness to accommodate them. And at this point they're not in a position to indicate one way or another whether they see a police substation there as being advisable from their perspective, staffing and otherwise. But we will continue to dialogue with them and at such point as, you know, they see that as something that they'd like to have occur within the subdivision, we'll definitely work with them on that. So aside from that the report is fairly straightforward and, but I'm happy to address any questions you all might have.

CHAIR COUCH: Thank you, Mr. Chun. And that was the reason, those two items were the reason that I wanted to bring you in here today. So, Members, any questions for Mr. Chun on this report? Ms. Cochran? And press your button.

COUNCILMEMBER COCHRAN: Thank you, Chair, and good morning. Thank you, Mr. Chun, for being here. And when this report comes back to us I always ask and you addressed it, the 40 acres for the affordable housing.

MR. CHUN: Yes.

COUNCILMEMBER COCHRAN: Item seven which I was there initially, that site that was picked out says terminus of Kamehameha Avenue near new Maui Lani Park and

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Pomaikai Elementary School. Then, of course, at that site burials were found and thereby it was stopped to search for more lands. And so now you're saying you've found suitable location in this Waiale project?

MR. CHUN: Correct. So the area is just mauka of the terminus of Kamehameha Avenue. So it's not right at the terminus because as you said, Ms. Cochran, there's a large cultural preserve area that has been identified and drawn into the plan, if you will, so just mauka of that. The subdivision is providing for that acreage.

COUNCILMEMBER COCHRAN: Okay. And then the, so items A, B, and C, one is the affordable housing, seven acres Kahului Community multipurpose, three for park purposes. Was that always intended to be all in one area? Sort of...

MR. CHUN: Yeah, good question. Areas A and C were, will be contiguous. So there is accommodation for recreational...there's adequate acreage for the Housing Department and the County to program however they want. You know, recreational acreage within that parcel, I mean, the condition says three acres but if they want to make it more or less, I mean, that's fine. But there's more than 43 acres that are being provided to answer your question. The area for the community multipurpose center is right at the terminus of Kamehameha Avenue 'cause there is adequate acreage there for that purpose.

COUNCILMEMBER COCHRAN: Okay. Okay, very good. Yeah those are my continuous ongoing questions about that. And exactly when was this originally approved? What year did this all start? I'm trying to look back here. Do you have that date off-hand?

MR. CHUN: Well, I see a reference to a 2010 annual report so --

COUNCILMEMBER COCHRAN: Twenty ten?

MR. CHUN: --it could have been --

COUNCILMEMBER COCHRAN: Is that...do you know, Chair?

MR. CHUN: --in that timeframe.

CHAIR COUCH: No.

COUNCILMEMBER COCHRAN: This project. Okay.

CHAIR COUCH: This is before we both got on.

COUNCILMEMBER COCHRAN: Yeah.

CHAIR COUCH: I thought it was 28? Two thousand eight?

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MR. CHUN: Something, yeah.

COUNCILMEMBER COCHRAN: Okay.

MR. CHUN: That's probably accurate.

COUNCILMEMBER COCHRAN: Like eight years later. Still...

MR. CHUN: That's how, yeah, that's how long.

COUNCILMEMBER COCHRAN: Okay. Alright, thank you, Chair.

CHAIR COUCH: Okay. Thank you.

COUNCILMEMBER COCHRAN: No more questions.

MR. CHUN: Thank you, Ms. Cochran.

CHAIR COUCH: Members, any further questions on this item? Just to reiterate, you were saying that the Police Department, at this point, doesn't see a need for a substation there?

MR. CHUN: Correct. They don't see a need for it at this point but as the area fills out and they get a handle on the various types of businesses and users that'll be situated within the Maui Business Park then I think they'll have a better handle on what would be appropriate in the way of police presence.

CHAIR COUCH: Okay. Thank you, and as Ms. Cochran said the sooner the better on the affordable housing lots. So, alright, Members, any further questions or discussion on this item? Seeing none, in this case, I think it's okay we can file it because it's only those two items pretty much. So Chair will entertain a motion to file General Communications 15-4 and 16-4.

