

# **ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE**

**Council of the County of Maui**

## **MINUTES**

**March 29, 2019**

### **Council Chamber**

**CONVENE:** 9:03 a.m.

**PRESENT:** Councilmember Keani N.W. Rawlins-Fernandez, Chair  
Councilmember Kelly T. King, Vice-Chair  
Councilmember Riki Hokama, Member  
Councilmember Alice L. Lee, Member (in 9:05 a.m.)  
Councilmember Michael J. Molina, Member  
Councilmember Tamara Paltin, Member  
Councilmember Shane M. Sinenci, Member  
Councilmember Yuki Lei K. Sugimura, Member (in 9:39 a.m.)

**EXCUSED:** Councilmember Tasha Kama, Member

**STAFF:** Leslee Matthews, Legislative Analyst  
Yvette Bouthillier, Committee Secretary

Zhantell Lindo, Council Aide, Molokai Council Office (via telephone conference bridge)  
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)  
Mavis Oliveira-Medeiros, Council Aide, Hana Council Office (via telephone conference bridge)

**ADMIN.:** Michele M. Yoshimura, Budget Director, Office of the Mayor  
Erin Wade, Planner, Department of Management, Office of the Mayor  
Jeffrey Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

**OTHERS:** Fay Pacheco (Molokai Council Office via telephone conference bridge)  
Mahina Poepoe (Molokai Council Office via telephone conference bridge)  
Joseph Blackburn  
Jacob Verkerke, Chief Technology Officer, Department of Management  
Joe Myand  
Jonathan Starr  
Helen Nielsen  
Nicholas James Drance  
Nalani Kaninau  
Sunny Savage  
Nane Aluli  
Paul Deslauriers  
Ashley Lindsey

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

Colleen Rohozinski  
George Burnette  
Lawrence Kauhaahaa  
Morgan Gerdel  
Farron Cabral  
Kelly McHugh  
Marc Tolliver  
Kristin Holmes  
Peter Niess  
Saedene Ota  
Richard Dan  
Sean Housman  
Whitney Blyth  
Sandy Baz, Managing Director, Office of the Mayor (on behalf of Mayor Victorino)  
Jo-Ann Ridao  
Michelle Halcomb, Wai Bar  
Kaniloa Kamaunu  
Carolyn Wright, Director of Programs, Maui Academy of Performing Arts (MAPA)  
Mary Wagner  
Teena Rasmussen  
Terri Erwin, Owner, Perfection Bra Fitting  
Aileen Spenser  
Jeanne Skog  
Henry Lindo, Jr. (Molokai Council Office via telephone conference bridge)  
Others (10)

**PRESS:**     *Akaku: Maui Community Television, Inc.*  
              *Susan Halas, MauiWatch*  
              *Axel Beers, Maui Time*  
              *Kehaulani Cerizo, The Maui News*

---

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka kakou. Ekahi minuke o ka hola 'eiwa ma iwa kalua kumaiwa o Malaki i ka makahiki 'elua kaukani umikamaeiwa. E `oluolu mai, e ho`omalua ke Komike Ho`omohala Waiwai me Mo`ohelu Kala. `O wau ka Iku Ha'I o keia komike Keani Rawlins-Fernandez. I kea la me kou kakou ea Committee Vice-Chair and Council Chair Kelly King.

VICE-CHAIR KING: Morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member, Mike Molina.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER MOLINA: Aloha kakahiaka, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Riki Hokama.

COUNCILMEMBER HOKAMA: Hi.

CHAIR RAWLINS-FERNANDEZ: Aloha. Member Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member, Members Alice Lee and Yuki Lei Sugimura will be joining us a little later and Member Tasha Kama is excused. Oh and okay, mai ka Administration, we have Budget Director Michele Yoshimura.

MS. YOSHIMURA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. From Corporation Counsel, Deputy Corporation Counsel Jeff Ueoka.

MR. UEOKA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. Committee Staff, Leslee Matthews.

MS. MATTHEWS: Aloha, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha. And Yvette Bouthillier.

MS. BOUTHILLIER: Good morning.

CHAIR RAWLINS-FERNANDEZ: And at our District Office, offices, we have Ms. Mavis Oliveira-Medeiros at the Hana Office, Denise Fernandez at the Lanai Office, and Zhantell Lindo at the Molokai Office. Members, we have one item on today's agenda, EDB-76, Wailuku Civic Complex. I'm going to begin with a few opening comments, provide context, and explain a bit about the amended bills that are before us today before I open up testimony. I would like to first acknowledge and thank the MRA and the community members that have invested so much of their time and energy into conceptualizing and outreach for this project especially over the last couple of years. I'm aware that this project has a vast history and that it has morphed quite a bit since the '90s. A lot has changed since the community plan for Wailuku-Kahului was adopted 17 years ago in 2002, much has changed even in the last five years. Our community's needs have shifted as we have, as we seem to have reach critical mass in so many ways. I bring up the Wailuku-Kahului Community Plan because I am aware of its language and guidance pertaining to increasing parking and regarding the development of historic Wailuku Town, and I intend to honor and...that guidance absolutely. What I am recommending is balance and careful prioritization in our decision making and how we budget our finances, time, and

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

energy. With balanced vision, we can live up to expectation and accomplish many immediate needs. I've introduced four bills to amend the capital program budget for the adopted Fiscal Year '19 Budget by substantially reducing the Bond Fund. This is accomplished under the authority of Charter Section 9.65, which enables the Council to make capital program amendments at any time during a fiscal year. This is a Council action recognized and confirmed by the Corporation Counsel. I intend to recommend passage of two of the four bills today and defer the other two for the time being. For testifiers and members that are here today, I would like you to know that my intention today as always is fairness and responsible decision making. Community outreach and engagement is of the utmost importance. I believe the Administration has done a good job with community presentations and have been holding meetings fairly regularly; however, we should not ignore the fact that many in our community feel dismissed by certain County actions that have been made and many have questions that have never been answered. The intention behind withdrawing funding for this project after phase one, which constructs much needed infrastructure upgrades in the area, is to allow outreach and engagement, the authentic ability to pivot, if pivoting is what the community is asking for. With the project moving full steam ahead and at an approximate \$90-plus million investment, I know we can do much more with that kind of money to attain additional parking and office space as well as housing, resources for our houseless, mental health, and drug rehabilitation, and the myriad of other dire needs we are facing presently. So with that being said, let's begin. Testimony will be limited to the item on the agenda. To testify, please sign up with Staff. Testimony is limited to three minutes. If you are still testifying beyond that time, I will kindly ask you to complete your testimony. When testifying, please state your name and who you're representing. Please also indicate if you are a paid lobbyist. Let's first check in with our District Offices. Ms. Oliveira-Medeiros, will you please call your first testifier?

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

MS. OLIVEIRA-MEDEIROS: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka.

MS. OLIVEIRA-MEDEIROS: This is Mavis Oliveira-Medeiros from the Hana Office, there is nobody here waiting to testify.

CHAIR RAWLINS-FERNANDEZ: Mahalo. At the Lanai Office, Denise Fernandez, will you please call your first testifier?

MS. FERNANDEZ: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. FERNANDEZ: This is Denise Fernandez at the Lanai Office and there is no one waiting to testify.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Mahalo. Ms. Zhantell Lindo at the Molokai Office, will you please call your first testifier?

MS. LINDO: Aloha, Chair. This is the Molokai District Office. This is Zhantell Lindo. We have two testifiers. Our first testifier is Fay Pacheco on EDB-76 [sic].

MS. PACHECO: Good morning, Chair and Councilmembers. My name is Fay Pacheco, and I am opposing EDB-76. It's opposing the vertical portion of this project. I oppose spending our hard earned tax dollars on the project when there is far more greater priorities. Excuse me, my throat hurts. To name just a few, it's like affordable housing, infrastructure improvements, relocation, better disposal of our trash, and eliminate [sic] change, I'm sorry, climate change. This is just a few. My main focus and concern with these relocation of our kupuna housing called Home Pumehana on Molokai. It should be situated on higher grounds. The sea level rise issue is a big thing as it will affect our whole town. I do not support the EDB-76. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Members, are there any questions to clarify the testifier's remarks? Okay, we have one question. Member Shane Sinenci?

COUNCILMEMBER SINENCI: Yeah, so my question was, does she support, 'cause the writing of EDB-76 is to, I believe, to defund the project. So, is she supporting the defunding of it or is she opposing the defunding of it? I guess the wording.

CHAIR RAWLINS-FERNANDEZ: Okay. Were you able to hear the question?

MS. PACHECO: Okay, thank you. I'm opposing the...

CHAIR RAWLINS-FERNANDEZ: Do you oppose the defunding of the project or do you support the defunding of the project?

MS. PACHECO: Defunding support.

CHAIR RAWLINS-FERNANDEZ: Did you hear her? Okay, you support the defunding of the project.

MS. PACHECO: That's correct. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Ms. Lindo, will you please call your next testifier?

MS. LINDO: Yes. Our next testifier is Mahina Poepoe. ...*(audio feedback)*... Sorry. Our next testifier is Mahina Poepoe on EDB-76.

MS. POEPOE: Hi, this is Mahina Poepoe for EDB-76. I support the defunding of the Wailuku Civic Center project. I'm really cautious to speak about Maui issues. I know that's not my island, but the cost of the civic center will affect us all. This is so much

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

money, and I just, you know, I know it's tens of millions of dollars and the options of what we could do with that money are almost limitless, you know. And it might not be as glamorous, but there are way more pressing issues that we should focus on. On Molokai, we have our wastewater plant that the department deemed unacceptable and is operating over capacity, and we need to explore its relocation, and imagine how much progress towards our affordable housing goals we could make with even, like, a fraction of this money. There's critical infrastructure and properties on our shorelines on all of our islands that need to be planned for because of sea level rise. There are roads falling into the ocean, sewage seeping into the ocean. We have homeless that need our help. You know, what good is a fancy new building when we have sewage leaking into our ocean? It seems, you know, it's kind of embarrassing and out of touch when I think about it that way. We need to fix what's broken first. You know, you don't go buying a new car every time it runs out of gas or you get a flat tire. There's just so much more that we could be doing with this money across the County and it should be reallocated to our most critical issues rather than being dumped into a single and frivolous vanity project. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Members, need for clarification? Okay, seeing none. Mahalo for your testimony. Ms. Lindo, do you have any other testifiers?

MS. LINDO: No, Chair, we have no more testifiers at the Molokai Office.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Okay, Ms. Matthews, will you please call the first testifier in the Chamber?

MS. MATTHEWS: Yes, Madam Chair. Our first testifier signed up is Joseph Blackburn, testifying on EDB-76.

MR. BLACKBURN: Good morning, Council Chair and Members of the Committee.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. BLACKBURN: My name's Joseph Blackburn. The Blackburn ohana's roots are in Wailuku. Our children went to Wailuku Hongwanji, Wailuku Elementary, Iao School, and Baldwin. As a police officer, I remember being surrounded and responding to the parking lot when we had difficulty with issues there. Those issues still remain. It hasn't changed in 25 years. There are not...many not nice things go on there. As a firefighter, I fell through the roof or the ceiling of the Old Elks Club. So, I'm pretty familiar with Wailuku. It's very difficult to do business in Wailuku. Some of the recent moves are failures: Aria's, Juan's Kitchen, Maui Thing, If the Shoe Fits, the list goes on and on. Being a small business on Maui is extremely difficult, but without business and especially small business, no taxes, and government suffers. Small businesses need help to survive. We've been at the Old Gilbert's, right at the corner of Market and Vineyard for ten years. We are one of the very few small businesses left that manage homeowner associations. What's happening is the small companies, they're all being built, bought out, I'm sorry, and the world is becoming more and more corporate. Wailuku Town is one of the few bastillions still of small business.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

The only anchor left in our areas is First Hawaiian Bank. Bank of Hawaii left. The Wailuku Civic Center will help our area revitalize. Funding only 17 million or 26, whatever, you know, number you want to come up with at the end of the day. Basically, the rule of thumb for any construction project is planning is 10 percent of the project. So, if we're already looking at defunding \$90 million we've already spent \$9 million, and that's probably a very conservative estimate because this is not the first time that this particular area has come up with plan. So, my estimate is somewhere in the area of 15 million has been spent, so we can go ahead and say, well, we can spend money elsewhere but that's \$15 million down pretty much the tube because we're gonna go back and do something different, yeah. The current plan is the best I have seen. It was reviewed and vetted to our community. What will be the total cost of rescinding contracts and doing more plans? We need to look at these numbers. We should not be changing budgets and plans at this juncture in the process. Our main concern should be parking during construction and small business survival. Here is where our attention should be, helping the existing small businesses survive during the construction of the civic center. I have four employees including myself who work hard every day, and it is very difficult to take time off to testify. Can I continue? I got about 30 seconds.

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. BLACKBURN: Okay, where was I...our front door looks out the public parking lot and we see a lot of what goes on in Wailuku Town. I love the area, but we need to move forward. Change and development on Maui will always have detractors, but this change will prove to be the first step in making Wailuku a place to visit, shop, dine, and enjoy the arts, helping small business survive in Wailuku and widening our tax base. Anyway, I did something for Hoolehua Fire Station, when I was in the Fire Chief's Office, and one day I'd like to tell you how I helped your community with a very out-of-the-box situation. So, please help my community. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, mister...

MR. BLACKBURN: And I do not support defunding.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Blackburn.

MR. BLACKBURN: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Members, do you have any clarifying questions for the testifier?

VICE-CHAIR KING: I have a question.

CHAIR RAWLINS-FERNANDEZ: Member King?

VICE-CHAIR KING: Thank, thanks for being here, Mr. Blackburn.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MR. BLACKBURN: Okay.

VICE-CHAIR KING: Are you aware that the defunding bill is only for the vertical piece, that the original piece of the infrastructure has already been funded and that's not what we're talking about today?

MR. BLACKBURN: Right. What I'm...

VICE-CHAIR KING: So, we're not talking about defunding --

MR. BLACKBURN: Yeah.

VICE-CHAIR KING: --the entire 80 million.

MR. BLACKBURN: Right. Well, what I'm concerned about is what is the real cost of stopping this? What is the real cost of saying, okay, let's go back to the drawing board? I think we really have to have somebody come up with how much we've really spent to this date to get to this point in time.

VICE-CHAIR KING: Okay.

MR. BLACKBURN: That's a real concern for me, 'cause that's a lot of money.

VICE-CHAIR KING: Okay. Yeah, no. I think there's confusion about what is being already funded and what has, you know --

MR. BLACKBURN: Right.

VICE-CHAIR KING: --what has been designed that we're all, we're gonna go ahead with.

MR. BLACKBURN: Right.

VICE-CHAIR KING: Okay, thank you.

MR. BLACKBURN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Any other questions? Okay, mahalo, Mr. Blackburn.

MR. BLACKBURN: Can I ask one more question? Have contracts been awarded?

CHAIR RAWLINS-FERNANDEZ: So, we'll...we can...we'll ask that question later.

MR. BLACKBURN: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay.



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MR. BLACKBURN: All right. Well, thank you very much.

CHAIR RAWLINS-FERNANDEZ: Okay. Thank you, Mr. Blackburn.

MS. MATTHEWS: Madam Chair, next testifier is Jacob Verkerke, testifying on behalf of IT Service Division on EDB-76, to be followed by Joe Myand.

MR. VERKERKE: Good morning, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. VERKERKE: Good morning, Members of the Council. You may wonder why I, in my capacity as Chief Technology Officer for the County of Maui, am testifying on this, and I am too. I got my wires crossed. I'm at the wrong meeting. I have no testimony for you, so I'm here just to give you three minutes of your precious time back. So, thank you for that.

MS. MATTHEWS: Madam Chair, our next testifier is Joe Myand to be testifying on behalf of Market at Merchants on EDB-76, to be followed by Jonathan Starr.

MR. MYAND: Aloha, everyone.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. MYAND: I'm here to present to you the Iao...

CHAIR RAWLINS-FERNANDEZ: Mr. Myand, will you please bring the mic a little down to...yeah, thank you.

MR. MYAND: I'm here to present to you the Iao Theater parking lot petition. The County wants to change our parking lot from 12 hours to 2 hours. This will affect two banks, public defenders, sporting good, the Market Street merchants, and around 50 percent of those affected are women. If this project goes forward, this would affect around 1,000 people. Calvary Chapel has 300 in their congregation. Good Shepherd Church, Episcopalian, and the New Hope, which congregates at the Iao Theater would all be affected. The County also wants the Iao Theater to do valet parking for 400 people. I don't think they're doing the numbers of how many people are affected by such a small change. But I'm a Vietnam veteran, I'm handicapped, they would want me to park at the Wells baseball park and walk two blocks rain or shine, and this has a cascading effect. So, I'm for the defunding. I think this is a important project but this might not be the proper time. That's it.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Members, do you have any clarifying questions for our testifier? Okay, seeing none, mahalo for your testimony today.

MR. MYAND: And I have the petitions here.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

PunCHAIR RAWLINS-FERNANDEZ: Okay, and while you're doing that, I'll acknowledge that Councilmember Alice Lee has joined us. Mahalo, aloha.

MS. MATTHEWS: Madam Chair, our next testifier will be Joseph...Jonathan Starr, testifying on EDB-76, to be followed by Helen Nielsen.

MR. STARR: Good morning, --

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. STARR: --Committee Chair Rawlins-Fernandez, Vice-Chair King. Thank you for being here and thank you for really looking into issues that are important and appreciate that effort strongly. My name is Jonathan Starr. I'm a major commercial property owner in the center of Wailuku. We bought our properties between 20 and 25 years ago after I sold a business in New York City and really we've been in love with Wailuku for many decades and feel that it's a place that really has a great past and has a great future, and if some organic and operational problems can be solved then it will really be the place where people on Maui gather and where we go for dinner, we go for arts, and also retail. We've been involved with this process for the parking and for rehabilitating Wailuku for several decades. I distributed the Goodwin Consulting study done by Goodwin Consulting Group, Dave Freudenberger, who many of you have heard present on Maui at, when, you know, several conferences he's presented as well. They're the main consultants for bond finance, civic improvement projects in the western half of the country, and if an analysis of the, their draft report, fiscal analysis of fiscal and economic impacts it becomes clear, first of all, that the money that will be spent bonding this project it will never go toward any other function. It's not something that can be reused for affordable housing or anything else, but it's money that over long term is created by the effects of the project, in other words, getting real estate and business to be more functional in Wailuku and that after about the first five years rather than the bonding for this project costing the County money it starts to make money for the County, so it's a plus. There's been a lot of planning process going on. This project is the implementation stage of the community plan, the Wailuku Redevelopment Area plan, and, you know, a number of other processes that thousands of people have gone through over the years, you know, to remove the implementation of the community plan is a statement that, you know, one would not want to actually follow the community plan. So, please keep the funding. I'm against defunding it. Read the Puna market-based studies, the 2010-2017 update of that and understand that the community of Wailuku is really vested in this project and it will transform the town to the place where it becomes functional. Commercial property is not functional in Wailuku and it's struggling. Thank you, mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Starr. Members, do you have any questions for our testifier? I have one question, Mr. Starr.

MR. STARR: Yes, ma'am?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: So, the analysis of fiscal and economic impacts that you handed to us, it says draft report, dated April 13, 2018, and we received another analysis and this one is the administrative draft report, dated April 19, 2018. Do you know if there are any differences between the two reports?

MR. STARR: No idea.

CHAIR RAWLINS-FERNANDEZ: And if you don't, I can ask Ms. Wade.

MR. STARR: This is the one that's come from the County website. I don't know if there was ever the final version of this posted or not, but this is the one from the County site.

CHAIR RAWLINS-FERNANDEZ: Okay, alright. Thank you, Mr. Starr. Thank you for your testimony. Ms. Matthews?

MS. MATTHEWS: Madam Chair, our next testifier is Helen Nielsen testifying on EDB-76, to be followed by Nicholas James Drance.

MS. NIELSEN: Good morning, Chair. Good morning, Councilmembers.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. NIELSEN: Thanks again for the opportunity to talk about this. I'm testifying against the defunding of the parking structure. Yeah, we've...this has gone through so many years and so many, many people contributing to the final design of this project, and it scares me that in less than four months, you know, some folks have made the decision to just disregard all of it and just cancel it. And, you know, there's a lot of people who, some of the biggest opponents of this project have been to every one of those early meetings and they understand how much public input has been taken. And for this body to just say, oh, let's forget about it now. You know, where's our faith in the community plan? Where's our faith in the community process? There's been so much disinformation about this, the funding for this project as if it's taking away from something else and it's not. It's economic development, and it's a much larger project than the 12 months that it's gonna be inconvenient for people in the making of this project. It's an economic development to try to provide jobs and a place, a sense of place for the tens of thousands of people who have built their homes around this community. There's been so much, so many housing developments. This population has grown tenfold and yet everyone has to run down to Kahului or to Kihei to have dinner with their family. I don't understand the opposition to improving an old town's infrastructure when the population has grown, and it's serving the needs that are so relevant today. So, I really implore that you really reconsider this. It was just a little bit unusual that you've already made your decision, Chair. You said at the end of this meeting you're going to do this before even accepting testimony, and I don't know if my testimony means anything because I've done it for so many years and now it's just, I'm just being disregarded, but that's just me. I appreciate your time now. Thank you.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Members, do you have any questions for the, our testifier?  
Okay. Ms. Matthews?

MS. NIELSEN: Yes? I'm sorry.

CHAIR RAWLINS-FERNANDEZ: Oh, no, no. I'm sorry.

MS. NIELSEN: Oh, I'm sorry.

CHAIR RAWLINS-FERNANDEZ: No questions.

MS. NIELSEN: Someone was waving --

CHAIR RAWLINS-FERNANDEZ: Sorry, Ms. Nielsen.

MS. NIELSEN: --me back here.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Our next testifier is Nicholas James Drance testifying on behalf of the Maui Miracle on EDB-76.