VICE-CHAIR CARROLL: So moved.

COUNCILMEMBER WHITE: Second.

CHAIR COUCH: It's been moved by Mr. Carroll and seconded by Chair White to file General Communications 15-4 and 16-4. Any further discussion? All those in favor, say "aye."

COUNCILMEMBERS VOICED AYE.

CHAIR COUCH: Opposed? Let the record show there are five "ayes," zero "noes," and two excused, Mr. Guzman and Mr. Victorino.

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VOTE: AYES: Chair Couch, Vice-Chair Carroll, Councilmembers Baisa, Cochran, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmembers Guzman and Victorino.

MOTION CARRIED.

ACTION: FILING OF COMMUNICATIONS.

PC-27 ANNUAL COMPLIANCE REPORT - KAMALANI (KIHEI RESIDENTIAL PROJECT) (GC 15-6, 16-7)

CHAIR COUCH: Okay, Members, moving on to our last item today is PC-27, Annual Compliance Report - Kamalani (Kihei Residential Project). We took up this item at our meeting of August 20, 2015. There's an updated report dated 20...or June 29, 2016 and that's the one we'll go at. Mr. Chun, go for it.

MR. CHUN: Thank you, Mr. Chair. So as you all are probably aware, the construction of the backbone infrastructure for Kamalani began in March 2016. It's in full swing and it's...

CHAIR COUCH: Can you get a little closer to the mic? 'Cause I can't hear you.

MR. CHUN: Sure.

COUNCILMEMBER WHITE: Or turn it. Turn it towards you.

MR. CHUN: Okay. That's better?

CHAIR COUCH: Yes.

MR. CHUN: So as the Chair mentioned, the annual update is before you. I will just highlight a few items that I think would be of interest to the Committee in terms of status of the work that's occurring on the project. Construction of the backbone infrastructure for Kamalani began in March and it's in full swing and it's running on schedule; which is a good thing. We anticipate that vertical construction of the first homes will commence in September with first home deliveries in 2017. As you know we've sponsored homebuyer education classes which began shortly after the last time we met here over about a year ago for prospective purchasers and we think that these

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classes have been very helpful in assisting these buyers in arriving at a better understanding of the process. To clarify, these classes are not generally required of homebuyers nor are they required of builders to provide for homebuyers. But in partnership with Hale Mahaolu we decided that participating in and actually sponsoring these classes along with Hale Mahaolu would put our prospective buyers in the best possible situation as far as being able to purchase a home. We subsidize the classes. The cost to Hale Mahaolu is about \$200 per participant. They pay \$75, we subsidize the balance and if they become homebuyers they are actually refunded or credited the \$75 that they pay. We had discussed with former Housing Director Jo-Ann Ridao this strategy and she felt it was very important that participants in the class have some skin in the game, if you will. Although the funds are reimbursed and credited to them, she felt that unless there's some upfront payment there'd be issues with attendance and follow through. So and that's, it's proven to be very helpful in that regard. We had a lottery for Increment I of Kamalani. It took place in July, just last month and it was really exciting. And we really enjoyed seeing the, you know, the new homeowners and, assembled and the excitement that they had. There are families in escrow, others that are on the waitlist for units that they would prefer over those that have become available so far. We still have others who are in various stages of loan and buyer application processes. I will say that one challenge that exists for buyers is loan qualification. We've learned a lot through this process that we've been through with our buyers. We've had over 300 participants in our homebuyer education classes, all of whom are actually income-eligible for the housing. However, the number of folks that actually are able to get pre-qualification letters from lenders is much smaller than that; a fraction of that actually. The main reason for this is that lenders are now much more stringent about qualifying borrowers for loans than they had been in the past. As you recall prior to the economic downturn folks were getting loans without a whole lot of difficulty. What this has meant is that consumer debt, credit card debt especially, play a very significant role in whether or not a lender will qualify a family to get a mortgage and notwithstanding cash flow, consumer debt, car loans, etcetera are very key in that analysis. In addition, many families, what we've learned, simply aren't able to come up with the down payment and as you folks know, the down payment is not generally part of the loan. The down payment is an amount of money that is provided upfront by the borrower. So we've been in dialogue with your director of Housing and Human Concerns to ensure that sort of this lay of the land that we see in terms of the marketplace is something that she and her staff are familiar with as they continue to assess and administer the ordinance. Those are the sort of the top of mind thoughts I had as far as what, you know, what we've been doing. I've been working a lot and trying to get folks, borrowers/purchasers, into a posture where they can, you know, move down this path of home ownership. So if there's any questions I'd be happy to entertain them.