MR. DRANCE: Aloha, Council. Good morning. Nick Drance, I live in South Kihei. Twenty years ago, I made Miracles on Maui website, which talks about the sacred nature of this island and that's what brought me here. Some of you might think themauimiracle.org is about some dreamy woo woo thing, let's get along, the new dawn, embrace change, kumbaya. Well, actually today I'm wearing my business hat. I've been a business owner for 20 years, in executive capacities for another ten years beyond that, and that's why I looked at the financials of this project that came from the Planning Department. In the end, everything comes down to business and that's the foundation of the Maui Miracle, preserving the long-term economic, cultural, and environmental sustainability of the island. They all go hand in hand. You can't have one without the other. That's the headline of the Maui Miracle website. From the economic side, this project is a disaster. It's a big risk that depends on developers from the mainland and Honolulu building just about 1.5 million square feet of stuff. That's broken down into 913 housing units at half a million, 543,000 square feet of commercial space, mostly at 500 a foot, and I think that's, I think we have about half that much in empty commercial space right now in the island, that's my guess. The project...that's...if all that doesn't happen, we lose because that's how this project is funded is with all that additional development. If it does happen, we have another \$50 million in interest cost. The projections require 30 years of continuous construction until 2048. I won't live that long, but I sure as hell don't want to spend my final years watching all that commotion. I'd rather see the island so advanced in clean energy and responsible agriculture, good paying jobs for young people that go with that, so they can stay on our island. I'd rather recognize the fact that we're guests on a land that we took and sucked every single dollar we could squeeze out of it since then, not to mention, we do it every day today. This project would never fly in

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

the business world. It's too risky and it's not worth it. I don't think very many people in Wailuku are ready for half million-dollar mortgages and we don't need to worry about small business owners 'cause they won't be here anymore. So, one of the many collateral costs is the loss of a town and a place for its residents to live, but that falls under the cultural sustainability section of preserving long term sustainability of economic, cultural, and environmental. Another cost is the things we can't do because we borrowed all that money, that speaks to environmental sustainability. The State of Hawaii sea level rise report shows which highways will be flooded and which beaches will be gone unless we move or rebuild them to higher ground. By the way, shipping sand to Honolulu is really unforgivable primarily for this reason. Chair, 30 seconds, 20 seconds, --

CHAIR RAWLINS-FERNANDEZ: Thirty seconds.

MR. DRANCE: --please? Thank you.

CHAIR RAWLINS-FERNANDEZ: Please.

MR. DRANCE: Another cost is not providing low-interest loans to homeowners to address our 22,000 cesspools that inject raw sewage into the aina. Year before last, the State of Hawaii said the ones above the Upcountry aquifer are a priority. Long-term sustainability shouldn't require a miracle. No one can force an island to self-destruct, and this project is a major step in financial, cultural, and environmental...I'll speed through this. The people in the Planning Department learned a lot. They're very good. Last, let's remember by the time our children's children are our age Maui will be well on its way to becoming two islands. Let's not rearrange the chairs on the Titanic, let's build a new ship, that's not a miracle, it's smart business. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Drance. Members, do you have any questions for our testifier? Seeing none, mahalo, Mr. Drance, for your testimony today.

MR. DRANCE: Okay. And there's copies of the Planning Department's spreadsheet along with my testimony. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Ms. Matthews?

MS. MATTHEWS: Our next testifier is Nalani Kaninau testifying on EDB-76, to be followed by Sunny Savage.

MS. KANINAU: Good morning, Chair. Good morning, Council.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. KANINAU: And thank you for this opportunity. My name is Nalani Kaninau. I'm testifying on behalf of myself. I'm also a member of the Commission on the Status of Women. And I want to support the defunding of the Wailuku Civic Complex. And while I have seen the proposals and the development, pictures, and it all looks so

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

lovely on paper and because we're gonna get a 7,500 foot festival plaza, and I've heard a beer garden and, you know, I'm thinking that like the callers [sic] before me, I'm more concerned about the needs of our community. I'm concerned about the needs of those least among us on all of our islands Maui, Molokai, Lanai. We have a riot in the prison because it's overcrowded. We need to offer people living in our community an opportunity for a life that's just healthy and simple. You know, I work in the visitor industry, I've worked in the visitor industry all of my life. I moved to Maui in 1980 when they opened the Hyatt Regency Maui in Kaanapali, and I think that we've had development galore. And I don't know that this economic developments...benefits who? I don't know that our citizens aren't...our village is leaving in droves because they can't afford to live here. We need people to not become so despondent and despair and slip into addiction and end up in prison and we need a healthy community, which is the basis for our life here and without that we're nothing. Without a healthy community, what's the point? We are a luxury community, is been enjoying great success while those least among us are declining and it frightens me. So, I appreciate this opportunity for us to refocus, you know, what our priorities need to be. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Kaninau. Members, do you have any questions for our testifier today? Okay, seeing none. Mahalo for your testimony. Ms. Matthews, will you please call the next testifier?

MS. MATTHEWS: Yes, Madam Chair. Our next testifier is Sunny Savage testifying on EDB-76.

MS. SAVAGE: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. SAVAGE: Aloha. Thank you for receiving what I have to say. I had a permanent bed and breakfast for a few years and during that process there was a lot of notification to the community and people had to receive letters and I live three blocks from here. I'm a homeowner. I also had a small business one block away from the proposed development area. And, you know, I keep receiving, you know, these letters like, oh, you have a possible bed and breakfast in the neighborhood, and I've never received one letter about this development project. And I really felt like although I lived on the North Shore for ten years having been here for the last two years and being involved in the community I just really felt like I was unaware of kind of the breadth of how big this really is and how large the amounts of money that we're talking about really are. So, with that I would just say that I'm in support of so many things and I'm really happy to see that the infrastructure improvements are still on the table, and, you know, I'm really for increasing our budget around education. I'm really for increasing our budget spending around, issues around climate change and education, and there's so many needs in our community that I am definitely in support of defunding this and redirecting some of the priorities and focus. So, that's all I have.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Savage. Members, do you have any clarifying questions for our testifier? Okay, seeing none, mahalo for your testimony today. I'd like to acknowledge Councilmember Yuki Lei Sugimura joining us.

COUNCILMEMBER SUGIMURA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Yes, Madam Chair. Our next testifier is Nane Aluli testifying on EDB-76, to be followed by Paul Deslauriers.

MR. ALULI: Committee Chair Rawlins-Fernandez and Councilmembers, aloha kakahiaka and good morning.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. ALULI: My name is Nane Aluli, and I am here this morning to testify in favor of the Wailuku Civic Center Complex. I come before you as a Wailuku homeowner and the trustee of my grandfather's trust, which owns property on Market Street. I have lived on Maui for 20 years now and in those 20 years there has been continuous discussion about the need for parking in Wailuku to help the small business community and also to provide parking for the daily working population. I feel the growth of small business in Wailuku will help to enhance the historical nature of this beautiful capitol of Maui County. A new Wailuku Civic Center will provide a gathering place for citizens of Wailuku. If this project had been built ten years ago, today we would be enjoying the fruits of that foundation. I would ask that this Committee vote favorably for the funding of the Wailuku Civic Complex, so that ten years from now we can experience the fruits of that you have planted. Mahalo for your time and your willingness to serve our Maui County.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Aluli. Members, do you have any questions? Member Paltin and then Member Sugimura.

COUNCILMEMBER PALTIN: Thank you, Chair. I just was wondering...I didn't catch it if you're testifying as an individual.

MR. ALULI: As an individual, yes.

COUNCILMEMBER PALTIN: Okay, thank you.

MR. ALULI: You're welcome.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER SUGIMURA: Thank you. Appreciate this clarification 'cause I think I read something in the newspaper article that you were not in favor of this, so you're saying you're in favor of the Wailuku Civic Complex --

MR. ALULI: I am.

COUNCILMEMBER SUGIMURA: --Center Complex?

MR. ALULI: I'm in favor of keeping the funding in place.

COUNCILMEMBER SUGIMURA: And you have...your family owns from Request Music all the way down to...

MR. ALULI: From 10 Market to 52.

COUNCILMEMBER SUGIMURA: And that's Bird of Paradise, right?

MR. ALULI: Correct.

COUNCILMEMBER SUGIMURA: So, your family is in support of this for your merchants --

MR. ALULI: Yes.

COUNCILMEMBER SUGIMURA: --also? Okay, thank you. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Any more questions?

MR. ALULI: Thank you, Council and Chair.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo for your testimony today. Okay, Ms. Matthews?

MS. MATTHEWS: Our next testifier is Paul Deslauriers testifying on behalf of Maui Pono Network, to be followed by Ashley Lindsey.

MR. DESLAURIERS: Aloha, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. DESLAURIERS: Aloha, Committee Members. My name is Paul Deslauriers and I'm with the Maui Pono Network. I want to testify in support of the defunding, and I think it's so important that right now there's an opportunity to look at it through an entirely different lens and with this whole new perspective of having all of these new County Councilmembers come in. My hope is that as you look at it from a different perspective that there be unity among all of you in this decision to defund and to utilize these vital resources for so many other things that we desperately need here. I



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

heard so many of you during the debates talk about the importance of affordable housing, dealing with the homelessness issue, dealing with issues of concerns along the coastline, about sewage, and there's so many things that certainly our community desperately needs. And my hope is as you refocus and relook at this in perspective of all of these needs that we have on our island that you all in unity come together and say, you know what, we need to reevaluate this. Yes, it was done during another Administration, but now that we have another opportunity to look at this my hope is that the unity that happened when we were in, shortly after the elections in Kihei there was a sense of unity and connectivity that was so important. And my hope is that on this issue that I think so many people are saying that, wait a minute, we don't want just a few people to benefit, we want our entire community to benefit. It's important I think that it would be a message to our entire community that, yes, you are for the aina and for the people and that you want to support that, not the good ole boy network type issues that have been facing this island for so long. This is an opportunity right here to break that pattern, especially if you come together as a unit, come together as community and supporting that. And if the people of the community see that, it'll go a long way, I think, in sending a very positive message of what, as a group, you all stand for. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Deslauriers. Members, do you have any questions for our testifier? Seeing none, mahalo for your testimony today. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Yes, Madam Chair. Our next testifier is Ashley Lindsey testifying on EDB-76.

MS. LINDSEY: Aloha, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MS. LINDSEY: Aloha, Members. Sorry, this is my first time testifying.

CHAIR RAWLINS-FERNANDEZ: Deep breaths.

MS. LINDSEY: My name is Ashley Lindsey. I'm a Wailuku resident, and I can trace my lineage back 15 generations on Maui. I also serve as the Vice-Chair of the Maui Redevelopment Agency and the President of Maui Historical Society. Growing up on Maui, I see changes and, honestly, all of them are really hard to take. I see sprouting development across Lahaina, Kahului, Wailuku, and all of it breaks my heart. Going into Haiku Town, Paia Town, Kihei Town, or Lahaina Town and seeing not a single recognizable face just reinforces the heartbreak, but Wailuku is different. Many of the nearby houses are being sold to young, local kamaaina families because it is central and more affordable than other places on the island. On any given day, there are recognizable local faces passing by using the State, County, Federal services, stopping in for lunch, shopping in a small business down Market Street, or headed to work. Wailuku is a bustling local community. Unfortunately, it is hard to find parking and even I am guilty of using bank parking for, or the loading zone to get coffee from

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

Wailuku Coffee Company or an acai bowl from Farmacy. Parking is essential to the growing needs of Wailuku Town and the time is now. Wailuku is still growing. There is a growing transient community thanks to the hostels. People need to park and stop and support the local Wailuku businesses, use government services, and even need to just park to go to work. But the parking complex is more than just parking, there are plans to upgrade electrical, fix flooding issues, community space, places to eat lunch, to host events, art area shops, and even a play area for kids was thrown around. Thank you for your time.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Lindsey. Members, do you have any...okay, Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you very much for testifying. And so, your grandpa is Ed Lindsey?

MS. LINDSEY: We're cousins.

COUNCILMEMBER SUGIMURA: Cousins.

MS. LINDSEY: I come a different line of Lindsey's.

COUNCILMEMBER SUGIMURA: Thank you for the work your family has done for the community. Thank you for being here.

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Yeah, I want to thank you for being here. And also, if you're on the MRA, the Redevelopment Agency, so you understand that the parking has been funded. That's not what we're talking about defunding.

MS. LINDSEY: Yeah.

VICE-CHAIR KING: Okay, just wanted to make sure you were clear on that.

MS. LINDSEY: It's a plan, a complete plan.

VICE-CHAIR KING: Well, the parking part has been funded, so.

MS. LINDSEY: Yeah.

VICE-CHAIR KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Any other questions, Members? Okay. Mahalo, Ms. Lindsey, --

MS. LINDSEY: Thank you.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: --for your testimony today. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Our next testifier is Colleen Rohozinski testifying on behalf of...she's an individual testifying on behalf of herself and on EDB-76, to be followed by George Burnette.

MS. ROHOZINSKI: I'm Colleen Rohozinski and my husband and I have had a small business on Market since 1993 and now on Central, so that's 26 years of being in the area, although I've lived in Lahaina, I've lived Upcountry, and now I live on Sandhill. No one past 50 wants to be accused of being anti-progress or against development. So, I've been particularly careful in my observations canvassing Maluhia, Central, my neighborhood on Sandhill, and in the past three months when this was brought to my attention with the *Maui Times* article not with the online and all of that 'cause I don't go online. I've been assessing. NPR says State of Hawaii comes in with a D+ for infrastructure, which doesn't surprise me. If I personally have to go out and help direct traffic away from a water main break on Central Avenue because there's insufficient man power after I call the Water Department, maybe they're shorthanded. If after a month of inquiries with Police Department and Health Department, I cannot get a response to help with a homeless encampment on Tin's Place in Wailuku. If I witnessed increased car accidents at Vineyard and Central, several losses of driver's rearview mirrors, flattened tire on parked cars due to vehicular traffic, it tells me our roads are stressed. I can...I feel for Councilmembers because of testimony today. I'm finding myself feeling sympathetic to everyone, all the time that's spent, but that doesn't mean we need to roll forward with this project that's gonna be more impactful and perhaps not what our community as a whole needs. Certain development processes think that's the answer, but we've been doing that for over 50 years. Hawaii Business Bureau has sold Hawaii to the max. We're doing well with money and places, but right now, I think it's time to really look more carefully and think more deeply for the future. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Rohozinski. Members, do you have any questions for our testifier? Okay, seeing none, mahalo for your testimony today.

MS. ROHOZINSKI: Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Yes, Madam Chair. Our next testifier is George Burnette testifying on EDB-76.

MR. BURNETTE: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. BURNETTE: Good morning, Council. My name is George Burnette. I'm a resident of Wailuku. I'm testifying in favor of EDB-76. I would like to take some of my time,

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

maybe I won't finish what I'm saying. As soon as I walked into the Council Chamber, I met somebody I have great respect for. I've worked with him on going out to the homeless. He's a former police officer and he's in favor of this. He's very involved in what's going on in Wailuku Town, and so I have great respect for that. And I sit next to one of my neighbors who has a business in Wailuku Town, he's also in favor of this. So...and then another neighbor Nane Aluli, who's a great friend of mine, is also in favor of this. So, I'd like to take some of my time to pay respects to those who are in favor with going on with this project. But we each have our three minutes or now two, so my 2 cents. I really like Wailuku Town. I go there maybe two, three times a month. I'm just wondering, I tried to pull up pictures what this would look like and I had a few. They're all a little bit different, but I was trying to picture what these new buildings would look like surrounded by the old buildings from the '40s or '50s of Wailuku Town, I just wasn't able to picture how this was actually gonna look good. That's kind of a small point. When I go there, I...the parking certainly is not plentiful and you could say it's a problem, but I've always been able to park. So, maybe if I know there is an event going at Iao, I'll park maybe farther away and have to walk a little bit. I don't think the parking there is extreme a problem, although, my neighbor who has a business there says he does lose business because of parking. I really don't like the idea of paid parking. It's something I can easily afford, but my understanding of the situation in Maui there's people who having to pay a few dollars for parking does matter. I'm very opposed to the paid parking. I think this is a lot of money to spend compared to the overall budget and one of the testifiers here said this is, you're too quickly changing the plans here. I thought it was a little too quick to fast track this in December. I was opposed to that happening. I also think this is somewhat out of the scope of a government's role. Basically, you're putting \$80 million into a construction project that has no apparent, at least, immediate return. It was suggested maybe years down the road there would be some return on this, but I don't see any immediate return on this project for the County. And I talked to the Mayor's Office, they actually suggested that perhaps some private sector funding should be appropriate for this. Boy, I'm down to my 30 seconds. I talked to the Mayor's Office. They told me there would be approximately a \$2 million a year expense on just the principal and interest of this debt. In addition to this, Councilmember Rawlins-Fernandez, your office told me there would be an additional \$6 million annual expense for maintenance. So, that's...let's say this project was built that's an \$8 million expense a year. I'm comparing that to the Mayor's Budget of \$10.1 million a year for affordable housing. So, I agree with the other testifiers, there's a lot of need for this money other than this project, so thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Burnette. Members, any questions for our testifier? Seeing none, thank you so much for your testimony today. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Yes, Madam Chair. Our next testifier is Lawrence Kauhaahaa testifying on behalf of EDB-76, to be followed by Morgan Gerdel.

MR. KAUHAAHAA: Good morning.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. KAUHAAHAA: I'm testifying in support of them continuing and completing the project. You know, Wailuku Town is dying. You go out there and look at these businesses that are boarded up and closed up, Wailuku Town is dying. In my time here, I've seen people come with their hopes and dreams, putting up a shop, decorating and investing money in it, and to see 'em six months, a year later closing up, leaving, dejected, sad, and broke. But beyond just Wailuku Town and Market Street, what we kind of, you know, envision as Market...as Wailuku. This entire area is Wailuku Town and it speaks to the ability or the inability of government to support a town. When you come to Wailuku, which is the hub of our local government, it should be thriving. It should have people coming different times a day and night and enjoying their town. I think this investment goes beyond just Market Street or Wailuku. I think it will support the rest of the community. You know, somebody coming from Kokomo to do business should be able to find parking and not have to park illegally or get a citation. It's, to me, as simple as just creating more parking. And, you know, I don't see any of the real negatives that would come with that. I think it will improve the town and make it more viable. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Kauhaahaa.

MR. KAUHAAHAA: Yeah.

CHAIR RAWLINS-FERNANDEZ: Members, do you have any questions for our testifier? Okay, seeing none, thank you for your testimony today. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Yes, our next testifier is Morgan Gerdel testifying on EDB-76, to be followed by Farron Cabral.

MR. GERDEL: Aloha, Chair--

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. GERDEL: --and Committee Members. My name is Morgan Gerdel. I'm an architect and homeowner and business owner, both in close proximity to the Wailuku Civic Complex site. I'm here to testify today because Wailuku is in need of investment. We're a community with a lot of potential, but we struggle with inadequate infrastructure and our existing buildings need improvements to attract businesses and customers. My office at the MDG Building on Market and Main has a number of long-term vacant spaces at the street level, and I can see the store fronts are too much of a risk for businesses to take on without parking and access for their customers. Near my home at the corner of Vineyard and Church Street, there are a number of large vacant buildings in need of repair and reinvestment. As an architect, I've worked on literally hundreds of projects over the past 20 years, and the common element they all share is a leap of faith for the owner to build. The design effort is an attempt to address that risk, find the best solution for all the concerns and the future use of the project. The

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

Wailuku Civic Complex may not be able to meet everyone's expectations for Wailuku's future, and I wouldn't expect it to since that's an impossible task. What it can do is improve safety and access around the site, provide much needed parking to businesses and properties that have no means of developing their own, and give property owners confidence to invest in revitalizing Wailuku. Years of planning and public input have gone into the current design. And while I welcome comments and constructive criticism of the plan, it would be a mistake to delete the project at this stage. I understand there's criticism of the project cost of the Wailuku Civic Complex, but it's important to understand that we indirectly pay these costs every time we drive to a business. A surface level parking spot costs about \$20,000 to build, which the owner will recoup through their customers. The intent of the civic center project would be an investment and support of Wailuku's businesses that can be recouped through additional property tax base and a revitalized town that Maui's residents and visitors can enjoy. And also just want to highlight that public parking has a higher value than private parking because it will be used by all of the residents, customers, and business owners in Wailuku. So, it's more than just developing a private spot on a private lot. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Gerdel. Members, do you have any questions for our testifier? Okay, seeing none, thank you so much for your testimony today.

MR. GERDEL: Thank you.

MS. MATTHEWS: Our next testifier is Farron Cabral, followed by Kelly McHugh.

MS. CABRAL: Aloha, my name is Farron Cabral. I'm just a concerned citizen and a Wailuku resident. And first of all, I just want to really say mahalo to the County Councilmembers. I see you guys just really hearing our voice and speaking for us and many of you are really, you know, taking our concerns serious, and I just really appreciate that so much. First of all, I wasn't planning to speak about this but just hearing what everybody saying, you know, Wailuku is dying. You know, that's kind of the problem in Maui in general. Everywhere is struggling, everywhere has vacancies. You know, so to just say that Wailuku has this problem I think that's incorrect, and I think it's misleading. You know, everybody says we need more parking, but like the other gentleman said, I've never had problems finding parking in this area, and I visit at least once a week. Sometimes it's, you know, you have to drive around, you have to get creative, but I've never experienced problems. Okay, now to my real speech. I'm in support of the amendment to defund the parking structure and the civic center. I've provided two articles that have recently been published. The first one is called, Hawaii at a "tipping point" of overtourism, travel experts claim. You know, this was published and done by the University of Hawaii. So, I'll read a short excerpt. In a paper published by the University of Hawaii, researchers claimed that tourism in Hawaii has hit a so called tipping point of over tourism as increasing numbers of annual visitors are reportedly on the brink of overwhelming the island state's resources, damaging the quality of life for residents, and negatively impacting general economic vitality. So, one of the things that I've read a lot on rewailuku.org is that, you know, I think the main thing is they want to attract tourists. They want the area to be like Kihei,

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

Lahaina, and Paia and, to be honest, that's just appalling because this is a place where, like people said, this is where local citizens go, we don't want necessarily an influx of tourist in this area. But also if that's the case that they're depending on so much tourism, it's just going to further deplete the resources and it's not sustainable. Let's come up with a better plan that has less impact to our island. Let's keep it beautiful and desirable for folks. The second article that I passed out or somebody passed out for me was about the Hawaii Convention Center. So, this is also, you know, a State building and it's 20 years old and currently it's in need of a \$50 million repair. There's lots of repairs that are needed for this area. You know, so I see the projections out in [rewailuku.org](http://rewailuku.org) are that we'll have so much revenue, you know, coming in 20 years, 25 years, but what are the costs? What are the costs 20 years from now from this building? You know what I mean? What impact is that going to have in the future? Have we planned for that? I don't see that on the website. You know, maybe I'm not looking at the right place. You know, that's fair. So, I just don't think that Maui has a demand for this. You know, and I think that we need, just need to get more creative 'cause Maui's unique. There's a lot of multicultural families. So, again, I'm in support of defunding.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Cabral. Members, do you have any questions for our testifier? Seeing none, thank you so much for your testimony this morning.

MS. MATTHEWS: Our next testifier is Kelly McHugh, to be followed by Marc Tolliver.

MS. McHUGH: Good morning, Chair and Councilmembers.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. McHUGH: My name is Kelly McHugh. I'm a non-profit specialist working in Wailuku and a Wailuku homeowner, and I support funding the Wailuku Civic Complex. This is an economic development project. Money is invested to make new money. These are not dollars falling from the sky. There's a large group of smart, dedicated, strategic, thoughtful, inclusive people working on this, and there have been 47 public listening sessions to apply input. Change is scary because it's new. I believe this process has been so respectful of Wailuku's history and storytellers and that this change can be a beautiful and successful collaboration. The complex provides opportunities just like the community asked for to share arts and to engage in a cultural exchange. This builds social networks, community identity and pride, diversity, tolerance, and free expression, and fosters creativity that spurs economic growth in creative industries. A Federal grant, the National Endowment for the Arts, the holy grail of public arts funding, selected Wailuku as one of 60 places in the nation to fund a collaboration between government, NGO, and the arts to revitalize this neighborhood. This is a highly competitive grant program and Wailuku has been recognized to have what it means to successfully navigate this large and exciting transition. We should be proud and welcome this accountability. Let's respond to the public need to bring us closer together through positive, creative, engaging, thought-provoking experiences. This is such an exciting moment for us to share our own stories. Thank you.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. McHugh. Members, any questions for our testifier? Seeing none, mahalo for your testimony today. Ms. Matthews?

MS. MATTHEWS: Our next testifier is Marc Tolliver testifying on EDB-76, to be followed by Kristin Holmes.

MR. TOLLIVER: Aloha --

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. TOLLIVER: --everyone. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mr. Tolliver, would you mind please speaking into the mic?

MR. TOLLIVER: Yeah.

CHAIR RAWLINS-FERNANDEZ: Thank you.

MR. TOLLIVER: I'm sorry. There we go. Okay. My name is Marc Tolliver. I'm a merchant salon owner of Loft 145 Salon on 81 North Church Street. I moved to Wailuku from Kihei in order to be a part of the Wailuku resurgence. We also needed the Wailuku central location for our clients. As our client covers the entire island, we have a local clients as well as mainland winter clients. I am also a Wailuku resident. As a business owner, I see the value in the building of the Wailuku Civic Complex and completely support its construction. I do know that during this building process there will be adjustments to be made, but I'm willing to take the risk to my business to help bring business and people back to Wailuku. My concern is that I've heard that people who do not like the change or oppose to the building of the Wailuku Civic Complex stating that it would be gentrifying Wailuku. I believe the opposite. I fully approve of building the center that will promote and provide restaurants, boutiques, entertainment, convention space, and parking that we need in Wailuku to create an arts and entertainment district. For our community, this center could bring back to Wailuku the energy it once had as a historic vital support of our community. This is why in anticipation of the building of the Wailuku Civic Complex I located my business right in front of the proposed complex. I have always fully supported the growth of Wailuku. As a Wailuku business owner and Wailuku resident, you have my full support of moving forward with this Wailuku Civic Complex. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Tolliver.

MR. TOLLIVER: Thank you.

CHAIR RAWLINS-FERNANDEZ: Members, do you have questions for our testifier? Seeing none, mahalo for your testimony today.

MR. TOLLIVER: Thank you.



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews?

MS. MATTHEWS: Our next testifier is Kristin Holmes testifying on EDB-76, to be followed by Peter Niess.

MS. HOLMES: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. HOLMES: And good morning, Committee Members. My name is Kristin Holmes, and I am a multigenerational property owner for the commercial buildings on the corner of Church and Vineyard. They've been in our family as far back as I can tell 'til the 1930s. And I have my personal business, Swan Interiors, in one of the buildings there. I'm also President of Wailuku Community Association, but I speak here with my own voice, which tends to come and go today, so I apologize. But I appreciate, Chair, that what you shared this morning with the history of what has gone into the planning for getting us to this place, and I recognize that the MRA really got its establishment in about the year 2000. So it's just about 20 years ago. So, the focus has been on solving this problem for 20 years and here we are now. Wailuku needs a reason for people to come and a reason for them to stay. And I personally feel that creating an arts and cultural district would create a base from the after 5:00 crowd to get, to give people a reason to be there and to stay. There's a lot of draw from restaurants and the related arts districts that could really help the town. To date, years, millions of dollars and years have been spent to get us to where we are and I, too, am kind of shocked that a brand new, largely brand new Council would be considering defunding without understanding fully what's going on. I think that people are all of sudden really paying attention, and there's a lot more input from the community now more than ever before, and I think that's great, and I think we can use that to our advantage to maybe refine pieces of what's out there. But to throw it away I think would be disastrous. It would set us back. There is still an issue...if this is defunded there's still a parking problem. There's still blight. As a property owner, it's very hard to keep and maintain our properties if you can't get the tenants. The way things are going in Wailuku right now, there won't be a need for a parking structure because there'll be no businesses left and that's drastic. There's so many...there's established businesses and not businesses, the entities in town that use the parking, Federal, State, County, medical, et cetera. That doesn't leave room for anybody else and that's not a vital town and I think the revitalization catalytic aspect is what's really at the heart of this. So, progress starts with ideas, and I think that's what we need to field. And I just want to close by saying there's a Chinese proverb that the right time to plant a tree was 20 years ago and here we are. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Holmes. Members...

VICE-CHAIR KING: I have a question.

CHAIR RAWLINS-FERNANDEZ: Yeah, Chair King?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

VICE-CHAIR KING: Yeah, thank you for being here, Ms. Holmes. I just wanted to ask you your understanding of the proposal that our Budget Chair explained earlier today is that if we defund the second half of funding that it would take away the parking. Is that your understanding?

MS. HOLMES: Well, actually that's a really good point, because I was completely confused by that.

VICE-CHAIR KING: Okay.

MS. HOLMES: Because when I read the agenda items earlier this week, there were four, and this morning you mentioned two, but I didn't hear clarification of exactly what the two are, because I feel like we're all addressing points that might not be matched to what is before us today. So, I would appreciate clarification on...

VICE-CHAIR KING: Yeah, 'cause I just wanted to, you know, I want to...I feel like there's a lot of confusion out there and --

MS. HOLMES: I agree.

VICE-CHAIR KING: --Phase 1B, which has already been funded --

MS. HOLMES: Right.

VICE-CHAIR KING: --and bond authorized includes the site working construction of a 42...428 stall parking structure, so that's already been funded. So, I just wanted to make that point.

MS. HOLMES: Okay. So, that's different than what was presented earlier this week. Is that correct? So, is it correct that the parking structure funding is not at issue today?

VICE-CHAIR KING: That's my understanding that and...

MS. HOLMES: So, this is only about the vertical construction of the --

VICE-CHAIR KING: Correct.

MS. HOLMES: --three-story building?

VICE-CHAIR KING: Correct.

CHAIR RAWLINS-FERNANDEZ: Okay, I'll jump in. Okay, the bill that was proposed withdraws funding from everything after Phase 1A.

MS. HOLMES: And 1A, I thought --

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: One A is the --

MS. HOLMES: --was just the infrastructure.

CHAIR RAWLINS-FERNANDEZ: --infrastructure improvements, and so it does amend...

VICE-CHAIR KING: Okay. So, it's not...it's Phase 1B as well.

CHAIR RAWLINS-FERNANDEZ: Right.

VICE-CHAIR KING: Okay. I stand corrected because, you know, to me that was already authorized in the previous Council.

MS. HOLMES: Okay. So then that issue is both the parking and the vertical construction?

CHAIR RAWLINS-FERNANDEZ: Yes.

MS. HOLMES: That's what is being considered to be defunded?

CHAIR RAWLINS-FERNANDEZ: Yes.

MS. HOLMES: Okay. So, I stand in support of both, because I think the catalytic value of what is needed is the saving grace for this town, yeah.

CHAIR RAWLINS-FERNANDEZ: I think Mr. Molina and then Ms. Sugimura.

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair. And good morning, Ms. Holmes. Thank you for being here. You mentioned you're the president of the Wailuku Community Association, and I presume there were discussions about this. Did the association itself take a position on this Wailuku Civic Complex?

MS. HOLMES: We haven't yet. No, because we realized that not everybody's on the same page with it and it's something we're discussing. But what I think is coming out of this is people are really paying attention now, and our job is to be the voice of the community, and so we want to facilitate more ways to engage with the community and see if there's pieces of the project that need to be adjusted that will really speak to more people. And that's what I personally would like to see happen as the recent President of this association in this hot time in the town.

COUNCILMEMBER MOLINA: Thank you very much.

MS. HOLMES: Yes.

COUNCILMEMBER MOLINA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER SUGIMURA: Yeah, thank you. I just wanted clarification. So, you're supporting the Wailuku Community...Wailuku Civic Complex, right?

MS. HOLMES: Yes.

COUNCILMEMBER SUGIMURA: You support it?

MS. HOLMES: Yes.

COUNCILMEMBER SUGIMURA: Okay. The confusing part, I guess, is that we actually are dealing with a negative, because the Committee's looking at defunding it, but that's not what you're supporting.

MS. HOLMES: No, I am supporting the civic hub project.

COUNCILMEMBER SUGIMURA: To continue, right?

MS. HOLMES: Yes, I am not supporting defunding it.

COUNCILMEMBER SUGIMURA: Yeah. Thank you.

MS. HOLMES: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Members, any other questions? Okay. Mahalo, Ms. Holmes. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Our next testifier is Peter Niess testifying on EDB-76.

MR. NIESS: Good morning, Council, Council Chair. My name is Peter Niess. I was born in Wailuku, raised here on Maui. I own a local business in Wailuku. I'm an architect. I have a degree in urban planning. I'm recently got appointed to be on the Urban Design Review Board. I care a whole lot about Wailuku. I'm a Maui boy. I bow hunt. I dive. I surf. Wailuku is a special place on Maui. Just to be clear, this civic hub is for local people. This is for us, the people that walk around Wailuku every day at lunch, go to the Thai truck to get food, see our friends, other local business owners. And by defunding this at this point, you're putting a huge vote of no confidence in the future of Wailuku in everybody's eyes. All those nice murals that went up, that happened after people see this positive seed being planted, the creation of the civic hub. And just to be clear, the civic hub, the vertical part of this, that landscaped plaza area in front of it, that's gonna be like Maui Mall, where you see kids playing and it's fun and they can climb around on things and it's shady and there's plants. The vertical construction, the 15,000 square feet on the ground level, below Maui Real Property Tax, they want that to be a Mana Foods or something like Whole Foods. Do you go to Maui Mall at lunch and see all the people dining outside in the shade and you don't want that for Wailuku? That's bad if you don't want that because that is a good vision, and that's what Wailuku can be and it should be, and there's so many of us here that need to support Wailuku and the local businesses and show our

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

confidence in what making Wailuku what it can be. And the third floor of that thing is a community center, where they can have community meetings or it's for the community. And the Maui Real Property Tax, that's how we generate \$500 million in taxes that pay for everything. So, if they need a new facility, Maui Real Property Tax needs a new facility, don't have much to say about that. But this project overall is for the people, thousands and thousands of hours have gone into this by really smart people that care and millions of dollars have gone into it that will get thrown out again because this has happened. This process has gone through design development schematic phases, but it's really far along. And lastly, is this normal to have approved budgeted things get defunded? I've never heard of it, but it scares me that this sets a terrible precedent that just makes me nervous overall, yeah.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Niess. Members, do you have questions for our testifier? Okay, seeing none, mahalo for your testimony today. Ms. Matthews?

MS. MATTHEWS: Our next testifier is Saedene Ota, to be followed by Richard Dan.

MS. OTA: Good morning, Council Chair and --

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. OTA: --respected Councilmembers. Thank you for your time today. My name is Saedene Ota, and I'm a former merchant of Market Street. I do not support the defunding of this project. I am in full support of the entire civic complex project. If the Shoe Fits, Honey Boutique, Simply Soul, Pride Ink, Aria's, Zing's, Cafe O'Lei, Art on Market, Hawaii Life, Karma Hill, Business Etc., Curious Boutique, Otaheite, Saeng Thai's, Precision Goldsmiths, Green Lotus, Unisan, Juan's, Sig Zane, and Maui Thing...within the last past ten-plus years, these businesses have either moved out of Wailuku Town or shut down. Wailuku Town is broken. Within the past years we've survived barely with the support of the MRA and the County, funding programs like First Friday, the Hui Noeau Project, mural project, the clean and safety [sic] efforts, there has built a small momentum that has sustained. On top of that, I can honestly say and humbly, that Maui Thing has gathered friends and family that have donated countless hours in volunteering building stage, providing it for the First Friday. I've invested my own personal money into this town, because I saw the promise of Wailuku Town. I saw that it was, there was potential, there were plans in the works of revitalizing Wailuku Town. But with all that, after ten years, it was still not enough for our, for my small business. Small businesses need the support of not only ample parking but also an anchor hub like the civic center. A place to draw people to create foot traffic and attract more independent retailers and restaurants. Without this, opening a business in Wailuku Town is a risk for success, and I would like to say almost a complete crap shoot. If we want to realize, revitalize Wailuku Town, we need to be progressive and selfless, think about the common good, and if we don't, small businesses will continue to come and go and fail. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Ota. Members, do you have any questions for our testifier? Seeing none, mahalo for your testimony today.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MS. OTA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews?

MS. MATTHEWS: Our next testifier is Richard Dan testifying on EDB-76, to be followed by Sean Housman.

MR. DAN: Aloha, thank you, --

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. DAN: --and good morning. My name is Richard Dan. First off, I think the, this legislation, EDB-76, has caused confusion and I don't think many people know what they're testifying to. I was confused up until a few moments ago. I understand County Councilmember King was also confused. This project as I understand it now is split into 1A, which is infrastructure, Church and Vineyard, 1B, which you are not, which you want to defund, which is the garage, and 2, which is the civic center. I'm here opposing this bill. I think it should be republished, rewritten properly. And I've been a merchant, property owner, and resident of Wailuku for four decades. I've had as many as 12 stores on Market Street at any, at some points in time. Presently, I have two stores on Market Street. I don't want to beat a dead horse. For the last 40 years, people have...the problem of parking in Wailuku has clearly been known to everybody that it's causing the decay of Wailuku. The shortage of parking has caused the decay and the Wailuku is in dire straits. This is the County seat; this place needs to be the jewel of the Pacific. It doesn't need to be what it is now and that's caused by parking. The problem of parking has been resolved. We went through countless meetings and hearings and this's and that's, to get to this point. We're here. We have to take the leap of faith, fund the garage, the garage will save this town, will save this community. It won't do nothing but help us. I hope the reason we're here is for the benefit of Maui and not for politics. And some...and this happening, the way this is happening it feels to me like this is politics and not what's really going on. What's really going on is we're trying to fix a problem that's broken, and we finally got into it and as they've said earlier, millions of dollars have been spent in getting this project. And I can't tell you how many hours has been spent in days and months of people all invested to make the decision to do this. And now suddenly, boom, out of the blue, we hear they want to defund it. It doesn't make sense. I'm 100 percent opposed to this legislation, this bill. I think it should be reposted so there's less confusion. Obviously, it had confusion. Thank you. I have no more to say.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Dan. Members, any questions for our testifier? Okay, seeing none, mahalo for your testimony today.

MS. MATTHEWS: Our next testifier is Sean Housman testifying on EDB-76, to be followed by Whitney Blyth.

MR. HOUSMAN: Aloha, Council. Aloha, Chair. Thank you so much --

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. HOUSMAN: --for having this meeting. My name is Sean Housman. I'm testifying on behalf of myself, and I want to say that it's a strange time to be alive and it's a strange time to be making plans for the future. I'm raising small children. My wife thinks I'm crazy, but I often tell her my kids might not ever have a driver's license because of the way technology is moving towards automated vehicles. She thinks I'm crazy for saying that now. But 14 years ago, if you would've said I'm going to invest on online retail, I'm gonna invest in a stock called Amazon, most people thought they were crazy. People are saying that businesses are suffering within Wailuku Town. I know that Maui Market or, I mean, Maui Mall, you can go down there, Whole Foods is doing well. But you go around the corner, it's full of empty stores and there's plenty of parking. You go down Dairy Road, there's full on malls, full of parking, empty stores. You go down to Queen Kaahumanu Shopping Center, plenty of parking, empty stores, because something else is killing retail, something else is killing businesses. It's just that we live in a changing time. Now, I'm testifying on behalf of myself as a man. I pastor the church there at the end of the parking lot and with the church all I think of is we just need meaningful access. But as an individual, I'm working two jobs. I pastor the church, you might question my career path, but I chose that because I care for my community, and I care for people, and I'm not making a ton of money. So, I'm working two jobs to support my family, and in doing so, I can't even qualify for a mortgage that would pay for the price of one parking spot in that development. The entire bill has been dubbed as parking at the tune of \$84 million. Now, I know that there's a civic center attached to that but the community thinks parking, that's what we need, parking. With the removal of 23 parking spots on Vineyard and 21 on Church that nets us at 171 parking spots in that structure for \$491 million. I can't qualify for \$491 million as an individual for a mortgage, but you can give that to a community to park their car when there's parking at Maui Mall, there's parking at Queen Kaahumanu, there's parking down at the Kau Kau Market down on Dairy Road, there's parking. And as an individual, I just question the future of this and the planning. We're planning for a tomorrow based on yesterday. And so, I'm for the defunding at this time. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Housman. Members, do you have any questions for our testifier? Okay, seeing none, mahalo for your testimony today. Ms. Matthews?

MS. MATTHEWS: Our next testifier is Whitney Blyth testifying on EDB-76, to be followed by Sandy Baz.

MS. BLYTH: Hi, good morning, you guys.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. BLYTH: This is so great for me. This is my first time my little boy is here in this government building.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Aloha.

MS. BLYTH: Say aloha.

MR. BLYTH: Aloha.

MS. BLYTH: But I just want to say thank you so much to all of you for just hearing us and just what a great opportunity it is as a citizen here. I moved here ten years ago. I used to live in Kihei, now me and my husband own a home here in Wailuku. We've been here for three years living here in Wailuku and we love it. We love the community, and I'm loving hearing what everyone has to say, how passionate the people are. And I would like to say that I'm in support for defunding this bill, for defunding this parking structure that we've been talking about. I'm just also in that arena where I feel like there is so much more places our money could be going. I do think of things like education. I used to be a youth pastor in Kihei, and I worked a lot with the youth and just seeing the needs that we have for just our youth specifically here, foster care and things like helping our keiki, helping our little ones. And just, I just, yeah, I just would like to say that and just make a public testimony. This is my first time doing it, and I just want to say thank you for that opportunity. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Blyth. Members, do you have any questions for our testifier? Okay, seeing none, thank you for your testimony today. Congratulations on your first time testifying.

MS. BLYTH: Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews?

MS. MATTHEWS: Yes, Madam Chair. Our next testifier is Sandy Baz testing on behalf of Mayor Victorino for the County of Maui in his position as Managing Director for the County Maui.

MR. BAZ: Aloha mai kakou, Chair, --

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. BAZ: --Members. My name is Sandy Baz. I'm Managing Director for the County of Maui. Mayor Victorino is off island, so I am going to be reading his testimony. It's also in your system in Granicus as written testimony. In my experience with Maui County, sometimes we are able to take small steps, one at a time, to reach a bigger goal. But, in a few cases, reaching our goals requires a big leap. Today, I'm asking you to rely on the extensive planning that's already paved the way for the Wailuku Civic Complex and see it as an investment not only in the redevelopment of Wailuku Town but in Maui County as a whole. This project has several parts and two major phases. In the first phase, there's vitally needed infrastructure improvements for three blocks in Wailuku Town. This includes upgraded water and sewer lines, new



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

storm drains, installation of subsurface power and utilities, new sidewalks and repaved roads. There's no dispute this needs to be done. At issue, then, is whether we need to follow through and spend the estimated \$27 million to build a 428-stall parking structure. More parking is crucially needed to revitalize Wailuku Town, to support now-struggling businesses and to accommodate the needs of our residents and visitors. This parking structure would more than double the 200 spaces now available at the current Wailuku municipal parking lot. We have done years of studies, analysis, evaluation of alternatives, and handwringing over the improvements needed in Wailuku. The conclusion is clear. To revitalize Wailuku, we need to upgrade its infrastructure and roads, provide more parking, and bring in an activity generator. This project helps Maui County as a whole by generating economic activity that will provide revenue to help fund capital improvement projects Countywide. Important projects include attainable housing, roadway improvements, water, and wastewater upgrades, and coping with climate change, and rising sea levels. What other options do we have to generate revenue, raise taxes, increase rates and fees? How can we grow the County's income while minimizing the impact to the local taxpayer? My strategy in supporting the Wailuku Civic Complex is to generate revenue through economic development, and there are few possibilities with a better return on investment than downtown revitalization. Within a very compact area, Wailuku provides significant economic and community impacts with multiple benefits for both Wailuku community and all of Maui County. Wailuku is a centralized hub for commerce, employment, arts and culture, civic engagement, as well as access to community spaces and public institutions. Our public sector investment is expected to be matched with over ten times the value by the private sector within the first decade. This is how we build a strong downtown neighborhood and raise revenue for the growing needs of our residents and visitors. There is no question that the County has other needs. Affordable housing is a critical issue for us all. But unlike the Civic Complex, there are no shovel ready affordable housing projects today. These capital funds cannot be, cannot build...may I finish, Madam Chair?

CHAIR RAWLINS-FERNANDEZ: You can finish.

MR. BAZ: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Baz.