CHAIR COUCH: Okay. Thank you, Mr. Chun, for your report. Members, any questions for Mr. Chun? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And just to preface everything, I looked back on the voting on this and it looks like I was the only no vote on the entire and

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one excused, and primarily my dissatisfaction with this has never been and never is the reason for affordable and what have you. But what one of our testifiers mentioned, it was the traffic impact. I mean that to me is big-time was just gonna put...I mean the quality of life and everything, overall safety and what have you into jeopardy, in my eyes, and that was one of the primary reasons. The thought of that access road into the Monsanto farming area was always a why can't it be and still is. Then I know are addressing it via a couple more accesses mauka but that still leads into the whole Kaiwahine area, Ohukai, I mean all that mauka northern subdivisions are gonna be impacted because they already are. So to add on this many more cars and people and users in my eyes just, you know, it's not something that I could support. But it had no bearing upon the affordability and to get our community into housing, of course never. But my question is and it was interesting in your opening comments, Chair, in regards to the, just the percentage of people not qualifying, so you mentioned 300. What is the amount of people? Do you know the number? You just said it's a fraction of it.

MR. CHUN: I would say pre-qualification letters were issued to about 60 families.

COUNCILMEMBER COCHRAN: Okay. So out of the 300 you're saying around 60 actually made it through and now they're on this waitlist to when things...

MR. CHUN: Yeah, well, at least...no, not all 60 are on the waitlist because some of them decide to buy other places or are still working on improving their credit score so they can get a better loan or working on still saving for their down payment, but at least they're qualified for a loan. There are others, the majority, who cannot get through the pre-qualification process with a lender.

COUNCILMEMBER COCHRAN: Right. And then speaking of lenders, is there a set group of lenders that you folks, you know, allow them to go to or is it to whoever, is it of their choice who they go to?

MR. CHUN: Ultimately the loan is of their choice. They can go to any lender they want.

COUNCILMEMBER COCHRAN: Not the loan but the whole pre-qualifying stage of it.

MR. CHUN: Right.

COUNCILMEMBER COCHRAN: Is that of their choice?

MR. CHUN: Typically...yeah. Typically with projects of this sort the pre-qualification letter will come from a cadre of prescribed lenders only because the lenders have to have the capacity to understand not only the lending environment of their institution and the Federal loan programs that are out there but also the County's guidelines. The County standards are, overlay yet another burden on the lenders in terms of what they can qualify a family for, and so most lenders lack the capacity and staffing to go through the exercise of going through the training to understand all the different

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pieces of that puzzle. So we have a, that said, we have a variety of lenders that are involved. We have Creative Financial; I know many of you know Kellie Pali-Cruz of Creative Financial who does, who has a variety of loan programs that she can tap into. We have Central Pacific Bank, we have Bank of Hawaii and we have American Savings Bank all participating in that pre-qualification process. Beyond that however, borrowers are free to work with any lender that they want and are not obligated to, you know, work only with a prescribed set of lenders. Another reason why projects of this sort will almost by design and requirement establish a cadre of initial lenders to work with prospective borrowers is because there's an application process that is led not by the developer but by the lender to apply to Fannie Mae and these Federal programs to make available to the project these Federal pots of money that are available to first-time homebuyers. And of course only certain institutions actually have the capacity and the expertise to make that application. Yeah, so that's the primary reason that you will see in projects like ours, well, all projects, you know, of any scope, they will have a cadre of lenders that they will have, they will work with as an initial threshold.