MR. BAZ: These capital funds cannot build housing that hasn't yet been planned or designed. Make no mistake, we will plan and build housing together, but the two priorities are not mutually exclusive. We can and will do both. The debt service on \$40 million of general obligation bonds is approximately \$2.6 million a year. Considering our total County annual budget is over \$800 million a year, this is not an undue burden for something that will generate revenue in short order. The Wailuku Civic Complex is like the photovoltaic panels on your house, the upfront cost may sting at first, but with a little vision and discipline, those panels quickly become your best investment. Councilmembers, I'm asking you to join me in having the vision to see this project through for Wailuku and the discipline [sic] to plan and invest in ways to

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

bring us closer to all of our goals. Mahalo for the opportunity to testify on this behalf, Mayor Michael P. Victorino.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Baz. Members, do you have questions? Chair King and then Member Paltin.

VICE-CHAIR KING: Thank you. So, thanks for being here --

MR. BAZ: Sure.

VICE-CHAIR KING: --Mr. Baz. So, how far along are you in the parking structure portion, the Phase 1B, as far as contracted services, putting out RFPs?

MR. BAZ: There's some testimony that's submitted, part of our request from Chair Rawlins-Fernandez, but the Phase 1B we have contracted for construction management and are ready to work on contracting for Phase 1B of the actual parking --

VICE-CHAIR KING: Okay.

MR. BAZ: --garage.

VICE-CHAIR KING: And just to clarify, because, I believe, Ms. Wade made these statements in a meeting that she attended that she would...served as a resource for but that the Phase 1A and 1B, which were funded in a previous Council those...what she indicated to us was that it was an easy stop there that they could refocus if they didn't get further funding after that, that those pieces are comprehensive in themselves without the rest of the vertical structures that you're planning to do.

MR. BAZ: Yeah. Madam Chair? Thank you.

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: So, we'll get into and I'll be a resource as well as we get into this discussion, but there are, yeah, this is, you know, a phased project with the construction contracts will be separated out so there's that possibility. Yeah.

VICE-CHAIR KING: Okay. Thank you.

MR. BAZ: But there are impacts to that as well, so we gotta discuss.

CHAIR RAWLINS-FERNANDEZ: Okay, thank you. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. So, my question is this project, the civic complex and the parking or just the civic complex, the intention is for it to eventually generate revenue to the point that the County is no longer having to put any expenses in the budget to fund it?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MR. BAZ: Basically, yes, the revenue from parking will generate income. The revenue from the rental space on the first floor of the civic complex would generate income. The use of County office space for previously rented would offset costs that we currently have. So...and also, you know, if we fully develop the three-story building, it'll be generating revenue from community meetings and gatherings, things like that as well. So, that is the projected benefit.

CHAIR RAWLINS-FERNANDEZ: Ms. Paltin?

COUNCILMEMBER PALTIN: I had further question about that, but I can wait if you're gonna be a resource.

MR. BAZ: Yes. Yeah. Thank you.

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Members, did you have any questions or would you like to wait until Mr. Baz joins us on the floor? Okay. Mr. Molina and then Mr. Sinenci. Okay.

COUNCILMEMBER MOLINA: Yeah, thank you very much, Madam Chair. My question be related to the testimony from the Mayor, which Mr. Baz has read.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER MOLINA: So, I certainly appreciate you make sure that any questions we ask is related to the testimony given and any other questions we can save that for the deliberation phase. So, thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Molina.

COUNCILMEMBER MOLINA: Mr. Ban...Mr. Baz, questions related to the bonds, okay. In the Mayor's paragraph on the second page states, the debt service on 40 million of general obligations bonds is approximately \$2.6 million a year, and it goes on to say, considering the total annual budget is over 800 million a year, this is not an undue burden for something that will generate revenue in short order. Would this have a...did we consult with our bond raters if this project does go forward fully if the \$80-plus million, any concerns expressed by the bond rating companies?

MR. BAZ: Thank you for the question. When we issued bonds last year, we did present this project to them. They want to know about any possibility of future items, and they did not see any negative effect of this on our bond rating or our ability to borrow.

COUNCILMEMBER MOLINA: And our bond rating currently is?

MR. BAZ: AA+, yeah, AA1.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER MOLINA: All right, thank you. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mr. Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. So, in the Mayor's, on the second page of the fourth paragraph he says that, these capital funds cannot build housing that hasn't been planned or designed. And so some of the other testifiers also mentioned that if it was defunded, these funds or bonding could not be used for other capital projects?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Thank you, so, Madam Chair. Member Sinenci, so bond issuances are based on the authorized project. It's borrowed money. If we don't do the project, we don't borrow the money. So, it's not like we issue bonds, and then have the cash sitting around for us to spend on anything, yeah. So, typically that'd be the situation.

COUNCILMEMBER SINENCI: Follow up, but it would affect our bond rating?

MR. BAZ: No, it would not affect our bond rating. Excuse me. Yeah, thank you.

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, Members, any additional questions we can wait until Mr. Baz joins us on the floor. Okay, thank you for your testimony --

MR. BAZ: All right, thank you.

CHAIR RAWLINS-FERNANDEZ: --or the Mayor's testimony. Okay. Ms. Matthews?

MS. MATTHEWS: Madam Chair, we have about seven more testifiers signed up. Our next testifier is...go ahead and call them?

CHAIR RAWLINS-FERNANDEZ: Members, would you have any objections to completing the seven oral testimony? Okay.

MS. MATTHEWS: Yes, Madam Chair. Our next testifier is Jo-Ann Ridao testifying on EDB-76, to be followed by Michelle Halcomb.

MS. RIDAO: Good morning, Chair and Committee Members.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. RIDAO: First of all, I would like to disclose that I am a member of the MRA. My name is Jo-Ann Ridao. I'm speaking today as an individual citizen. My father, Joseph Texeira, was born in Waihee and moved to Wailuku as a child. My grandparents had

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

purchased almost an entire block of Central Avenue and Vineyard Street. They moved their entire family there. I moved to Wailuku Town in my early teens. We lived at the corner of Central and Vineyard Street, which was the former Dr. Tofuguchi's eye doctor, and today is the current office of Attorney Diane Ho. Prior to that, we lived in Mill Camp, Wailuku, just down the road from Wailuku Town. My experiences growing up in and around Wailuku is very different from the Wailuku today. As the County seat, Wailuku was the pride of Maui, full of things to do and places to go. We had two theaters, two markets, two bakeries, two florists, we even had two hotels in Wailuku Town. We had Kress Store and National Dollar Store, doctors, dentists, and attorneys. There was no lack of places to go and eat. Currently, studies show that Wailuku is under served when it comes to places to eat. According to studies, Wailuku Town was a hub of Maui. Being that Wailuku is also our County seat, everyone had to come to Wailuku for business, for shopping, for doctors' appointments, and go to Wakamatsu Fish Market. What I'm trying to share with you is that in reality, at the time, Wailuku was way more of a vibrant town than it is today. A town in its glory. We need to bring that vibrancy back. I support the Wailuku Civic Complex improvements in its entirety, and I ask appropriations are not decreased. This improvement is vital to bringing the residents back to Wailuku. The civic complex will provide opportunities for attracting businesses to Wailuku, attend...attracting possible development of a housing complex in Wailuku Town, and the facilities and means to provide educational and entertainment activities, a means to include nearby Iao and Wailuku Elementary School, a means to showcase our Maui culture and talent. The Wailuku Civic Complex has been in the works since 1999. I'm almost done.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. RIDAO: We've had many, many meetings, many, many opportunities for public input. This plan is a grass roots plan by the Wailuku community. Don't you think it's time that we honor this work and implement the plan that will double the number of parking stalls in a parking structure, provide a festival plaza, a covered lanai for activities, and a covered area for a public market? This complex will allow for the expansion of our First Friday and provide for daily activities and educational opportunities. Please, let's bring the vibrancy and pride back to Wailuku, our County seat. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Ridao. Members, do you have any questions for our testifier? Okay, seeing none. Oh, sorry.

COUNCILMEMBER SUGIMURA: Yeah, thank you.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. I just want to thank you for being here, Ms. Ridao, and sharing your recap of the history of your family and the vibrancy, and I think some of us remember those good old days, and I appreciate your input. Thank you very much for serving on the MRA and Lokahi Pacific when she was the Executive

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

Director. I just want to say that I think her building went up, what is it, like by Ooka Supermarket where --

MS. RIDAO: Yes.

COUNCILMEMBER SUGIMURA: --they are now and I think you were one of the first that really staked the grounds, in terms of, you know, moving this forward, the town forward at that time. A big step you took when nobody else was quite looking there at that same time with the vibrancy, so thank you.

MS. RIDAO: Thank you, Councilmember Sugimura. I didn't want to bring that up. My past history that was very long time ago, but yes, we, Lokahi Pacific, developed the Weinberg Center, which includes offices for Woman Helping Woman, Maui Aids Foundation, and Lokahi Pacific.

CHAIR RAWLINS-FERNANDEZ: I'm sorry, Ms. Ridao. The question should have clarified the testimony that you provided.

MS. RIDAO: Thank you.

CHAIR RAWLINS-FERNANDEZ: Thank you. Ms. Matthews?

MS. MATTHEWS: Our next testifier is Michelle Halcomb testifying on behalf of Wai Bar and C.U.T. Market.

MS. HALCOMB: Hi, my name is Michelle Halcomb. I'm the, one of three owners of Wai Bar on 45 North Market Street and my neighbor is C.U.T. Market, they're a vintage clothing store. The owners and myself of both shops are in support of the civic center and the parking garage on two stipulations, and I think they're extremely important. One is that the merchants of Wailuku have...that this covers parking for them. It's really annoying that our employees have to move their cars every two hours. It causes...it's a domino effect. We have to be there to let them move, you know, it's just not a flow. So, if we're gonna spend this much money, then it should have guaranteed parking for the merchants and their employees, I think so. And the other very important point is that while this is a pretty good project for Wai Bar, my business, during construction, the construction workers will be there, it'll be fine for us, but my neighbor, C.U.T. Market, their business is during the day and if there's nowhere for them to park and if there's no money allotted for them during the construction, they're definitely going to fail. They're definitely not going to be able to make it through. And currently, they're looking at resigning their lease and the land, the building owners or leaseholders, they want to assign leases for three years at a time. Well, my neighbor is looking at signing a lease for three years, but possibly her business going down at the same time, so then she's gonna be in double trouble, you know, she's gonna have to get herself out of a lease, and she's going to lose her business. So, there needs to be not just a proposal, maybe we will help fund businesses during the process, it needs to be a guarantee, and it needs to be a guarantee that we have parking places. So, I am in support of this but on those two, with those two points in mind. The other

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

point is that I often joke that getting a building permit and a certificate of occupancy was harder than getting a college degree here on Maui. And that is, the reason for that is because this is a broken system. From the big government to small government, it's a broken system, and it should not be this difficult at all. We've been talking about this for 20-plus years, and the fact that today we are not even sure that we are talking about cutting the funding for parking or the civic center, the fact that there's that kind of confusion is just, is an example of how broken everything is. Can I have one last point?

CHAIR RAWLINS-FERNANDEZ: Yeah, you have 30 more seconds.

MS. HALCOMB: Okay, great. It's...I think that it is also ironic that building owners that invest in Wailuku invest in Wailuku don't put the money. They actually said it is a leap of faith to put money into their infrastructure. It shouldn't be a leap of faith. They bought these businesses, these buildings for profit. It's a commercial property so they want to make money off of it, but they do not invest in the infrastructure of their building. I put over \$300,000 in a building that I don't own and the walls were disintegrated on the inside. So, building owners are the reason for the blight across the street, the Aluli side of the street is just falling in and is not fair that merchants have to take on the responsibilities and that the business owners are excited about the civic center, because all of a sudden they're gonna have reason to invest in their buildings. They should be enforced investing their buildings, and it should not fall upon the merchants at all. We need paid parking for the merchants, and we need money to make sure that we're gonna make it through the construction phase. And other than that, we're in support of it.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Halcomb. Members, do you have any clarifying questions on her testimony? Okay, seeing none, mahalo for your testimony today.

MS. HALCOMB: Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews?

MS. MATTHEWS: Our next testifier is Kaniloa Kamaunu testifying on behalf of Aha Moku O Wailuku as the Water Chair, to be followed by Carolyn Wright.

MR. KAMAUNU: Aloha mai kakou, Kaniloa Kamaunu. Kau inoa moka puni o Maui moku o Wailuku ahupuaa Waihee. I am the seventh descendent of kuleana in Waihee Valley. My kupuna is Piimaiwaa, and I grew up in this area. We traverse this area from Waihee, and I've listened to someone go over how the old town was. We actually came back here because my mother, my father had gotten into trouble and was court marshaled and my mother was on the East Coast. She was kicked off the base. And the only reason we returned back home was because there was no other place for her to return to. She was broke, she had no money. If it wasn't for the church up to get to this, get to the West Coast, and her sister bringing her home, we would have been destitute in the mainland. I...and why I say that is because the system is atrocious.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

They take advantage. My mother was a soldier as my father was. By travelling with him for all those years, and she was left destitute. She came back, we went to Waihee. She built her life on her own as a single mother in the '60s, and those who lived in that time know it's hard for a woman to make something of herself as well as to raise a family of ten on her own with no man around in the house. And I saw all the things because we came here a lot, she worked in this area, and I saw Kress Store and all those things. Yeah, they were wonderful. It was a nice town. But what's happening here today and what you guys want to create is a little Waikiki. I mean, when you look at those conceptual drawings, I asked one of the architects, I look at the road, the road that they have on that conceptual drawing is not to the scale of what is there now. It's quite wider than it is today. So, my...what happens to the rest of the buildings? Eminent domain and you get rid of them so you can widen the streets? Because if you come from Waihee after 7:30, you cannot get into Wailuku for almost 30 to 40 minutes depending on the traffic. Try come from Paukukalo, just as bad. So, how you...when you deal with this it's not only Wailuku. It's every place. How do we get here? And when that construction comes up, where do we go? How we supposed to come to these meetings when there's no available parking? Where do we go? You know, you guys talk about Wailuku, many of the businesses, hey brah, you bought one business, your business up there, too bad for you, bruddah, you took the risk, that's your problem, it's not the taxpayers' problem. The problem is how do we recoup \$85 million? And the thing is when you talk about these businesses, they're gonna recoup, they gonna make business, their business gonna grow if they survive the rent that's gonna come 'cause the taxes that the owners are gonna bear is gonna increase. So that means that person that spent \$300,000 on her building expect to pay more, because the owners ain't going to be able to afford that rent.

CHAIR RAWLINS-FERNANDEZ: Mr. Kamaunu, will you please conclude?

MR. KAMAUNU: But anyway, you know, so I am against it. The plan is not good, it doesn't work. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Members, do you have any clarifying questions for this testifier? Mahalo for your testimony today. Ms. Matthews?

MS. MATTHEWS: Our next testifier is Carolyn Wright testifying on behalf of Maui Academy of Performing Arts, to be followed by Mary D. Wagner.

MS. WRIGHT: Hello, good morning. My name's Carolyn Wright. I'm director of programs at Maui Academy of Performing Arts. And I wasn't actually planning to testify today but sitting here in the audience and listening to all of the testimony, I felt compelled to stand up here and give you a perspective that perhaps hasn't been represented yet. As a non-profit arts organization, we're not engaged in politics. We're not interested in getting down in the fray of all this, but what we're interested in is living and working in a town that is vital and vibrant. And so, we several years ago, you may be aware that we own the National Dollar Store Building, and we bought it back in 1998 in order to build studios for our dance and drama programs. Well, a few years ago, we were just bursting at the seams, and we realized we needed more space to meet the



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

needs of the people that we serve and this isn't to make any kind of money, we're a non-profit. This is to meet the needs of the community for high quality performing arts programs, dance, and drama. So, we did an island-wide search. We looked all over the island for property that we could grow into in the near term and then all the way into the future to meet the needs of our community. And after an exhaustive island-wide search, we chose Wailuku. We chose to stay in Wailuku because we are so excited about the power of the performing arts to transform this town. It's not the parking structure that's going to bring people to Wailuku, right? It's the activities. It's the arts programs. It's the restaurants. It's the cute little shops. And so, I completely support the building of the Wailuku Civic Complex, because I believe that working in concert, non-profit, and public, all of you with all of our taxpayer dollars, and our friends who are the other property owners and small business owners, we can work together to create a vibrant Wailuku. We can't do it alone. We, as the non-profits, as the property owners, as the small business owners, we can't do it by ourselves. We can't put in enough parking to meet the needs of the people that we serve. And so, we as the people of Maui, if we can provide with our taxpayer dollars enough parking so that the people who want to come to Wailuku can come to Wailuku. We as MAPA, we stand ready to move forward and create a strong community through the arts. You don't have to look very far to see how the arts can transform a community. You know, go to Honolulu and look at Chinatown. You know, the investment of the ARTS at Marks Garage there which was public funds that created that. It has transformed that community. And there's small communities all over the country just like Wailuku that have kept their charm, have kept their energy, but become more vital and become a place where people want to live, work and play through the investment of the arts. MAPA is doing all of this. We have not had our hand out to anybody. We're doing all of this on our own nickel, because we believe so deeply in this. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your testimony, Ms. Wright. Members, do you have any questions for our testifier? Okay, thank you so much for your testimony today.

MS. MATTHEWS: Our next testifier is Mary D. Wagner, to be followed by Teena Rasmussen.

MS. WAGNER: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. WAGNER: Good morning, Chair and Councilmembers. Thank you for this opportunity this morning to testify on behalf of EDB-76. I'm here to testifying as an individual in support of EDB-76, and I support the defunding of the Wailuku Civic Center and the parking garage. You know, as a former project manager, one of the things, and I'm well aware of, is the need for input from stakeholders. And the largest stakeholder in this particular project is the community of Wailuku, the citizens of Wailuku. And what I hear from the community through various venues and particularly through social media is the concern that the members have not had the opportunity to speak up on this project. There have not been any meetings held by the County to allow for the input of the community to express the will of the people. Do the people of this

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

community want it aside from the immediate downtown area? 'Cause this is a project with government funds and it affects all of Wailuku, and so all of Wailuku should have the opportunity to have a voice for this project and that hasn't happened. So, my concern is that we take a pause, we stop what's happening, and allow for input from the community. It's their voices, it's their dollars. They should have the right to determine what happens and that hasn't happened yet. The other thing I want to say is that with a project that's \$80 million you determine what your priorities are. And are we saying that this is the number one top priority for the County? It shouldn't be if that's what you're saying. This should not be the top priority for Wailuku and for the County of Maui. Look at this building. The County Building itself is in desperate need of repair and replacement. If you're willing to spend 80 million for a civic center and a parking garage, what are you gonna pay for a new County building? We need a new County building. I worked in this building. I know that the employees that work here, they live among rats, it's roach infested. It's time for a new County building. Make that your priority. We also need infrastructure throughout all of Wailuku. Waiale Road is needs improvements. We need affordable housing. This cannot be the top priority of all the needs of our County. I ask you to take the time out to stop and think about it and reassess and allow for public input. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Wagner. Members, any questions for our testifier? Seeing none, thank you so much for your testimony today. Ms. Matthews?

MS. MATTHEWS: Our next testifier is Teena Rasmussen, to be followed by Terri Erwin.

MS. RASMUSSEN: Chair, Members, I'm here today to express my complete and total support for the Wailuku Civic Complex to be built out as planned. As the former Economic Development Director for the County, I spent a lot of time working with the Planning Department on this project. This project design is the result of thousands of hours of planning and community outreach, community visioning, hundreds of meetings, and represents the first time in 20 years that the major stakeholders in Wailuku Town have agreed on a plan that makes sense for this historic town that serves as our County seat. From all the feedback that has been received from the community, the businesses, the consultants, the economic models produced, this project works because it is more than just a parking structure. This project provides much needed public infrastructure to fix the central town's sewer, water, electric, drainage issues, sidewalks, ADA accessibility, et cetera. This sorely needed infrastructure will be the catalyst to spur on the private investment in the old buildings that you've heard about. Up 'til now, the lack of this infrastructure has made this renovation impossible and unaffordable. The parking structure phase will finally provide the parking that this town can thrive again. It will solve that frustrating problem of circling the streets, driving up and down, hoping you find an empty space, and then when you do you hope that your meeting or your errand does not take you more than two hours, and most certainly you're never going to have time to stop into a shop or stop and eat somewhere in Wailuku. Parking is a frustrating barrier to enjoying this town and this project solves that. When built as planned, this entire complex becomes an economic success when you add the community space, the event space, the food haul, the retail space for farmers markets, and gathering spaces indoors and outside that will provide

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

a welcome respite to office life in Wailuku. A place where young and old can find interesting places to meet friends, to have an outdoor meeting, to shop in boutique shops, eat in hip little restaurants. These spaces will be welcoming for the evening theater crowds as well. Without this project, you will continue to see these very old buildings keep deteriorating. We have already boarded up storefronts, empty storefronts, entire buildings that are unoccupied for decades. Some of these buildings had apartments on the second floor that can no longer be used. Chronic deterioration of buildings, making them uninhabitable leads to urban blight...I'm almost finished here...urban blight, and urban blight leads to flight. Without providing adequate parking and certain amenities needed for businesses, government, their employees, and the public they serve there will be increasing pressure for large institutions in Wailuku to move out of town and build big standalone buildings elsewhere. This would be tragic. So, by investing in this town, we will save this town. By providing certainty that this project is going forward, the private sector will have the confidence to invest in Wailuku's future as well. I urge you to please, please honor the process that has taken place in this community and please leave the funding intact for this project. This is a special place and it deserves our attention. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Rasmussen. Members, do you have any questions? Thank you for your testimony today.

MS. RASMUSSEN: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews?

MS. MATTHEWS: Our next testifier is Terri Erwin testifying on behalf of Perfection Bra Fitting, to be followed by Aileen Spenser.

MS. ERWIN: Good morning, Chair and Councilmembers. My name is Terri Erwin, and I am a business owner on Central Avenue in Wailuku. My business is Perfection Bra Fitting Salon, which sounds a little bit funny when you hear it said in a place like this. Before I was a business owner in Wailuku, I moved to Maui to take a position with a faith-based community organizing entity called FACE, Faith Action for Community Equity. And moving to Maui that was, this was maybe my third or fourth job as a community organizer all within the faith-based sphere. We worked significantly on issues of affordable housing, land use, slum and blight. So, I have years and states worth of experience with small town redevelopment, public participation in the process, and such. So, in...I went looking back, because I've gone to lots of public planning meetings around the Wailuku Civic Hub. And I'm here to ask you to certainly not defund it but remain in support for a few very specific reasons. First of all, it is classic model successful small town redevelopment. It meets all of the high standards of what has been done in other places with great success. So, from a technical standpoint, it's good. From a public participation standpoint, it's also extremely, extremely good. I went back to try to refresh my memory about when did I start to put, to provide public input. So, 2012, I went back and I looked up an article about the reWailuku process and here's what it says. Remember, reimagine, renew are the themes of an ambitious effort to involve the public and planning for the future

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

of Wailuku Town. The project dubbed reWailuku is a joint effort to the County of Maui and the Wailuku Community Association. It involves an extensive display in series of workshops and other events at 1980 Main Street. This more inclusive approach is a welcome development than given at many of the current plans for Wailuku are highly controversial and that wisdom of past plans continues to be questioned. Let's see, so sorry. ReWailuku, which actively seeks input, visually displays evidence of the town's history and previous incarnations and allows for comment in a variety of ways. This will hopefully be a better process. May I finish just a little bit more?

CHAIR RAWLINS-FERNANDEZ: Thirty more seconds.

MS. ERWIN: Oh, perfect. I'm not going to do that, sorry. My small...my eyes are just not good enough for that small print anymore. But what the article continues to say is that a wide variety of Wailuku residents were included and it lists a series of, I don't know, six or seven more dates whenever workshops and presentations. That was an article written by Susan Halas in 2012. The list of current workshops, I think there's like 47 of them from 2017, so there's been quite a lot of input from the public. I think it's frankly disingenuous to suggest that there hasn't been public input, and I consider it really breaking faith and breaking the integrity of the public process to regress on this at this point. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Erwin. Members, do you have any questions for our testifier? Seeing none, mahalo for your testimony today.

MS. ERWIN: Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews, how many more testifiers do we have?

MS. MATTHEWS: Currently signed up we have two more testifiers that have signed up. Testimony is still open, but as of right now we have two.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. MATTHEWS: Our next testifier is Aileen Spenser testifying on EDB-76, and the last testifier signed up in the Chamber would be Jeanne Skog.

MS. SPENSER: Good morning --

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. SPENSER: --everybody. I was on vacation. I turned the channel to Channel 53, and I said I have to be here. I am the granddaughter of Aloysius Senior Spenser, who was the County Chairman from 19, I think, '39 to '42. And I think if he was here, he wants to see Wailuku be for the people. It's dead. Make it a place, not just for Wailuku, but for everybody to come, the tourist, Lahaina, Kihei, Wailuku. So, I support the civic center. Parking, I know when to go to park. So, okay, two o'clock, school traffic, I don't go do my banking. Wednesday, 1:15, kids get out of school, traffic. So, if you

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

plan accordingly you can find parking, but I support the civic center to bring glory back to Wailuku Town. And I been watching all of you County Chairman, Councilmembers, thank you for doing the job. It's gonna be a hard decision, but we voted to put you here, so do whatever is best for the entire County of Maui, not just Wailuku, 'cause as the mayor, it's the whole County. My grandfather, the whole County, not just Wailuku, make the decision that's right for the people for the next generation. I'm assuming when he was the mayor, well that time was called County Chairman, he had to make decisions what was best for the County, the entire County. We're all one, we are no ka oi. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Spenser. Members, do you have any questions for our testifier? Seeing none, mahalo for your --

MS. SPENSER: Okay.

CHAIR RAWLINS-FERNANDEZ: --for coming in --

MS. SPENSER: Thank you.

CHAIR RAWLINS-FERNANDEZ: --and testifying today.

MS. MATTHEWS: Our last testifier signed up to testify is Jeanne Skog testifying on EDB-76.

MS. SKOG: Good morning, Chair, Councilmembers.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. SKOG: I'm Jeanne Skog, and I'm representing myself. I was born and raised on Maui on a pineapple farm, and I feel very lucky. I had the fortune of experiencing Wailuku as I was growing up. It was a gathering place. Some of my most vivid memories are of coming to Wailuku on nights and weekends with my parents after they were done with work to shop at Clyde's Shoe Store, buy fish, get a special dress for mom at the fashion store next to Kress Store, and just going to National Dollar Store, and so forth. We came to see a movie at Kings Theater or Iao Theater and then went to the candy store next to Iao Theater, all those great memories. But more importantly, I remember the vibrant sense of community whenever we came to Wailuku Town, walking the sidewalks, going in and out of stores or restaurants. We always ran into our family and friends and neighbors and talk story right there on the street. It was just a great feeling and a great sense of community. That's what Wailuku can be again, and that's why I'm here today and why I'm in favor of the Wailuku Civic Complex project moving forward. I lived the vitality of Wailuku. You cannot compare Wailuku Town to what is happening in Maui Mall or Kahului today. This project is not about putting up a mall in Wailuku. Wailuku is an authentic small town that has retained its character as a small town. In fact, so many new developments are trying to emulate a small town. We don't need to do that. Wailuku is a real small town. But today in spite of valiant efforts and dedication of many, Wailuku has bones that need meat to be put on it. We as a community are so fortunate that so many individuals have stuck with it, because

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

they see the promise of a vibrant Wailuku. That's where the County comes in. This investment is totally appropriate for government to spur economic development and complete the revitalization and enhance the sense of community that was once at the core of a vibrant Wailuku. I participated in the reWailuku civic engagement and having done a lot of civic engagement processes myself it was amazing and wonderful to watch the response from our community to it. So, many of them took the time to drop by, trusted the process, and shared their wishes in writing on those big white sheets that they had set up in the corner store. So, let's keep the focus on the vision and the vast potential of our Wailuku. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Skog. Members, do you have any questions for our testifier? Seeing none, mahalo for your testimony today. Ms. Matthews, do we have any further testifiers?

MS. MATTHEWS: Madam Chair, there's no one else signed up in the Chamber to testify, and I have not received notification from the district offices either.

MS. LINDO: We have a testifier on Molokai.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Ms. Lindo, will you please introduce your first testifier?

MS. LINDO: Yes, this is Zhan at the Molokai District Office and we have one testifier on EDB-76, Henry Lindo.

MR. LINDO: Aloha, good morning, Chair and Councilmembers. My name is Henry Lindo, Jr. and thanks for giving me the opportunity to just share some of my thoughts and express my concerns regarding a project such as the Wailuku Civic Center. You know, I want to start off by saying in no way claim to know what is best for the island of Maui nor do I live in the Wailuku area right now, of course I did spend 17 years of my life back in the early '90s to 2000s working and living on Maui in the Wailuku area. I don't own a business that's dependent on what's built in Wailuku nor do I want my ideas or solutions to be considered above those that directly impact the Wailuku area; however, I know that the whole of Maui nui is affected by the way that which we prioritize and spend our County funds. It is and will be affected by the choices we make for ourselves and how we measure our needs and wants. Where I live, Molokai, it's always deemed, you know, the needy sister island that subsidized by Maui's diversified economy and solid tax base. Yet, when we hit the opportunity, Molokai has an opportunity to offer a needed perspective in such instances as this. So, in our effort to make more to survive and provide for a good living, you know, have we considered whether or not our natural resources such as water would sustain such ventures in its entirety? You know, have we looked at the carrying capacity of the island and what needed developments like this means to Maui as a whole? Do the residents of Maui know if we have enough water to sustain the children and grandchildren of future generations when we're no longer here? Will our current wastewater infrastructure and plans sufficiently address the influx of use caused by such facilities or the increased population? It will draw and we're kind of dealing with

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

that on this island of Molokai, yeah. If given a choice with you as the community seat this is a priority if you knew that there was not enough water on Maui to sustain the very life of its people 20 or even 100 years from now? So, this is the same kind of questions I would ask any major project, you know, including affordable housing projects. A sound County budget, it seems efficient and sensible to know that we have in our bank accounts, I don't know what we have in our bank accounts, before we start to spend. During natural disasters, the entirety of Kahului is constantly at risk. With the urgency of solutions and retreat plans needed due to climate change and sea level rise, are there, you know, more critical areas and issues that we, that would warrant a higher priority? So, just questioning the island's capacity to handle some of these stuff and, you know, doing it in the name of better life justified by the need for economic sufficiency. I understand that today we only discussing one phase, but perhaps looking at this in pieces is the real problem instead of solving the whole. So, I aloha the community of Wailuku and pray for a well thought out long-term solution that addresses the true needs of the area in Maui nui. Our Hawaiian people have been described as industrious, though it may be confused with the idea that we need and are committed to a financially productive base is this model. It actually describes people who are conscientious, preserving, careful, diligent, thorough, searching, and meticulous. So, I respectfully support the defunding of this project until such time as we are sure that we have aloha aina, malama aina. We have adhered to the industrious responsible inheritance that should always drive us in every decision. Thank you, guys.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Lindo. Members, any questions for our testifier? Seeing none, thank you for your testimony today.

MS. LINDO: Mahalo, Chair. There are no other testifiers in our Molokai District Office.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Lindo. Okay, okay. Okay, Members, if there are no objections, I would like to read into record our written testimony. The names and the positions that they took. If there aren't any objections.

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: I'll be quick. Okay, so the first is those who submitted testimony who are in support of amending the bond authorization: John Naylor, Erika Pless, Bonnie Newman, Debra Greene, Ashlie McGuire, Terese Masters, Patricia Goff-Williams, Maile Atay, yeah, Atay, Ron Hansen, Linda Trageser, Mary-Allana Holmes, Mille Kohl, Connor Logsdon, Lehua Simon, William Greenleaf, Claudia Rosenbaum, Steve Forman, Gabe Johnson, Mike Wildberger, Isadora Sicking, Curtis Omuro, Sandi Ioakimi, Jen Fordyce, Susan Halas, Ane Takaha, Wendy Hudson. And those who oppose amending the bond authorization is Pamela Tumpap, on behalf of the Maui Chamber of Commerce, Everett Dowling, Marc Tolliver, he testified today, Mayor Victorino. And we have one person who provided comments, so it didn't take a position but just provided manao and that's Jen Mather. Mahalo for allowing me to read the names and the positions, so that everyone feels that their voices are heard by

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

us. Okay, so at this time, it's 11:21, and time for overtime for our morning recess. Members, we'll take a ten-minute break, so 11:32. Okay.

MS. MATTHEWS: Madam Chair?

CHAIR RAWLINS-FERNANDEZ: Oh, yes, Ms. Matthews?

MS. MATTHEWS: Did you want to leave testimony open during the break or did you want to close testimony?

CHAIR RAWLINS-FERNANDEZ: Oh, if there aren't any objections, I will now close public testimony.

COUNCILMEMBERS: No objections.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, I will now call for our recess, ten minutes, 11:32, mahalo. ...*(gavel)*...

RECESS: 11:32 a.m.

RECONVENE: 11:46 a.m.

**ITEM 76: WAILUKU CIVIC COMPLEX (CC 17-335)**

CHAIR RAWLINS-FERNANDEZ: ...*(gavel)*... Will the Economic Development and Budget Committee please return to order? It is 11:46. There's two things. The first thing I wanted to make mention of is that the testimony that I read into the record was received, was the testimony that was received as of eight o'clock this morning and more testimony was received after that, but I didn't have it in front of me. The next thing is we...it's 11:46...or yeah, 11:46 and the lunch break is gonna come up really quickly, and the idea is to perhaps break for lunch early and return from lunch early so that we aren't interrupting important deliberation. Would that be something amendable to the Members?

VICE-CHAIR KING: No objections.

COUNCILMEMBER SUGIMURA: What time?

COUNCILMEMBER PALTIN: No objections.

COUNCILMEMBER SUGIMURA: What time is early?

CHAIR RAWLINS-FERNANDEZ: One fifteen--



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER SUGIMURA: Come back at 1:15.

CHAIR RAWLINS-FERNANDEZ: --to return back at 1:15. Is that...would that be okay with the Members first of all?

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER HOKAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mr. Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Just your intent for the rest of the day after lunch, how long do you plan to go to? I know we have the Chambers reserved 'til 11 o'clock tonight, but I don't know if you plan on going that far. Just out of curiosity. I know we may be losing couple of members.

CHAIR RAWLINS-FERNANDEZ: Definitely not 'til 11.

COUNCILMEMBER MOLINA: Okay, okay.

CHAIR RAWLINS-FERNANDEZ: But, I guess, as long as the Members need to deliberate.

COUNCILMEMBER SUGIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Definitely not past 5:00. Mr. Sinenci and then Ms. Sugimura and then Ms. Paltin.

COUNCILMEMBER SUGIMURA: Oh, we're probably all going say all the same thing.

CHAIR RAWLINS-FERNANDEZ: Oh, okay.

COUNCILMEMBER PALTIN: Three of us got MPO.

CHAIR RAWLINS-FERNANDEZ: Oh, okay, okay. What time?

COUNCILMEMBER SUGIMURA: Three-thirty.

CHAIR RAWLINS-FERNANDEZ: Okay, alright. And then, I think, we would then lose quorum. Okay, would Members be open to returning at 1:00 instead? It's 15 minutes less.

VICE-CHAIR KING: That's fine with me.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Okay, okay. And then would the Administration be available at that time to return? Okay. Okay, so we will break for lunch now and return at 1:00.

VICE-CHAIR KING: Alright, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Members.

VICE-CHAIR KING: Mahalo.

CHAIR RAWLINS-FERNANDEZ: Okay, no objections, I'll call recess at 11:48. . . .(gavel). . .

RECESS: 11:48 a.m.

RECONVENE: 1:01 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Economic Development and Budget Committee please return to order? It is 1:01 p.m. on March 29<sup>th</sup>. Okay. Okay, Members, as I previously mentioned, although there is only one item list, listed today there are four proposed bills. The proposed...the proposed bill of the...the purpose of the revised proposed bill is to amend the Fiscal Year 2019 General Obligation Bond Authorization Ordinance by decreasing the appropriation under the Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Wailuku Civic Complex by \$26,963,000. Second bill, the purpose of the proposed bill is to amend the Fiscal Year 2019 Capital Program ordinance by, one, decreasing the general obligation bond appropriation for Fiscal Year 2019 for the Wailuku Civic Complex project (CBS-2789) by \$26,693,000 for a total appropriation for Fiscal Year 2019 of 13,037,000, and a 6-year total appropriation of 13,037,000; and two, adjusting the totals accordingly, and that's the capital program bill. The third bill, the purpose of the revised proposed bill is to amend the Fiscal Year 2019 Budget Appendix C, Capital Improvement Projects, Department of Management by decreasing the appropriation for the Wailuku Civic Complex from 84,195,000 to 17,232,000, and by amending the project description to Phase 1A of the project including road and traffic management, sewer lines, water lines, drainage, and other utility improvements, that's Appendix C. And the last bill, the purpose of the revised proposed bill is to amend the Fiscal Year 2019 Budget by one, decreasing estimated revenues for Bond/Lapse Bond Fund by \$66,693,000; two, amending Section 4.D.1b.(1), Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Bond Fund, by decreasing the appropriation for the Wailuku Civic Complex by \$66,963,000; and three, adjusting the totals accordingly, and that is the budget bill. Will Staff, please, distribute the memo from the Managing Director and Page 2 of the contract for Dowling? Members, the Committee is in receipt of a memo, from the Managing Director, dated March 28, 2019, in response to several clarifying questions sent in an inquiry from your EDB Committee on March 27, 2019. I would like to read through that together for some background and additional information, and I think this will help to clarify some of the confusion that occurred earlier. Okay. Okay, Members, as we read through this memo together and absorb its information, I plan to ask a few clarifying questions from our Budget Director for question number three, which was

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

not clearly answered. This will help us move forward into the next phase of deliberations having the complete details requested prior to meeting today and support fruitful discussion and follow-up questions from Committee Members. So, the memo from Sandy Baz starts, thank you for sending the attached inquiry dated March 27, 2019. Our staff will be in attendance at the Economic Development and Budget Committee meeting on Friday, March 29, 2019. We will be prepared to provide an overview and status update for the Wailuku Civic Complex. Per your request for information on the following, please see below. One, identify the cost and program description of Phase 1A. Response, Phase 1A of the Wailuku Civic Complex project includes the reconstruction of three blocks of roads and infrastructure. A, Church Street from Main to Vineyard will be improved with a traffic signal at the intersection of Main and Church and improved pedestrian crossings. Subsurface works includes waterline, sanitary sewer, and storm drain improvements along with burying the overhead utilities. At grade, continuous sidewalk will be provided on both sides of Church Street, new street light installed, a loading zone created on the makai side of the street level and travel lanes designed for two-way traffic. All on-street parking on Church Street is planned to be removed to accommodate the two-way travel and sidewalks. B, the Vineyard Street from High to Market Street will be improved with the same subsurface improvements as Church Street. At grade, continuous sidewalk will be provided on both sides of the lower section of Vineyard and on the Waikapu side of the upper section of Vineyard. On-street parking on the Waikapu side of the street will be removed to accommodate sidewalk and new street lighting installed, storm gutters, and two-way travel lanes provided at grade. C, cost is addressed in item 3, Exhibit A. For the Members information, Exhibit A, attached to the memo dated, March 28, 2019 from the Managing Director says Phase 1A equals \$9,238,836 total. The second question, identify the cost and program description of Phase 1B. Phase 1B includes the side...site work and construction of a 20...428 stall parking structure at the Wailuku municipal parking lot and supporting utilities and connections. This includes ADA compliant access from Market Street next to First Hawaiian Bank and ADA compliant access from Main Street, next to the Main Street Promenade building. A required fire lanes and fire suppression system is provided as well as an interior security system, cameras and lighting. Landscaping and irrigation surrounding the parking structure and temporary walkways connecting to Vineyard Street are part of the scope of 1B. A cost estimate done by Rider Levett Bucknall in September of 2018 estimated the demolition, construction and landscaping costs associated with the Phase 1B to be \$29,459,487 (Exhibit A). Leslee, Ms. Matthews, did you distribute the encumbered CIP report?

MS. MATTHEWS: Yes, I did.

CHAIR RAWLINS-FERNANDEZ: Okay, thank you. Number three, the third question, identify the dollar amounts encumbered for Phase 1A. The Department of Management has contracted with MIRA Image Construction LLC to build Phase 1A. This contract (C6664) is for \$10,449,847, and that's true. In addition, the Department of Management has a contract with Dowling Company Inc. for a construction management of Phase 1A and 1B for a total of \$2,536,722, and that's true. However, the question was not how much was each contract; the question was how much has

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

been encumbered for Phase 1A? In the recent memo, dated March 25, 2019, from Corporation Counsel, it is their understanding that the Bond Fund appropriation for the civic center has not been encumbered for an amount greater than 13,037,000 but had asked that this Committee seek clarification from the Administration. Because the response provided does not provide the question, I have pulled the capital improvement project report provided to us within the Fiscal Year 2020 Budget proposal from the Mayor and just distributed by Staff. It states that as of December 31, 2018, \$12,365,125.86 has been encumbered for the Wailuku Civic Complex for Phase 1A. Phase 1B has not gone out to bid yet. BF Committee Report 18-210 states that the bid for Phase 1A were closed on November 21, 2018. The contract from MIRA Image to construct Phase 1A was signed on December 24, 2018, and states that they have 460 days to complete Phase 1A, which is approximately 1 year and 3 months. So, my question to Ms. Yoshimura, I would like to request the updated encumbrance...I would like to request the updated encumbrance amount from December 31, 2018, please. Do you have that amount with you?

MS. YOSHIMURA: Chair, I don't have that with me, but I will get that information for you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Yoshimura. Also, attached to the response memo dated March 28, 2019, Exhibit A, as I mentioned earlier says that the estimated total cost for Phase 1A was \$9,238,836 total. And I'm wondering why the contract for MIRA Image LLC to complete Phase 1A is for \$10,449,847? That puts Phase 1A already over budget by \$1,211,011, and that does not account for the second management account contract to Dowling for his portion of Phase 1A, which brings me to my next question. Can you please provide the breakdown for Dowling's contract of \$2,536,722, Phase 1A and Phase 1B for the Members? Ms. Yoshimura? Yeah.

MS. YOSHIMURA: If I could defer to Ms. Wade, who has the contract.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Ms. Wade, do you have that information for the Members?

MS. WADE: Thank you, Chair. Just for clarification, your question is do I have a breakdown of the numbers for the construction management contract?

CHAIR RAWLINS-FERNANDEZ: Yeah. So, the contract total was \$2,536,722 and that was for both Phase 1A and Phase 1B.

MS. WADE: Correct. That's correct. Yes.

CHAIR RAWLINS-FERNANDEZ: So, the breakdown between the two phases?

MS. WADE: And what are you...can...could you please clarify what it is you're looking to see broken out specifically?

CHAIR RAWLINS-FERNANDEZ: Phase 1A and Phase 1B.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MS. WADE: Okay, so I can...the contract was not bid to be broken out in two separate pieces. It was bid so that one...the reason it's named Phase 1A and Phase 1B is because they're two parts to a whole. They were intended to be designed and constructed together, which is why the construction contract is, includes both. So, it doesn't break it out in the contract to separate those two phases.

CHAIR RAWLINS-FERNANDEZ: So, on the first page of the contract, Dowling's contract, there's a Phase 1A and Phase 1B, and that's about 600,000 for Phase 1A, and then Phase 1B...the exact number is \$671,443.14, and Phase 1B is \$1,865,278.86.

MS. WADE: Thank you, Chair. Yes, the, in the narrative though the assumption is that the project is getting built simultaneously, so that the work that is being done for one is also being done for the other is the assumption. So, I don't think the assumption could be made that you could exclude a portion of that contract and it would still remain whole. There would likely need to be an amendment to the contract to proceed in that way.

CHAIR RAWLINS-FERNANDEZ: The contract says Wailuku redevelopment municipal parking lot on the top part for 671,000 and Wailuku Civic Complex for 1.8 million. Okay, so I'll move on to question four of the memo from the Managing...

MR. BAZ: Madam Chair, if I might?

CHAIR RAWLINS-FERNANDEZ: Yes, Mr. Baz?

MR. BAZ: Just to clarify, that contract certification sheet that you're referring to --

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. BAZ: --is...those are funding sources and the amounts charged to each of those funding sources. It's not a breakdown of Phase 1A and Phase 1B costs. You understand? So, if you look at the, that contract certification page, on the left-hand side you'll see an index code 389744 and 390935, those two index codes are from --

CHAIR RAWLINS-FERNANDEZ: Yeah.