COUNCILMEMBER COCHRAN: Okay. Chair or maybe Corporation Counsel, is that not a conflict within our Code, for a developer company, whatever, to limit? I believe in our Code it's of the applicant's choice; not the bank per se, but to go through to get your pre-qual. I mean you didn't mention Fannie Mae and Freddie Mac, those two are they not allowed to go to them?

MR. CHUN: May I address, Chair?

COUNCILMEMBER COCHRAN: And here it doesn't limit a person to who they can go get this letter from.

MR. CHUN: Fannie Mae and Freddie Mac are loan products that lenders have available to them to provide to borrowers.

COUNCILMEMBER COCHRAN: Right.

MR. CHUN: Freddie Mae [sic] and Fannie Mac [sic] are not institutions that a borrower would go directly to in order to borrow their, you know...they're pots of money that are available to lenders to provide to a brand new homeowner.

COUNCILMEMBER COCHRAN: So...

MR. CHUN: To answer your question, the, so, I don't think the ordinance or the practice of builders is a limit on who a borrower can borrow from. That's not the intention and that's not been the practice. If I'm not explaining it correctly and it sounds like that then that's my fault. But that's, as a threshold matter there are only certain lenders who are willing to work through this process with this category of borrower because as I said it's quite an exhaustive and arduous sort of review that is actually a lot of work on the part of the lenders, yeah.

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COUNCILMEMBER COCHRAN: Okay.

CHAIR COUCH: So as a follow-up to her question, you're saying that the borrower can go to whoever they want, it's just that you guys give recommended places. Is that right?

MR. CHUN: Yeah. That's right. I mean the borrower, I mean the lenders are actually to be commended, you know, because they're actually not guaranteed any business. And in addition to working through this process of pre-qualifying buyers, they're actually on a voluntary basis, kind of on a round robin sort of basis, they've actually staffed and sat in on the homebuyer ed classes to address any questions people might have; just to narrow questions about the lending process, the mortgage process, you know, what is a neighborhood maintenance fee. I mean, you know, so and they don't have to do any of that but I will hand it to our local lenders that they've been willing to and they've sort of stepped up to the plate to help on this mission.

COUNCILMEMBER COCHRAN: So, Chair, okay, and I would like a comment from Corporation Counsel but in a second. But my point is here, I'm hearing otherwise, from what Mr. Chun is saying here to me in my response to my question, recommending, finding these better whatever he's explaining, they're requiring these applicants to go a list of people, period. And they cannot go through a person of their choice to get their pre-qual letters. That is what the community is saying. And to me I don't think that's right and I don't think it follows the Code, or somewhere around here everyone should have free will to go to who they want to get, you know, that's what these other companies, Wells Fargo and the other two so that's what I'm trying to get at here. And I don't think it's right and I don't think it fits with our Code. And that's where I want the answer from Corporation Counsel.

MR. HOPPER: Mr. Chair, I think that's something we need to talk to the Department of Housing and Human Concerns about. I don't know exactly what's going on. This isn't a compliance report discussion and some comments were made but, I mean, I can't give an opinion and nor would I be able to at any point. This is something that if there's a Code section that you're talking about we can look at that but I think that's something that the Department of Housing and Human Concerns could explain a bit about what the requirement is and we can find out what's actually happening. If you want to defer this item and have them come and actually discuss that, I would want to hear that first. But offhand, I mean is there a Code section that you had in mind about that? That that would...it sounds like you're essentially saying two completely different things. That you're saying you're hearing one thing and that the testifier is saying that they're doing something different so that that's another thing that I would want to --

CHAIR COUCH: Right.

MR. HOPPER: --have resolved.

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CHAIR COUCH: What I'd like to do is to have Ms. Cochran send a letter and we'll probably refer it to Housing and Human Concerns, HHT Committee and have Ms. Crivello look into that 'cause that doesn't go with the compliance report, that's more of a, okay, the execution of the affordable housing agreement and then also the HHC will have, will be able to look into that. And if you can get some people, you know, some letters saying hey we weren't allowed to go, that would help as well.