MR. BAZ: --are the CIP appropriations from two different fiscal years. So, that contracts...so the total contract of 2,536,000 utilized funding sources from two different fiscal years that's why there's a split. It's not the Phase 1A and Phase 1B costs.

CHAIR RAWLINS-FERNANDEZ: Okay, so on Page 2 of the contract, it says that the parties understand and agree that as of this execution of the contract only Phase 1A is or will be under contract for construction and Phase 1B is dependent upon Council appropriation of sufficient funding and that no claim for termination related to Phase 1B services may be made to the contractor except to services at work performed at express County direction. And so, if under this clause we would not be held liable

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

for Phase 1B, then there should be some kind of a breakdown, I would think, in accounting.

MR. UEOKA: Chair, if I may?

CHAIR RAWLINS-FERNANDEZ: Yes, Ms. Ueoka...Mr. Ueoka?

MR. UEOKA: I'm not overly familiar with this contract but from what I just heard you reciting it sounds more like for the construction portion, because the second 1B money was never, the bond was never authorized, when we entered into the contract, we made clear in the construction contract that 1B is separate and that there couldn't be any claim for damages as like some sort of breach of contract in case 1B never came to fruition. So, as far as the construction management contract, I believe, it's just tracking that language saying there's an overall amount to do the construction management for the entire project with the understanding that we may not be moving forward with 1B; therefore, you may not be able to bill us for certain things in regards to the 1B section, but it's a compensation issue moving forward. So, it's not necessarily that we broke out this is how much the construction management is going to be for 1A, and this is how much it's going to be for 1B. It was more the total contract is this and, like any other contract, if we stop using...a services contract, if we stop using the services, they don't bill us for the whole amount. I hope that helps. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Ueoka. Did you want...okay, Ms. Wade?

MS. WADE: Also, just to follow up, so you were very, you know, you made the point that our construction cost estimate came in at nine, about 9 million for Phase 1A, then when we actually bid it out, so time passes, construction costs go up, the bid comes in, it's typically higher than your original cost estimate, which is exactly what happened with 1A. So, when with the...the contract was drawn up and we had not yet bid out 1B, we don't, and even this at this moment, we don't know when we bid that out if we already have enough money that has been approved by bond funding. We won't know that until the bids come back, which is why that language is in this contract.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Wade.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Yes, Chair King?

VICE-CHAIR KING: Thank you. You know, this page that you gave us is kind of confusing. I don't...do you know what the date is on this contract? Because my understanding is it says right here, Phase B is depending upon, dependent upon appropriations sufficient funding, but my understanding is that Phase 1A and 1B were funded together as a unit and were, the bond was authorized together. So, why would you put that into this contract?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: So, the date of the contract is December 28, 2018.

VICE-CHAIR KING: Ninety-eight...2018.

CHAIR RAWLINS-FERNANDEZ: Yeah. Just last December.

VICE-CHAIR KING: Okay. So, if it had been authorized, I don't believe that we authorized 1A and 1B separately. I thought that was all authorized together.

MR. BAZ: Madam Chair?

VICE-CHAIR KING: Can you clarify that?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: I'll take a stab at trying to explain that. So, Phase 1A and Phase 1B, the authorization and appropriation were put in place, right?

VICE-CHAIR KING: Right.

MR. BAZ: It's \$44 million. What that language in the contract is trying to describe is whether or not that's sufficient funding. We don't know that because of the bids --

VICE-CHAIR KING: Oh.

MR. BAZ: --and what they come in at, it may seem...

VICE-CHAIR KING: Okay, so what you're saying is if the bids come in higher, we're not obligated to that because we haven't authorized any more than what we had authorized?

MR. BAZ: Exactly. Yeah, yeah.

VICE-CHAIR KING: Okay. Okay, well that makes sense.

MR. BAZ: Okay.

VICE-CHAIR KING: Okay, thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair King. So, there's just a little bit more that I'll read through just for further clarification. The fourth question that was asked was to identify the dollar amounts already encumbered for any other phase of the project. The construction management contract with Dowling Company includes Phase 1B. So, that's true, but that wasn't the question. After reviewing the contract with Dowling for Phase 1B, it appears that no dollar amount for Phase 1B has been encumbered at all. Is that correct? Mr. Baz?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MR. BAZ: Thank you. Again, I'll try to explain that. So, what we bid...what we requested proposals for from, well, for construction management was construction management of Phase 1A and Phase 1B. And that is what was contracted into with Mr. Dowling was the, Everett Dowling Company was the final contractor, right, so that's what we've been to an agreement with was for Phase 1 and...Phase 1A and Phase 1B construction management, yeah. So, that that construction management phase is completely encumbered.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Baz. Okay, then the last two questions. Number five was to provide copies of executive contract...executed contracts in relation to the Wailuku Civic Complex. Please see attached contracts (Exhibit B and Exhibit C). That was received, so and reviewed, mahalo. Number six, the last question was to identify any penalties and cost implications associated with the cancellation of any executed contracts for work beyond Phase 1A of the project. Penalties associated with cancellations--so this is the response--of executed contracts are outlined in the County of Maui's General Terms and Conditions of Professional Services and the County of Maui General Terms and Conditions for Construction Contracts; both provided within the attached contracts. The Department of Management recommends Council seek legal opinion as to the likely penalties and cost implications associated with cancellation of any executed contract. The contract for MIRA Image to finish work on Phase 1A is not proposed for cancellation; therefore, we would only need to look at the contract for Phase 1B with the Dowling Company, which you all have, and that was the section that I just read. And so, since Phase 1B work has not yet begun, I believe, this contract language is clearly interpreted canceling the fund for Phase 1B portion of this contract is perfectly within the County's right and was agreed to upon the contractor. Is that correct, Corporation Counsel?

MR. UEOKA: I'm sorry, Chair. Could...what's the ultimate question there?

CHAIR RAWLINS-FERNANDEZ: If the County is within its right that was agreed to by the contractor with Phase 1B, the section that I read? On Page 2 of the contract, the parties undersigned and agreed that the execution of this contract is only Phase 1A and will not be under contract for construction, and Phase 1B is depended upon the Council appropriation for sufficient funding.

MR. UEOKA: Chair, thank you. I believe you're talking about the construction management contract, which is referencing the construction contracts. So, if 1B were to be canceled, my assumption would be we'd go in and probably try to do a contract amendment to the construction management contract to reduce it as we wouldn't need the work to be done. But there might be some...I don't know exactly what the amount the County would be able to amend it to would be. It would be a negotiation. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ueoka.

MR. BAZ: Yeah, and, Madam Chair?



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Yeah, thank you. So, just to outline that Section 14 of Contract number C6659, the contract for professional services does outline the procedures and the implications of termination, okay, or modification, right. But basically, the...it would be a negotiated amount with the contractor because of work they may have done that could've included already, you know, their construction management of Phase 1B thinking that they were gonna be doing it as one contract, right, so. Yeah.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Baz. Okay, Members, I hope that helped to clarify. Okay, I will now open the floor to questions from the Members. I guess, I'll start with Member Sugimura, and then I'll work my way down.

COUNCILMEMBER SUGIMURA: Pass for now.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Just let me know if I'm not on the right questioning. But thank you very much for this opportunity, it's, I think, a needed discussion 'cause there's a lot of not clarity. And so, I was wondering just where we are now, because when we listened to this in the PSLU Committee, there wasn't yet an RFP for the shuttles and whatnot. So, like, my question, I guess, is from the testimony it seems like parking is a big issue, and if we just, you know, take it slow and see if the 9:00 to 5:00 workers and the shuttle that was planned for during the construction phase is moving forward at this moment. And, you know, I'm not sure if everybody realizes in Maui County that it's gonna be from free parking to all paid parking. And if we can try that out, like, the shuttle service and maybe like an arm paid parking and see how that goes, because right now that lot people can just pull up and park. And then what you had said in our Committee was, like, you know, people would pay for that convenience that aren't the shuttle folks and a lot of the testifiers are the 9:00 to 5:00 folks. A lot of the testifiers seem kind of, like, bent that, you know, County workers, State workers, the Judicial was using that. So, if those guys were to use that shuttle system if the RFP has gone out and what was needed and then make the existing parking minus that medical plaza be paid parking, like, if we can try that out to start to see if that addresses some of the parking needs, and then if not move forward from there is my question. Sorry, if it's weird.

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you for that. So, there's a couple of things, first I'll address the shuttle. The shuttle RFP hasn't gone out. We did take a look at the budget to see when the Council discussed having it run basically full time instead of just beginning and ending hours to see if we had adequate funds to bid it that way talking with Department of Transportation, and it doesn't look like we can bid it that way now with our current budget. So, we'll likely be bidding it with the expectation that it's County and State start hours and end hours that the operations would occur.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER PALTIN: Sorry. And that's regardless if construction moves forward, that's, like...when construction moves forward that's the way it's gonna be is working hours because that's what we have money for?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: So, and that can be changed and added so within the contract language we can say this contract may be expanded to include additional times or additional routes or things like that, so it can be added and deleted from once it's bid out. But at this point, we haven't bid anything, so we have to kind of get that moving first. And then the thing that we'll do then is I think what you're kind of leaning to is it'll allow us to test demand and determine, you know, what is the willingness of folks to ride the shuttle and what can we do to make that a really attractive service for folks. So, we're anxious to get that out too. The second question about the paid parking, we presented a parking action plan to the County Council last year. It was not adopted at the time, and no ordinance has been adopted to accept monetary payment for parking in that municipal lot. So, that does take additional Council action to move that forward, so if that's something, you know, that does become a priority we would be coming back and with a draft ordinance to allow us to charge for parking with terms, you would have to set rates, those types of things would have to occur first.

COUNCILMEMBER PALTIN: Thank you. I got choke more questions, but I know that everybody does, too, so thanks.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Paltin. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. My question at this point in time because I would agree with my colleague from West Maui what we should be talking about is how this is going to be implemented, because, obviously, everyone knows I support this project. So, my question regarding this current initial authorize appropriated funding is, is there anything different from our standard approach to other CIPs in how we approaching the funding or the phasing of consultants and subcontractors with the general regarding the actual construction of the project? Is there some variance that we're doing that is, has not been part of our standard process in doing CIPs for this County?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you, Chair. The Phase 1A is very unique because it combines multiple projects from multiple departments. In the past, typically, Water would execute a waterline contract and then go out and just resurface, same thing with Public Works or with DEM, Department of Environmental Management for sewer systems, those would be exclusive of a single system typically, but with this Phase 1A we're doing all system upgrades at once, which is a significant cost savings. So, typically, if you were to see the waterline upgrade project, for example, on Vineyard Street was about a \$7 million project in and of itself, so that would be a typical cost. Now, you're looking

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

at three blocks of Vineyard and Church Street full upgrades costing us the 10½ million, so it is significant cost savings in that aspect, but that is the reason it's a separate contract to from the vertical construction. It's often two very different types of construction companies that would do those types of projects. So while we intended for the projects to happen together and simultaneously, we had to separate them in terms of the construction contracts to keep the costs down so that it's not a structural contractor really that's building a road 'cause that would be a much higher cost, so that is the reason for the two independent contracts.

COUNCILMEMBER HOKAMA: Okay. That was a very good explanation. And again, I understand we have a complex project. We're doing many things at once for the main reason was efficiency and cost savings; however, I think we need to have been a lot better in our communications of how 1A and 1B is tied to the hip.

UNIDENTIFIED SPEAKER: Yeah.

COUNCILMEMBER HOKAMA: Okay. Because a part of 1A is we doing improvements, but we taking away parking, so if we don't do 1B, we would now be in deficit parking of existing numbers, which means less available parking, okay, if we don't do 1B, yeah. So, we need to explain well to our total community 'cause I would agree there is Countywide benefits of this project that not to do 1B puts us further behind the ball in having access to this district, okay. And I think we need to do a better job on your part in explanation of why 1A and 1B needs to be viewed as a joint project is how this is for me the initial step of how we're gonna move this to the regional planning, because I've heard the gentleman with his concerns of transportation from Waihee, okay. Unless this project goes forward as a regional component, how will we ever look, plan, and potentially fund a third, potential third road to get across the river? We know what is Happy Valley, Piihana parameters, very narrow, very few options, okay. Paukukalo Beach Road, very narrow, very few options, so how we're gonna look at a potential third road access to cross the river unless we going determine who will not develop across the river, okay. That is part of why I think we need to do a better job in explaining that for this County this is part of a keystone to regional planning and how this is a key component to move us from individual projects to a regional project planning component, okay, 'cause this now will involve housing, this will involve commercial, this will involve infrastructure. And I will say, although it's not our kuleana, it's the State's, it will impact the educational system, it will impact the ability of us to start developing non-visitor industry job creation and job opportunities, 'cause I want our people to have one good full time job than three part-time jobs to survive in this County. So, part of it is my fault, I, maybe have not explained well my ideas of this regional concept that I'm trying to push for smarter planning, but I think we need a better job from today on that we all do our best to communicate that this is a keystone project, okay. And a lot of people are looking at us, 'cause if this goes, I'm gonna tell you, it will be duplicated a lot other neighborhoods, regional conceptual planning. And I hope that we can explain it better, because that is why the phasing of the contracts, the amounts of the contracts. Yes, we talking about big money, but if we cut up all these projects independently like it was from the various independent departments in previous budgets we are over \$100 million, okay. So, my thing is how

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

can you help us explain better how it's tied to the hip and why, although not encumbered because it's been appropriated and authorized. Council already gave, what I would say in my quotation, would be a license to spend. The encumbrance is, yes, the executed contract, but we've given the green light to the departments to move this keystone project forward, 'cause there's a lot of thing depending including Federal support, whether it be with Wailuku River, whether it be for HUD projects, whether it be for opportunity zones, this is the keystone to get that outside funding to support this community. Any thoughts on that, Ms. Wade or Mr. Baz?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. We certainly agree. I, in terms of the information that you are requesting that additional and better information connecting to the regional planning process, we can certainly do that. We are looking to hire a public information specialist as well, you know, when we were in the planning phase there was lots of good communication and interaction, and now that we're looking towards construction it feels like there's a need to know on a daily, maybe, even a hourly basis that folks have. And so, I think a public information specialist is going to be key to that, and we can build that into part of the message.

COUNCILMEMBER HOKAMA: Chair, thank you for this opportunity at this time.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Chair King?

VICE-CHAIR KING: Thank you, Chair. So, I guess, I have a question about the...first of all, the length of time businesses will be closed with phase, between Phase 1 and Phase 2. You mentioned that for the infrastructure part, it was, I think, one, a year and three months or something like that. But for the entirety of Phase 2, if we just do the parking, what's the intention of, you know, basically closing down those area businesses, and then if we actually went into Phase 2, how much longer will that be?

CHAIR RAWLINS-FERNANDEZ: I just wanted to clarify the question. Do you mean Phase 1B of the infrastructure?

VICE-CHAIR KING: Well, Phase 1 is Phase 1A and 1B.

CHAIR RAWLINS-FERNANDEZ: Okay, the whole thing. Okay.

VICE-CHAIR KING: So, if you...so for the total of Phase 1, what's the closure time and then how much additional with the Phase 2?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you, Chair. You...just to clarify, you said closing of the businesses, which we're certainly not intending to close any businesses. We are planning to close, partially to close roads and have just partial closure of roads, so I wanted to just take the opportunity...

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

VICE-CHAIR KING: Okay, well, that may close down some businesses so just, okay, talk about the road closures then.

MS. WADE: So, you know, for clarity because I think there has been confusion in the scoping for the contract for Phase 1A. We require the contractor to remain a single lane open at all times, so there will remain access to all the businesses and both vehicular and pedestrian access.

VICE-CHAIR KING: Okay.

MS. WADE: So, there at no time will anybody be 100 percent cutoff unless the sewer, their own private sewer lateral is being impacted. So, there's a couple of locations where the sewer lateral goes right in underneath their entry door, so for the few hours that that is getting worked on, we will be coordinating with the businesses to ensure that they can plan accordingly. A few were saying, that's the week I'll take a vacation.

VICE-CHAIR KING: Okay.

MS. WADE: You know, but...

VICE-CHAIR KING: Okay, so, but the whole Phase 1A, you're going to have throughway traffic?

MS. WADE: Correct.

VICE-CHAIR KING: Okay. Even if it's...

MS. WADE: And it won't necessarily be two way, but it will be through traffic --

VICE-CHAIR KING: Okay.

MS. WADE: --through local traffic.

VICE-CHAIR KING: Okay.

MS. WADE: So, in terms of scheduling, we were planning to bid before the end of the second quarter for the Phase 1B. So, 1A, in fact, even now you can go and see at the 30 North Church Street where the building that we purchased MIRA Construction is already sitting up their construction office, and they're going to be beginning exploratory work on the streets here in the next couple of weeks, so that is already underway, the exploratory work. And from the handout that I gave you there is a estimated timeline on the second page from the back if you are interested, but what that illustrates is we would be complete by first quarter of 2021 with the parking. So, we would be completed earlier with the roads, roads would be completed and reopened, but then first quarter 2021 we would complete construction on the parking.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

VICE-CHAIR KING: Okay. You still didn't answer my question. How long are the road...is the road going to be closed?

MS. WADE: Okay. So, I can't expressly tell you this is the exact number of days, because it will depend on, you know, what they encounter as they're in the roads, but I can give you the phasing. The anticipation is to start at Church and Main and move in towards Vineyard Street and then to move from Vineyard and Market up Vineyard Street, and that phase goes from 1<sup>st</sup>, goes from today through fourth quarter of 2020.

VICE-CHAIR KING: Okay. But you're still not answering my question.

MS. WADE: I can't. I really can't tell you.

VICE-CHAIR KING: No, I mean we've promised...and I've heard this being said, we've promised money or, you know, set not in writing, but we promised money to businesses for the times that they're going to be down so we're expecting businesses to be down. How long a period of time is that?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. So, we have basically a construction window that we have been talking with businesses about expecting them to be impacted. And I want to make sure that I'm saying too that what we need for the businesses to be able to document as well is the relationship of the construction impact to their overall business. So, we are asking them to begin documenting today what is their current sales, what is their current income based on a regular normal operating conditions, and then illustrating for us the construction impact. So, that would begin occurring starting as soon as Church Street intersection, Church and Main begins to be affected. So, that's likely to start in August of this year.

VICE-CHAIR KING: Okay, and go through how long?

MS. WADE: So...

VICE-CHAIR KING: So, apparently, you're going to have various businesses affected as you go along doing the roads, and then you're asking the businesses to quantify what they --

MS. WADE: Their loss.

VICE-CHAIR KING: --may or may not be losing?

MS. WADE: Yes, correct.

VICE-CHAIR KING: Okay, then you're gonna do a reimbursement or what's the plan on that?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MS. WADE: So, the anticipation and we're working with and out with Lokahi Pacific to do both business counseling and to help them identify how they can remain successful during the process, but then to potentially provide grants when there is a drop of 75...I don't have the numbers with me here, because I wasn't expecting to talk about mitigation program specifics, but that we would be able to provide them grants on a quarterly basis for loss of sales.

VICE-CHAIR KING: Okay, and this is part of the budget for Phase 1?

MS. WADE: This is currently part of our operating, in our operating budget expectations.

VICE-CHAIR KING: For Phase 1?

MS. WADE: For phase 1A.

VICE-CHAIR KING: Okay. So that money is going to come from the County to Lokahi Pacific and be disbursed from there but we don't really know how much that is?

MS. WADE: We have not. And the part of the reason for that is currently the Office of Economic Development is doing surveys with the merchants to identify what their expectations are for construction, how they are expecting to be impacted, and what the degree of impact is likely to be so that we can scale it according.

VICE-CHAIR KING: Okay. Okay, I'm a little concerned because we've already gone over what was allotted for 1A but that money was already in there, so that, if it's contracted then does it go to the contractor to disburse that money?

MS. WADE: You're talking now again about CIP monies. Is that correct?

VICE-CHAIR KING: Well, you just said that we, that the...yeah, it's confusing 'cause you said that 1A, Phase 1A was gonna be 9 million, 9.2 million, but we've actually contracted for Phase 1A at 10.4 million. So, we've gone over what we thought 1A was gonna be, but you're saying that the money that's in 1A is supposed to also cover remuneration to the businesses.

MS. WADE: Thank you.

VICE-CHAIR KING: So, is that included in that budget that budgetary cost that we approved which was 9.2 million?

MS. WADE: Thank you. . . .*(inaudible)*. . . understand the question.

VICE-CHAIR KING: Do we still have that money available is my question.

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MS. WADE: Thank you. The funds for construction mitigation is in the Maui redevelopment program's operating budget, it's not a capital expense.

VICE-CHAIR KING: It's not part of the money that we've appropriated?

MS. WADE: Correct.

VICE-CHAIR KING: Okay. Then that's not...

MS. WADE: Well, to clarify, you have appropriated funds in FY '19's Operating Budget under the Maui redevelopment program, and so the monies that's in there can be used for this program.

VICE-CHAIR KING: Okay.

MS. WADE: But because it's not a facility, it's not a capital project, it can't be funded with capital monies.

VICE-CHAIR KING: Okay. Okay, that clarifies that, so thank you for that. And then the other question I had was if you get funded, I mean, you've been funded for Phase 1, 1A, 1B, and if that were all the funding that you got, you know, authorized to spend, do we need to then go and redesign the parking structure? Because now it doesn't have businesses and office buildings and maybe it doesn't have to be as high as you've got it pictured in that picture and, you know, as imposing on the community. So, how does that change the parking structure? And where are you in the design of it now?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. We're ready to bid. We are at full construction documents with the parking structure. I can tell you having reviewed the previous two parking structure designs, it's really not all that different. We keep kind of coming up with a very, very similar product for that location, and my assumption would be that if any changes were to be considered for Phase 2 that we would still likely want to continue to just move forward with what's already been designed.

VICE-CHAIR KING: Okay. So, the original design doesn't have the building, the office space, and the businesses, and the things that we saw in your pictures?

MS. WADE: Good question. Yes, the parking structure and the building as originally designed were connected with the elevator lobby. So, when in FY '19, once the County Council approved the budget and only funded the 44 million, we knew to move forward. So, that, we take that as direction from the County Council that said, you know, your expectation is that we move forward on the project with that funding.

VICE-CHAIR KING: Okay.



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MS. WADE: So, what we did was we pulled off the building itself away from the parking structure and separated that into a separate phase.

VICE-CHAIR KING: Okay. 'Cause my, I mean, when I first looked at this project when you were first presenting it, it looked like at the bottom of the parking structure were going to be businesses and some, you know, there were going to be some structures like that. So, now it's like a totally separate structure from the building that has the other the businesses, the \$40 million building.

MS. WADE: It is totally separate. There's the elevator lobby that was intended to serve as both the parking structure and the building. Eventually, that's probably something we want to consider including regardless of what that building looks like or is into the future but that probably wants to be replaced just for accessibility purposes. But for the remainder of it, it can proceed as it's currently designed.

VICE-CHAIR KING: Okay. Thank you, Chair. I'll yield for now. Thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Member Lee?

COUNCILMEMBER LEE: Thank you. So, did the previous Council see the parking design, the latest parking design?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. Yes, the design has not changed on the parking structure since the presentations in April to the Budget Committee.

COUNCILMEMBER LEE: Can we new people see the design? Other than these like vague renderings, can we actually see the design of the parking structure?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you, Chair. We would love the opportunity to come, either come share that or to give you the sets of plans that are being distributed to the Redevelopment Agency for permit. I can share any of that that you'd be interested in.

COUNCILMEMBER LEE: Thank you. Maybe you can share that with our Chair. Now, on the road closures, so you expect Vineyard and Church to be closed for a year-and-a-half?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: So, I expect the total phase of 1A to be approximately a year and a half; however, it will move in segments. So, the expectation is to open a segment of road, make the full improvements, close and move forward. Because the, with the number of connections and interfaces that have to happen at the same time, they're planning to move in segments, so the very first step is the installation of the traffic signal at

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

Main and Church, but the whole time, for example, work is occurring on Church, Vineyard Street will be completely open, and then vice versa. Once they're done on Church Street that will be open and they'll move on to Vineyard Street.

COUNCILMEMBER LEE: Okay. I thought I heard you say something about at least one lane will be open.

MS. WADE: Yes, correct. So, by closed, I'm sorry, I mean under construction. I should have rephrased...I should have phrased that as under construction.

COUNCILMEMBER LEE: Okay. There are a lot of people living on Vineyard, so how do they navigate one road especially after hours? How do you manage that?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. Yeah, there...I think I have shared the construction traffic management plan. It is online on the website as well and it calls for full traffic control, so whatever that means in terms of the State and County's requirements for direction of traffic the contractor is going to be obligated to perform.

COUNCILMEMBER LEE: But you're using, I'm assuming that you're just gonna close or modify the road on, let's say, Vineyard Street, you're not gonna close the whole road at a time, it's just a portion, yeah?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Yes, that's correct.

COUNCILMEMBER LEE: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Member Molina?

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair. And thank you, Ms. Wade and Administration. Just to clear the air, you know, we heard from some testifiers today about the posting of the bill and, you know, Madam Chair, your action...your intention to take action on two of the four bills may be a question for Mr. Ueoka. Are we okay to proceed in this fashion which what was listed on the agenda and the Chair's intent? I don't know if you caught the concern from one of the testifiers that said maybe how...because it created some initial confusion for the testifiers as to what they were testifying on. I mean, in short, are we okay with the Sunshine Law police, if you will?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I'm not the Sunshine Law police, but my understanding is what was posted was a notification of a communication to the Department of Corporation Counsel. I believe what was posted was sufficient to give notice to the

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

public that these matters would be discussed. I guess and to be clear you guys saw my memo where every bill that was sent to us wasn't signed and returned. So, the only thing that I did sign in return was the bond ordinance amending bill, but I didn't sign and return the amendments to the operating budget or the capital program.

COUNCILMEMBER MOLINA: So, who signed them? So, those haven't been signed then?

MR. UEOKA: I'm not aware that there is a...well, I believe there's something on the capital program being circulated or potentially to be circulated, but as far as what I signed and return it was only the bond ordinance, the amended bond ordinance.

COUNCILMEMBER MOLINA: Okay. Okay. And then one question for the potential penalties, depending on what action we take today, when the County sets up these agreements with the contractors seems like something has already been executed with a developer. What could we face if, say, we decide to, if the decision is to defund, what are we on the hook for potentially?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair.

COUNCILMEMBER MOLINA: Penalties and so forth?

MR. UEOKA: I guess for clarification, we're not under contract for construction of the 1B or 2. We're only under contract for the infrastructure improvements. With the infrastructure improvements, I don't believe that the bond ordinance that we issued took us below the already encumbered contracted amounts. So, whatever we are on the hook for, I guess I should say, regarding the bond that's being left alone. The bond ordinance amendment does not reduce it below that amount, so the County is fine there. In regards to not moving forward with 1B, my understanding is that it's not under construction contract; however, we are under a construction management contract. So, I don't think there would be a penalty there. We just would need to work with the contractor to amend the contractor...contract to reflect a reduction in the scope of work and it might work out to a savings, it probably won't be, you know, linear where we reduce it in half so it's half. There's probably gonna be some work that we still need to pay for, I think you understand that, so, but I don't think we're gonna get in trouble for anything as far as the 1A contracts. Thank you.

COUNCILMEMBER MOLINA: Okay. Yeah, I just wanted to get that assurance, 'cause, you know, taxpayers hate to see this County get sued, you know, so.

CHAIR RAWLINS-FERNANDEZ: Member Molina?

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: Just to clarify the bills, so the two bills that were not signed my intention was to defer.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER MOLINA: Okay. Not signed bills.

CHAIR RAWLINS-FERNANDEZ: And the bond bill that was signed, my intention was to pass, and the capital bill, which Corporation Counsel had a couple of concerns with and it's more a matter of housekeeping, which is why we're getting information from Administration.

COUNCILMEMBER MOLINA: Okay. So, Madam Chair, on the agenda so the two bills are, that we're looking at taking action is the two, is it the 2A or 2B?

CHAIR RAWLINS-FERNANDEZ: Appendix B and the bond bill is the Ordinance 4858.

COUNCILMEMBER MOLINA: Bill 4858.

CHAIR RAWLINS-FERNANDEZ: And so everything was posted timely. It just I know it's complicated to read, it's all accounting kind of stuff.

COUNCILMEMBER MOLINA: Yeah. Okay. That helps with my clarification on that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER MOLINA: And just question for Ms. Wade, you know you've heard concerns about, well, there was one interesting testimony we received, I believe, it was from Ms. Mahina Martin that, I guess, when the surveys were done back in 2010 or 2012 community may have had a change of heart as to what they wanted to see for this area. Do you anticipate conducting any updated surveys while we go through this process in the meantime? Have you did any additional outreach?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you, Chair. So, we actually did two surveys. One was in 2010 and the second was in 2017, in May of 2017 right when we were kicking off the public outreach segment and several of the questions were repeated from 2010 to 2017 to test that very question has sentiment changed, are folks' feelings about Wailuku or about how they want to get here or what they want to do once they're here, has those changed significantly. The variability was more people were driving, that was the most thing, the thing that stood out more than anything was more people were driving but almost everything else about why people come to Wailuku, how long they stay, those types of things were relatively similar, how long they're willing to walk to get to parking those things were the same. Those survey results are on the reWailuku website as well if you would be interested. And there's...we continually find things that we need data from the community about. You know, one of the things that we're doing very soon is serving the major employers and merchants to find out where they park now, how many employees they have, so having each of those employees tell us where they would be likely to park during construction, would they be willing to take a shuttle,

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

would they be willing to pay for a parking stall, all of those types of questions that help us design and react kind of as Councilmember Paltin was suggesting a response to what the demand is, so we will continue to survey in those ways.

COUNCILMEMBER MOLINA: Oh yeah, I'm glad you're doing that. We heard from one testifier a merchant who had concerns about the parking limitation and time. Is that something you're open to to working with the merchants? I think that merchant brought up a good point so.

MS. WADE: Yes, thank you. We proposed switching the all-day parking behind the Iao Theater to two hour to provide for customer parking. When the customer...there are 70 customer parking stalls in the municipal lot and when we take that away, we were thinking, well, you want your most convenient parking to be available for the customer. But since we came out with that publicly that side of the block has really said, no, we really want to keep that for our employees, let the customers find their way to us. So, if that's their sentiment, you know, we're...the objective is to help, you know, so if for them helping is to provide employee parking, then, you know, we're open to whatever does the best for the neighborhood.

COUNCILMEMBER MOLINA: Okay. That's good to hear. So, nothing is totally etched in stone at this point. And lastly then, it's been alleged that there hasn't been enough community meetings. Can you tell us for the record, as it relates to this particular project, how many meetings, if you have an estimate, how many meetings there have been, how many evening meetings? Because I think that's a big thing for a lot of folks in our community, they cannot come to these 9:00 a.m. meetings in Wailuku or wherever because they're working. So, I can remember my previous tenure on the Council when we had big controversial projects to do, we took up a lot of evening meetings and it was much appreciated by the community whether they are for or against the whatever project. So, and my understanding you gonna have an evening informational meeting and that will be the next week Friday. Okay. Thank you. 'Cause I got some mixed messages out there someone said there was going to be a meeting tonight at five o'clock on the 29<sup>th</sup>. So it is April 4<sup>th</sup> for next week's meeting. So, anyway, if you could try to answer my last question on this.

MS. WADE: Sure.

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: I'm gonna start with the end, if you don't mind. So, yes, the meeting is April 4<sup>th</sup> at 5:00 p.m. in this Council Chamber. The Department of Management is hosting that meeting open to any comments and questions that the community has. Going back to how many public meetings and public outreach was conducted, from the time of the kickoff of design through the fiscal budget of, FY '19 Budget deliberations, it was 47 opportunities for public participation in a variety of forms, and some of those do include your regular meetings like a Maui Redevelopment Agency meeting, and then others were the popup planning we held, which was both evenings and weekends. We did popup planning at First Friday on, for multiple months. I think you were provided

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

a link to the frequently ask questions, and on that under public outreach, it does list every single date and location of those meetings. It doesn't list times. I could update that to include times if you are interested, but we did do our best to try to do nights, weekends, and to create...to get as many folks as we could.

COUNCILMEMBER MOLINA: All right. Okay, thank you. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: And this is brought to my attention that the meeting is scheduled at the same time that we have our Council Budget hearing Upcountry. Yeah, okay. Mahalo, Member Molina. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. I just wanted to mahalo my fellow Councilmembers for asking those poignant questions. It definitely answered a lot of my own questions, and I just wanted to get, you know, more of a broad scope of the project. I guess my question will be, you know, many testifiers asked about the operational cost post-construction and what the County's responsibility would be. And I kind of wanted to see some of those projected numbers as far as going forward and, you know, some of the testifiers thought that, and even the Mayor, I think, said that we might be, you know, in the red at the beginning and then they just kind of see how long is it gonna take to get in the positive. So, is there any comments towards that?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you for the question because I did see quite a bit on social media that was inaccurate relating to this specifically. So, there's two ways that this facility gets funded and one is through the debt service, so once the general obligation bonds are issued just like a mortgage payment, we have that annual payment that pays on the debt, and then there's also the cost of operating the facility. So, right now, if, and this was also in the Mayor's testimony, if the 40 million in general obligation bonds that's been authorized is about 2.6 million in debt service a year for the County, that would be the County's responsibility in terms of debt service. Because we're intending to charge for parking in the parking structure, we would hire a vendor to operate that. The County of Maui doesn't have a parking department. So, we would put that out to bid, it would be a licensed vendor. A portion of the revenues will come back to us and they would retain a portion. So, the operations of that facility would either be neutral or positive in terms of the operation. It would be the debt service payment that we would still be paying on. And then for Phase 2, because we haven't completed the construction design of that, I don't have an operational costs at this time for that Phase 2. So, because we haven't officially decided what goes on what floor, how many total square feet is that going to be, once we know what's exactly included in that we can get operational cost estimates. But because we haven't made it to that stage for the Phase 2 building, I don't have any cost estimates for that at this time.

COUNCILMEMBER SINENCI: Okay, thank you. A follow-up question, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER SINENCI: Since the project is an economic opportunity zone, does the County anticipate maybe a partnerships with private entities? I mean, and would that include this vendor?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you, Chair. So, for the parking operations vendor, because the opportunity zones is a capital gains tax shelter, essentially, they would have to be investing either in terms of owning a part of the garage or something. So, we would have to figure out does the County Council want to sell off the garage. I mean, those would be bigger questions, I think, for you folks to determine for the structure itself to be part of an opportunity zone. For the building, that could still happen depending on what sort of the market feels could be supported with opportunity zone funds. I know the public market that we have discussed isn't a huge moneymaker, and so that's probably not something that the private sector would see as lucrative in terms of investing their opportunities zone funds, that's why they're public, typically, is, you know, they provide this service to their community, they provide farmers a place for their goods, but it's not necessarily generating a lot of revenue. But there are other things and I know that there's lots of property owners in the neighborhood who are looking to partner with folks to make some investments in the neighborhood using opportunity zoned funds.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Sinenci. Okay, I have a few questions. I wanted to follow up on Member Paltin's question. And so in the Mayor's testimony or when you were answering questions, Mr. Baz, you mentioned...one of the questions that was asked was will there be a point that this project will break even, that it'll, the return on investment will, it'll be recovered, our investment will be recovered? And one of the things you named was revenues from parking, and then Ms. Wade responded to Member Paltin's question that there wouldn't necessarily be paid parking. And if that's the case and part of the plan in the return on investment is paid parking, then would that mean that if we don't have paid parking then this structure would not pay itself off?

MR. BAZ: Good questions, thank you. So, the cost recovery breakeven point that we've developed is based on full build out and the total cost of the original estimates were \$78.4 million and we're looking at about 12 years before it breaks even. So, beyond 12 years it'll be generating money to pay back the bonds and hopefully the County funds. Eventually, then, yeah, once the bonds are paid off after 20 years we're looking at a significant amount of revenue that is based on paid parking. If the paid parking plan that we proposed last year does not get adopted and we are not allowed to charge for parking, then yes, we've built a 27 or so million dollar free parking garage, which I'm sure the community would love but we would want to try to recoup some of those costs, so yeah, thank you.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: I don't know if the taxpayers would love that so much. So...and then it was also mentioned by Ms. Wade the public market isn't anticipated to be a huge moneymaker either. And so, I know Chair King has been asking from last year for a business plan or, you know, the plan for, I mean, kind of what Mr. Baz just explained that at 12 years we would anticipate break even and 20 years after the...or I don't know if it's 12 years after the breakeven point that we start making significant revenue, but is that in writing somewhere that we would be able to review because I haven't seen anything like that? Ms. Wade?

MS. WADE: Thank you. I think the thing, maybe, to focus on or the way for me to clarify is to express how in terms of economic development the site-specific improvements themselves may be revenue neutral, but the surrounding neighborhood's value increases and, therefore, the property tax revenue to the County increases and that's what the financing plan expresses. So, the numbers were that Mr. Baz is citing and the 12 year breakeven point assuming a \$78 million general obligation commitment, that's anticipating that we make this investment and we're paying on the bond on the debt service but all the while because now we have provided parking and an economic activity generator, the surrounding businesses are now and properties are now becoming viable and historic buildings that can't renovate today because they can't provide parking can now do so and are able to retain tenants on a regular basis, those types of things. So, that's where the revenue source is, not necessarily coming from within who's leasing out the building or are we getting enough in community center rental money, because we all know that's never gonna pay the debt service in and of itself, but the revenue generated from increased tax increment is what does.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Wade. And then just another follow up to that. So, is the community aware that incumbent upon the return on investment, recovering our investment that the surrounding property values will have to be increased and in that way we can recover some of the taxpayer monies via property tax? And in the analysis and fiscal and economic, the analysis of fiscal and economic impacts that came out last April that it expects that hotels would be built and as a County, as the investors in this parking lot that we would want these hotels to be built so that we can recover the taxpayer dollars that we're investing. And if the community itself would be against hotels but the County needs to recover its investment that it would...we would ultimately be pitted against the community in encouraging hotels to be built so that we can collect higher property revenue. Does...is the community aware of that? Ms. Wade?

MS. WADE: I don't know that I can answer that. I know that it has been from the beginning part of the analysis, and it is really the whole point of downtown economic revitalization is to encourage and create value for properties that are significantly distressed and undervalued, which is the situation in Wailuku today.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah. Thank you. So, I wanted to hear what everybody and a lot of good questions from the other Members. I wanted to go back on the



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

general obligation bond. I know that today what's on the table, basically, if we defund this project, how much general obligation bond are we trying to release back to the County coffers, I guess, or however, I just wondered what it is. And then my next question is how much...is there value to do that? And can we take this and use it for like what the testifiers were saying, we need more housing, we need to help you know he may concern issues, help the homeless, so can we take this and use it for other needs like that? And my guess is we just got this huge budget from the Mayor that, basically, addresses a lot of those concerns. So, can we take this general obligation bond use it for those concerns? They're saying, don't waste the money, use it for that. And then my second question is how much is there in general obligation bonds? Like are we...is this be depleting that County's coffers because we're using this general obligation bond? So, I don't know who would answer the question, but just kind of the thought as we sit in this de-funk...defund mode, if somebody could answer that.

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I guess I'll just start off on the general. We're not defunding anything, the appropriation still stands in the operating budget; --

UNIDENTIFIED SPEAKER: Okay.

MR. UEOKA: --however, the way we do our bond for the County is we generally do a loan from the General Fund to the Bond Fund, and I believe our general budget provisions say 55 million. We have to go to issue bonds before it hits 55 million, so we're not necessarily depleting the County coffers. What's happening right now is you're just not authorizing the issuance of additional bonds above the 13 million already issued for this project. Our overall amount we can bond is set by State Constitution. It's a very, very, very big number that we should never ever go near for our debt, so we're not...I guess, it doesn't really deplete our ability to issue bonds there and...yeah, and so and just to get into it, to say what projects that the bonds...if you were to issue new bonds could be used for that's a...I can't just tell you yes and no. It'll be an analysis also. Bonds, government obligation bonds are limited in how you can use them and what you can use them for, generally speaking. I think Mr. Baz has some comments. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka, to follow up on that question. What is the capacity of our debt service? Is there like...okay, Mr. Baz?

MR. BAZ: Thank you. So, the State limits our debt, or excuse me, our total debt to 15 percent of our assessed value and from my recollection that last year was about \$6½ billion of debt. So, we don't ever, ever want to get, like, Member [sic] Ueoka mentioned to that point, but there are municipalities on the mainland that are at that point, but we are nowhere near close to that. So, when you look in the budget document, there are some criteria that we do look at a little bit more closely. One is the debt per capita and the other is the level of debt service to operating budget. And because this question came up during my presentation of Mayor's testimony this morning, I did go back and look at our bond rating reports from the last bond

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

issuance. I pulled Standard and Poor's really just quickly. And if you don't mind, Madam Chair, I'll read a section related to the debt and to answer Member Sugimura's question. It says...the section titled Strong Debt and Contingent Liability Profile. In our view, Maui County's debt and contingent liability profile is strong. Total government fund debt service is 7.0 percent of total governmental fund expenditures and net direct debt is 64.9 percent of total governmental fund revenue. Overall, net debt is low at 0.7 percent of market value and approximately 67 percent of the direct debt is scheduled to be repaid within ten years, which in our view are positive credit factors. We expect that the County's debt profile will remain strong, although the County plans to issue up to \$80 million in 2019 to fund a redevelopment project in Wailuku. So, this was presented to them as a part of our rating. They did affirm our rating at the AA+ to include this project, yeah.

COUNCILMEMBER SUGIMURA: So, if I could?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz, would you be able to send that copy to the Committee?

MR. BAZ: Yeah, I mean, I could hand this over to...

CHAIR RAWLINS-FERNANDEZ: Okay.

MR. BAZ: Thank you.

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

COUNCILMEMBER SUGIMURA: Yeah, so a follow-up. So, basically then it, it's not like we can take this money and use it somewhere else. And then my second question is it would have to be a whole new appropriation, I guess, and it doesn't really release these funds to create more, like, it's not cash, I guess? That's the analogy, right, it's not cash where it's definitely at a premium and a limited amount, but it's bond funding that we would be able to get like a loan, a mortgage, I guess, sort of, from a bank, but...so, the concerns that the community had, which, you know, there were several testifiers talking about better use of this money because of those other human concerns is really a whole separate issue from what I'm gathering. Correct?

MR. BAZ: Madam Chair?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Thank you. Each authorization to issue bonds for a project, they're individual authorizations, yeah. We don't issue...you don't authorize the County to issue \$50 million in bonds. You authorize the County to issue bonds for specific projects. So, if this project, the bond authorization was not available then that we just couldn't borrow the money. That doesn't necessarily mean that money is available for something else, you would have to appropriate new money for those purposes. I did hear some of the testimony and there are some things that bonds can be issued for

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

and some things that are, they can't be issued for and because these are tax exempt municipal bonds there are, there's State regulations as well as IRS regulations as far as what we can and cannot be used for. And one of the main things is that it has to have County ownership, yeah, and be for a County public purpose, yeah, public works project.

COUNCILMEMBER SUGIMURA: Thank you. And, I guess, I'm concerned another thing is that from my two previous years of doing budget, I didn't think that we could as a body un-allocate a CIP project that we approved previously. And I wonder if Corp. Counsel can explain that. I mean, as a body can we go through the whole CIP project and say, okay, we don't like this even if we approved it before? I mean, are we working outside of the boundaries of what is allowed as for the Council versus I always thought those kind of, you know, budget appropriations always came from the Mayor, I was told and...or from Administration, and not at the purview for the Council to take stabs at what was previously approved. But can you explain that?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: I can try. So, in the Charter there's a portion that talks about the operating budgets. The Mayor and the Council may amend their respective operating budgets. There's another section in the Charter that talks about a capital program. It's Section 9-6 of the Charter. Within there, it just says it's a Council action. It says, the capital program may be amended. However, within the capital program area it does talk about every expenditure in the capital program will have like, essentially, a matching appropriation in the operating budget. So, while you can amend the capital program, you can't amend the operating budget. So, once the capital program with the projects adopted, the corresponding appropriation is also put into the operating budget and it's available. For this particular one, the Council chose to fund it in a mixture of, I believe, lapsed bonds, some cash, and new general obligation bonds. So, therefore, you have a lapsed bond bill, the cash is cash, of course, and you have another bond bill that talks about, I believe, it's \$40 million for certain projects. So, the Council, we've always felt can amend the capital program, cannot amend the operating budget, and can amend the bond ordinances.