COUNCILMEMBER COCHRAN: Not letters, the actual application for the project says it.

CHAIR COUCH: Okay.

COUNCILMEMBER COCHRAN: So I can forward that.

CHAIR COUCH: Okay. Yeah. If we can do that we'll send it to Ms. Crivello's Committee. That way Corp. Counsel can research it as well. Anything else on that?

COUNCILMEMBER COCHRAN: Oh yeah, and also in regards to the education piece, you were stating that you go through Hale Mahaolu, the initial cost is 200, your folks are subsidizing 125, thereby the client is charged the 75. And then that money is reimbursed to them upon when?

MR. CHUN: If they purchase a home at Kamalani they get a credit of \$75.

COUNCILMEMBER COCHRAN: Okay. And then on the County level, Chair, is there not, and that would probably be through Housing and Human also but, some type of...don't we have a program that helps assist --

MR. CHUN: I can help with that.

COUNCILMEMBER COCHRAN: --people?

CHAIR COUCH: Go ahead, Mr. Chun.

MR. CHUN: There is...in working with Hale Mahaolu and Mr. Katsuda in fashioning the classes that he's been so gracious in providing to our prospective purchasers he did explain to us that there is a County program that provides to Hale Mahaolu funds to do classes for the community at-large in this arena. The classes that we are offered are not subsidized by the County grant. Mr. Katsuda has a full-time staff of three people and a program that he runs all-year round that extends beyond simply executing work on behalf of the County grant. And he will...he and their staff work, do provide other classes outside of that umbrella that is accommodated for by the grant.

COUNCILMEMBER COCHRAN: Okay, but I'm thinking maybe we, the County subsidizes that program for him to produce for the people, but again and this class though isn't...you don't have to do it. It's just helpful to do right? It's not...is that right? Or is it part of the application that you gotta go through...

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MR. CHUN: It's part of the application.

COUNCILMEMBER COCHRAN: You have to? Otherwise you are disqualified, you're off the list? Is that...

MR. CHUN: Otherwise you don't even get on the list. Correct.

COUNCILMEMBER COCHRAN: So you have to?

MR. CHUN: And that was...that's right.

COUNCILMEMBER COCHRAN: So you're forced to pay the 75 bucks --

MR. CHUN: That's right.

COUNCILMEMBER COCHRAN: --upfront to do this?

MR. CHUN: Correct.

CHAIR COUCH: Typically that's what we do for all affordable housing agreements is my understanding. So that they are aware of how to do budgeting and how to do...

COUNCILMEMBER COCHRAN: I just didn't realize there was a charge but maybe I'm...anyway, okay.

CHAIR COUCH: Okay. Ms. Baisa, you had a question?

COUNCILMEMBER BAISA: I can't remember what it was. It wasn't a question. What it really was was something that I remembered when Ms. Cochran mentioned Fannie Mae and Freddie Mac. Not too long ago we amended an ordinance in regards to the affordable housing and it was the buyback by the County, and we went from 120 days to 90. I remember Creative Financing being here that day and testifying in support of that change because she said that under Freddie Mac and Fannie Mae that the borrowers would qualify for not having PMI if we would change that time and that was one of the reasons we were doing it so I do know that she works with that because she made that statement here. So and I understand what Ms. Cochran is talking about, she wants to see a greater selection that people can go to. But I do remember her saying that. That was when she was here to support the change.

CHAIR COUCH: Okay. Members, any further questions? I have a couple. Alright. In, on page 2, condition 2, that consideration shall be given to generating renewable energy consistent with Hawaii Clean Energy Initiative goals. You talk about gas instead of electricity, and LED lighting. Is that LED lighting inside the units or is that also on your streets?

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MR. CHUN: You know, I don't...I'm sorry, Mr. Chair, I don't know the answer to that question but I could find out and submit a response in writing.

CHAIR COUCH: Sure.

MR. CHUN: I believe it's both but --

CHAIR COUCH: I would just --

MR. CHUN: --off the top of my head I don't --

CHAIR COUCH: --work, ask you to work with the Department of Public Works on that one because there are certain colors of LED lights that need to be taken into consideration both for the astronomy, for birds; in your case it's not gonna affect sea life as much but certainly the birds and the, you know, the seabirds that get confused by the lights and the astronomers. I just ran into an astronomer the other day and he was concerned about seeing that LED lights were permitted so they would really like to be consulted with that as well. So just be aware of that. Also on Page 4, item number 13...I'm sorry, not that one, the drainage...I circled the wrong one. Anyway you talk about drainage and I wanted to know if you're gonna, if you're working on doing low-impact design drainage. You know several people from the Department of Public Works and Department of Management and even Mr. Spence and I went to the mainland and Pacific Northwest and they had some really good low-impact design rain gardens and ways to handle the wastewater that sometimes, and they have a lot there, not the wastewater but the storm water that prevents it from going into the ocean or if it goes into the ocean it's going to be very, very clean. We're very impressed with that and I know the Department of Public Works is very keen on having that considered first. Are you considering that?

MR. CHUN: You know, unfortunately I'm not that conversant about the engineering for the infrastructure for the project but I will find out and again submit a letter in writing to provide you with background on our drainage design.

CHAIR COUCH: And we'd highly encourage that as well. And lastly, while I know you've done traffic impact reports and you meet the requirements of the traffic analysis, still want to stress the ability and possibility of doing a frontage road in front of, you know, right out of your project. I looked at a plan of your project and it looks fairly manini changes to have a frontage road come out right at the front of your project and come out at the light at Piilani Highway and Mokulele Highway and North Kihei Road. Highly request that you consider that one more time and maybe the County can work with you through the Budget Committee and see what we can do just to alleviate any potential concerns. You know, the traffic impact reports sometimes don't take into account the reality, if you look at Kaiwahine, that subdivision there, there are multiple, not just two cars per lot but three and sometimes four and sometimes five, so you have to take into account the reality of the situation, not the theoretical as well. So wanted, just to ask that you keep looking at potential ways to do that and because

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the potential's there. I realize that they've done studies and the studies say all you need to do is fix these intersections but both as a safety issue that the studies really don't take into account and just an issue of quality of life request that you take a look at that again. Members, any further questions? Comments from the Department?

MR. SPENCE: No comments, Chairman.

CHAIR COUCH: You need to put that...

MR. SPENCE: I like the new microphones. No comments, Mr. Chairman.

CHAIR COUCH: Okay. Members? Seeing no comments and that, the fact that we have some items that we're gonna have the Staff write a letter on your behalf, Ms. Cochran, or do you want to do it too?

COUNCILMEMBER COCHRAN: Sorry?

CHAIR COUCH: The letter regarding your concerns with the application, you want to work with Staff and get a letter from --

COUNCILMEMBER COCHRAN: Yes.

CHAIR COUCH: --the Committee? Okay.

COUNCILMEMBER COCHRAN: Yep.

CHAIR COUCH: And we'll send that to Housing and Human Concerns. So because we're gonna do that I would like to leave this item open just so we can get a report back from both so that the Committee is aware of what's going on. Any objections?

COUNCILMEMBERS: No objections.

ACTION: DEFER.


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CHAIR COUCH: Okay. So we will defer this item. And, Members, that's the last item on the list here. It was a big, you know, for the Planning Committee that's, four items is, usually takes forever, and we got it done before 11 o'clock, so I appreciate your due diligence and your comments. Thank you, Mr. Chun, for sitting in the hot seat and taking into our, taking our comments. All right. And thank you, Staff, for being here. Without any further ado, I think this meeting is adjourned. . . . *(gavel)* . . .

ADJOURN: 10:54 a.m.

APPROVED BY:


DON COUCH, Chair
Planning Committee

pc:min:160804:kt

Transcribed by: Kimberly Tabon

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CERTIFICATE

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

DATED the 26th day of August, 2016, in Kahului, Hawaii

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

Kimberly Tabon