COUNCILMEMBER SUGIMURA: So, are we then...if that's so, it sounds like it is like a check and balance, right, or maybe the wrong word, but it's a balance where the operating budget and the CIP were put into play and so that's why the project went forward and did RFPs and went out and contracted or started bonding or going out and planning, I guess, as Mr. Hokama tied the 1A and 1B together. So, at this point, can we do this action? It sounds like we're...

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I wouldn't use check and balance. I would say it's kind of more a conflict --

COUNCILMEMBER SUGIMURA: Yeah.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MR. UEOKA: --in my opinion, and I...that 9-6 of the Charter has been around, I believe, since the inception of Maui County Charters, and I don't believe it's changed in substance very much. I would imagine our capital program and operating budget have changed in form and format and numbers immensely over the last 50, 60 years of this County. But to get to your question, as I expressed in my memo back to the Committee, I believe this action of reducing the bond ordinance was okay. It wasn't illegal. It's a policy decision on your part, of course, because it did leave in the bond appropriation or the general obligation bonds allowed the amount that we had already encumbered, that 13 million that they're leaving in place. That's the amount we've already encumbered out of that general obligation bond. If you had gone and zeroed it out completely, then I would've probably been more hesitant and probably would not have signed approved as to form and legality because there's other checks...sections of the Charter that talk about how we need to pay our obligations and debts and by removing that amount you would be making it so the Administration most likely would not be able to pay a debt it incurred, which it was authorized to incur. But at this point, there is no encumbrance, no contract was signed for the remaining 27 million, so this action if the Council chooses to go through is not illegal. Thank you.

CHAIR RAWLINS-FERNANDEZ: Right, and if there was a conflict between an ordinance and, or the Code and the Charter, the Charter would rule?

MR. UEOKA: Thank you, Chair. Sorry, I wasn't talking about a conflict between...I was just talking about conflicts between, or --

CHAIR RAWLINS-FERNANDEZ: Within.

MR. UEOKA: --theoretical conflicts between sections of the Charter. You guys may want to take a look at that if you have an opportunity. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Did you have any other questions?

COUNCILMEMBER SUGIMURA: That's it.

CHAIR RAWLINS-FERNANDEZ: Pau? Okay. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I just had some clarifications that I am, you probably might have said, but I just wasn't clear. We're not talking about the civic complex, right now, right? We're just talking about the parking structure.

CHAIR RAWLINS-FERNANDEZ: We are talking about everything after Phase 1A, which is the infrastructure improvements, so that would be the 13 million. The parking structure would be an additional 29 million and then the complex was the 40 million that was appropriated in December but not authorized, and so it would need Council authorization.

COUNCILMEMBER PALTIN: So, everything after Phase 1A we're talking about today?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Right.

COUNCILMEMBER PALTIN: Okay. Thank you. And correct me if I was wrong but, like, in the testimony you were saying revenue generator. This project would be a revenue generator, but then at one point you said the parking is revenue neutral, and then the civic complex part wasn't where the revenue after 12 years was coming from, it was coming from the surrounding area. Is that correct?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Thank you. Yeah, so, Member Paltin, you're correct. So, the revenue generation that Mayor mentioned in his testimony and that Erin talked about today was revenue to the County through increased assessed values, yeah, is the majority of that revenue. There...we do have pro forma for parking and for use of the facility and there will be revenue generated from that over and above the costs, but in the overall scope of \$80 million it's minimal and that's what Erin, Ms. Wade had mentioned.

COUNCILMEMBER PALTIN: So, my concern hearing that is, like, the art and entertainment hub section of the civic complex sounds a lot like how the Maui Arts and Cultural Center is described and, you know, it seems like we're the sole funders of that and yet annually we're putting in about 1.3 mil for upkeep despite like 1,700 events per year, 250,000 people going to it. There is a big economic and human impact. I mean, there's money going in and out from the Cultural Center, like, you know, the Made in Maui County Festival. We pay \$100,000 for that and of that 65,000 goes to leasing the Maui Arts and Cultural Center. So, I don't see how we wouldn't keep putting money into the civic complex, you know, after 12 years there might need to be renovations done and in my discussion with Art Vento, like, you know, it is good positive economic and human impact to the community but those types of projects he said nationally are 60 percent funded by public funds and 40 percent from their own revenue and that they are doing better than that because they reversed it. So, my concern is it wouldn't be too much different from the MACC in where we would be continuing to fund it so that any revenue that does get generated is sucked into the operating costs. I mean, when we had Ms. Thieman here for Lokahi Pacific, they have restaurant space available that's vacant right now, they have commercial kitchen space that's not doing good, they have offices that aren't making money, and that's on a small scale, and what we're proposing to do is kind of similar on a bigger scale. And so I'm really concerned about, like, just the things that I'm learning from all these people coming and talking to us that it's a huge leap to think that it would be a revenue generator, to think that the property owners who aren't currently investing in their properties would invest because there is a MACC-like place over there, Maui arts and cultural type hub with arts and entertainment, and it seems like we did that and we're still sinking, not that I'm opposed to it, but, I mean, just that the fact of it is we're putting in money annually to the MACC and we're putting in money for the community to use the MACC as well. So, it's money going in both ways and the Lokahi Pacific building the Pono Building has tried to do something like this and they're finding out that they could operate better as rental homes. They're trying to

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

convert their office space to rental homes. And so I'm sad that 20 years ago when we looked at having a parking crisis and at 20 years ago we were also having a housing crisis, and we chose to invest 84 million into parking and not 84 million into housing, which I think if our people could live in houses and that would also be a positive human economic impact. So, I just, I'm not seeing the revenue generator faith leap and wondering if there's a way that you could connect the dots for me that I'm not connecting.

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. The MACC is a really good example of a partnership, you know, kind of a activity. The uses are certainly different than what's at the MACC. The ground floor is a grocery, essentially, and would be rented out. The only space...there's two spaces that are similar to what's provided at the MACC, the upstairs community room, you know, that third floor community room and then the outdoor plaza, which could be rented for events kind of things. So, those would be the spaces that, I think, are similar but provide a different type of venue from the MACC, but you're correct in that those are probably the ones that make the least money, those two things, the community room and the outdoor civic plaza, those are more kind of a public good activity to provide. The ground floor because our anticipation is again to lease it to a vendor to operate or most public markets are operated by a public nonprofit partnership kind of a situation, so it would be run and maintained and managed by a private sector or a nonprofit in all likelihood and then they would pay us a lease rent, and because that would be a kind of a long-term lease situation it would be similar to just us having a tenant space. The second floor is currently designed as County office space, so it's not something that we were intending to lease out. It's something as it's designed today that was just intended to relocate a County office that is currently paying rent elsewhere into a County-owned building so that that rent could be redirected into paying our own debt service. So, in terms of, you know, the occupancy and I...and talking about Lokahi is relevant. That space wasn't ever actually originally designed to have a commercial kitchen in it. It was supposed to have the incubator kitchen, but it wasn't designed for the restaurant in the ground floor. Only when Cafe O'Lei expressed interest during the construction phase did they add a very small kitchen and it's not functioned well for any other restaurants that have gone in that space, which I think has been part of the problem. So, in terms of drawing the connection to the revenue, I would be happy to come back or to provide some additional information. There's...we're members of the International Downtown Association, and so we get a whole lot of really good financing information about what you can expect in projects like this and what the pitfalls can be, because there certainly can be pitfalls and how to avoid those and then, too, how to plan conservatively in terms of revenue generation. So, I'd be happy to share some of that material, which might be clearer than talking in ambiguity about it.

COUNCILMEMBER PALTIN: Maybe you can share it with the Chair, and then it will come to us.

MS. WADE: I'm sorry. Yes, of course.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. I'm ready to vote. Thank you.

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Thank you, Chair. So, I have a concern about maintenance. If we do this parking lot, the vendor will be in charge of all the maintenance correct, on the parking lot?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. We can scope the contract however works best for the County, so that would be up to us.

VICE-CHAIR KING: Okay. But what is your intention with your projected return? Is your intention...I mean you must have an idea of whether that goes with the vendor or not, if you've got projected return.

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: A lot of that is going to depend on what you folks feel comfortable setting the rates at in terms of parking.

VICE-CHAIR KING: Okay.

MS. WADE: So, whatever we're willing to charge is going to directly affect what they can collect and then impact how much responsibility they can take for the facility.

VICE-CHAIR KING: Okay. It's kind of...

MS. WADE: ...*(inaudible)*...

VICE-CHAIR KING: Yeah. And that's kind of my point is it's hard to project an ROI because we don't know what the rates are, we don't know what the maintenance fees are, and so, you know, my concern with...and I, you know, personally, I see the underground utilities the, you know, repairing water mains and things like that, widening the roads and repairing roads, and I also do see parking as part of infrastructure that is County, is County responsibility. We bought parking lots in other areas. We recently paid an exorbitant amount in North Kihei for a parking lot for the beach because of the zoning. I don't see the other part as a County, you know, as a County responsibility because I look at Kihei we've got a developer who wants to come in and do downtown Kihei. I don't see the County ever stepping in and say, well, let's revitalize Kihei and give it a downtown focus and let's build this entire thing. We're even giving the developer

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

who's trying to do that for us a hard time, so he keeps getting extensions. So, you know, this is what bothers me, we have an area that's in an opportunity zone where if it was a good idea I would think it would be an excellent opportunity for a private investor to come in and get all kinds of tax credits, and if it's not that good of an opportunity I'm not sure that we should be risking taxpayer dollars to do that. And we also have a couple of areas in South Maui, one of them Maalaea Village that is using our newly passed community facilities district to create a facility that they badly need that's going to benefit their community, and so they're planning to get together and charge themselves taxes to build this wastewater treatment facility. And that's put there so that people who are immediately benefiting can get together as the community, pay for a facility, and then in the end they intend to turn it over to the County, so the County will eventually run it, but who pays for it is, you know, the direct community that's benefiting from it. So, that's what...so, you know, to me that's another aspect that could happen if the folks there wanted to revitalize the community or, you know, another option is offering grants to these, directly to these businesses to revitalize, because when I talk to the businesses, the businesses who are even here testifying in favor of it, I'm not sure if they, you know, if they understand exactly how this is meant to revitalize, because if you're running a business in a building that is now going to be worth more and the property owner has to pay more you're going to be paying more in rent, so you're going to have to be ready to bear that brunt of your expenses going up, too, in hopes that your business, you know, your business revenue goes up. And I've been in business a long time, I know what happens with projections. You can normally take the conservative projections and cut them in half. You'd be lucky if you get that, you know. I mean, everybody's hopeful and everybody's conservative in business if they're smart and we've done that and certainly we've seen externalities affect our bottom line. We've, you know, what we should be doing is what the County is supposed to be doing, which is infrastructure. And so that's why I support that first, you know, the first half of what we're doing, but even when the County says it supports something and, you know, I mean, we supported the MACC and, you know, like Member Paltin said we're continually putting money into it. That's probably never going to end, because they would like to institutionalize some of the programs that we're paying for and I see that happening with the facility at the Wailuku Civic Complex is there is going to be programs, you know, whether they're farmers markets or they're educational programs or they're nonprofit programs and we're going to be putting more money into the programmatic side of this along with maintenance, along with whatever we may be negotiating with the vendors for that. So, I'm, you know, I just wanna say I'm having a hard time and I'm a little bit confused, also, Chair, and I wanted Corp. Counsel to speak to this, why we've got a bill before us that is, that says it's amending and decreasing estimated value...revenues for the Bond Fund by 66 million, because, I mean, we haven't authorized the 40 million of that. So, can you speak to why? Now, we haven't...when we had the second half of this project come before us last year, the Council voted and, you know, I want to make it clear I voted against it but to appropriate those funds in the budget but not authorize the bonds. So, bonds have not been authorized, so how are we defunding that 40 million assuming that's part of the 66? Can you kind of explain how that...



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

VICE-CHAIR KING: Do you understand what I'm asking?

MR. UEOKA: I think the bond bill you're looking at was the one that was sent to us to review. I believe the one we sent back only takes it from 40 down to 13, but in actually, the one we sent back is supposed to be I believe 42 to 13. But...

VICE-CHAIR KING: Okay. I guess I'm confused because I was looking at the agenda when the Chair mentioned, which ones you intend...so you don't intend to pass A or B? Which...

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. The agenda is the correspondence dated March 21<sup>st</sup> to the Department of Corporation Counsel. This is what I was sent. What I sent back was on March 25<sup>th</sup>.

VICE-CHAIR KING: Okay.

MR. UEOKA: Yeah, it's different bills.

VICE-CHAIR KING: Okay, but if you look...you have the agenda in front of you?

MR. UEOKA: Yeah, I do.

VICE-CHAIR KING: Okay. So, the bills that the Chair is referencing that she wants to move forward today are which letters?

MR. UEOKA: I believe she would like to move forward with 2B, bravo, and D, delta.

VICE-CHAIR KING: B and D?

MR. UEOKA: Yeah.

VICE-CHAIR KING: Okay.

MR. UEOKA: And A and --

VICE-CHAIR KING: Okay.

MR. UEOKA: --C, I believe she's going to, she mentioned she wants to defer.

VICE-CHAIR KING: Okay, okay. Because A, just to clarify, A would not be a correct statement, because we haven't authorized 40 million of that, so why would we go on and how would we go and defund that or is there some reason why that figure was there?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MR. BAZ: Madam Chair, I can --

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: --briefly describe that. It's not going to take action today, but A is the operating budget so the appropriation was made for the additional \$40 million, so the total appropriation was the 84 million, but the authorization was never made, right. So, when the original request was sent down to Corporation Counsel was to also amend the operating budget but that's not going to be addressed today.

VICE-CHAIR KING: Right, right. And I understand from talking to Corp. Counsel that we can't, we don't have the ability to do that.

MR. BAZ: Correct.

VICE-CHAIR KING: Okay.

MR. BAZ: So, that reduction was from the total --

VICE-CHAIR KING: Okay.

MR. BAZ: --appropriation not the bond authorization.

VICE-CHAIR KING: Okay. So, I just kind of wanted to make it clear that for those of us who had more concerns with Bond Fund, you know, authorizing the Bond Fund for the additional 40 million that that will stay in the appropriations and they get six months after the end of this budget to see if they can get it authorized. If it doesn't get authorized, it basically just dies. And so until that authorization happens there won't be any more money spent, no money or resources will be spent on that second phase. Is that correct? Okay. Okay, thank you. I understand now.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King.

VICE-CHAIR KING: It was a little confusing.

CHAIR RAWLINS-FERNANDEZ: Member Lee?

COUNCILMEMBER LEE: Thank you, Chair. So, okay, so we...what's actually to be considered today is B and D, okay.

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER LEE: But what are you going to be proposing? Is it B and D or something else?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Right, right. B is the bond bill and D is the capital program bill.

COUNCILMEMBER LEE: Right. Yeah, but...

CHAIR RAWLINS-FERNANDEZ: So, I would be recommending passage of...

COUNCILMEMBER LEE: Exactly how it is?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER LEE: Okay, I was just checking. Thanks.

CHAIR RAWLINS-FERNANDEZ: Okay. Did you have any other questions? Okay. Member Molina?

COUNCILMEMBER MOLINA: Yeah, one last thing for Administration. I presume with the MRA they've looked at worst-case scenarios, I mean, that's just looking ahead if this thing does go forward with the full \$80-plus million. And I know we've been hearing a lot about the projections with revenue and what it could bring to the town. What would be the worst-case scenario if it doesn't pan out, we don't get the anticipated revenues, and people coming into Wailuku Town? Because a testifier made a good point because this is not only just for Wailuku Town, it affects a lot of folks and because of the governmental aspects and it is the capitol seat of the County. So, if we get stuck with the proverbial white elephant, if you will, you know, if this project goes forward, I mean, what's...what then? I mean did they...did the MRA take a look at that aspect as well besides just the rosier picture if you will?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. If you're talking about Phase 2, you're talking about the plaza...

COUNCILMEMBER MOLINA: Everything, the civic center, yeah.

MS. WADE: Okay. So, the parking in and of itself obviously we've gone through construction designed plans. We're very confident that it will be well parked in. So, I...and I do have projections in terms of it's a really dynamic spreadsheet, which I would love to come back and share it at some future committee meeting that you can change the rates, you can change the assumptions of timing and it will adjust what your projected revenue is, and so we can go over that in depth. The building itself because we don't have a finalized program, we haven't gone to that stage yet. You know, so we got to the stage of what does the community want, doing the community outreach, coming up with the conceptual design, but we're not at building phase yet, and at the what-if phase. And so because we can increase or decrease the scale and scope of that project at this point, you know, we're still in that time period, I think that would be the right time and we certainly will it's a really good, you know, alternatives what could be done. In term...looking at it as any developer, you sell, right. So, you get to the point

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

where you realize your project's not working and you sell, typically, that would be the next move.

COUNCILMEMBER MOLINA: Okay. I appreciate that response that there is flexibility for the other half. But I think there seems to have been general consensus from the public, we need parking in this town and the necessary infrastructure improvements, yeah. So, alright, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Just one question. Will the construction industry be severely stressed by developing this project all at one time? Would it most likely drive up the cost of construction in general, especially, for other County projects that are serviced by a few contractors, the larger contractors? What's your take on that?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. Yes, the fiscal and economic impact analysis did address that in terms of industry impact and, specifically, construction impacts. While this feels like a really big project for Maui, Statewide this isn't actually all that big of a project, you know. Projects of this size happen pretty regularly. However, for a project like the parking structure, for example, we're likely to get teams, construction teams that are Statewide teams bidding on that type of construction, because it's primarily concrete, so it's probably a statewide team that's gonna end up building. Hawaiian Dredging that did the facility at the airport is one who did bid on our 1A phase, didn't...wasn't the low bid but because as an example, you know, they're completing that then their Safeway project is almost done. So, in terms of timing, I know the construction industry has been watching this as a project to see and plan accordingly so that they can bid on it. So, I'm anticipating because it's been out there for as long as it has, it went in out, out in our bond rating, so they are very aware this could be coming on the horizon.

COUNCILMEMBER SINENCI: Thank you. Follow up, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER SINENCI: If the theory is to drive up the tax assessed values, it would drive up the cost of land and housing as well. How will that help promote affordable housing?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. Great question. And this is really something that I'm looking forward to getting past the conversation about what we're building because we do need to get to mitigation conversations and when the idea of gentrification comes up there's a negative and a positive. The positive is activity and energy and economic growth.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

And then the negative is potentially displacement and making things unaffordable. So, for a local residents, we can, there are things that we can do particularly within a redevelopment area to secure or freeze property tax capture for the residential uses. So, if that's something that this Committee was interested in doing. The property tax capture for residents in the vicinity is very, very small. I mean, we only have 500 residents within the redevelopment area to begin with. So, the residential property tax is not what's driving this and it's definitely not what's gonna end up making us money in terms of the single family real property tax assessment. So, if that's the thing that we're most concerned about we can certainly start developing tools that protect what you want to value throughout the process. We just...I can't get to that until we know what exactly we're planning for, so but we can come up with some tools and talk through what we could do for that.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. So, I had two questions. First, do you know what the sum of the deficits for the first 12 years before we break even will be?

MS. WADE: Thank you. I have the table right here. So, the table that I have is assuming total build out so I'm not sure if you wanted me to make the assumption that it's at total build out or if you wanted to pull that back to the 44 million that...

CHAIR RAWLINS-FERNANDEZ: If you have the numbers for both, you can...

MS. WADE: I don't have for both. And, I...currently, too, in the table it's also only on an annual basis. So if you, if I could get back to you, if I could compile that for you from the table and provide the cumulative up to year 12, I'd be happy to do that.

CHAIR RAWLINS-FERNANDEZ: Are they approximately the same annually?

MS. WADE: Well, no, because the, while the debt service stays the same annually, the revenue generation increases every year, so it isn't the same annually.

CHAIR RAWLINS-FERNANDEZ: So, you don't have like a round estimated figure?

MS. WADE: I don't have it off the top. If you want to give me a few minutes, I could add it up, but I think probably, you know, for certainty purposes it would be best if I had factual information to provide for you.

CHAIR RAWLINS-FERNANDEZ: And one of the testifiers point...provided us an article on the Hawaiian Convention Center needing like a \$53 million upgrade and repairs or just repairs. At what point would you expect a large number like that for repairs coming to the taxpayers?

MS. WADE: Thank you for that question. One of the things that the Department of Management has agreed to start doing is a reserve study. Whenever any County

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

facility that's coming out of this office is working on so to anticipate all of the expected costs what, when does heating and cooling system need to be replaced, when does an elevator need to be replaced, all of those things so that we can budget and plan for it. Once we have the finalized plan...you can't do a reserve study until you have final plans. So, once we have those final plans, we will do that and then provide to the Council to budget appropriately.

CHAIR RAWLINS-FERNANDEZ: Okay, Members...mahalo, Ms. Wade for the responses. Were there any other questions?

COUNCILMEMBER PALTIN: I had one more question.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Did you have a date that the municipal parking lot was gonna be closed to, due to the construction? Like what the date was?

MS. WADE: Because we haven't bid it out and don't have a commitment from a contractor yet at this time, I can't commit to a date. What we are looking towards is beginning of the fourth quarter of this year. So, that's when we would like to begin construction, so October, yeah. Thank you.

COUNCILMEMBER PALTIN: Okay, thank you.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Thank you. Can I...I just wanted to follow up on that and get a little more information about when you do close it down that's when you're planning on doing the shuttles from War Memorial?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. We would really like to start the shuttles earlier --

VICE-CHAIR KING: Okay.

MS. WADE: --and just to begin to see what the demand is and be able to adjust before it's a critical infrastructure component, so --

VICE-CHAIR KING: Okay.

MS. WADE: --we'd like to like bid that...

VICE-CHAIR KING: And in your description for shuttles it said for employees, but what about for the people that, what about for the clientele of these businesses?

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

MS. WADE: We can run it and describe it who...however there's interest in doing it. The issue becomes capacity, of course, so if...

VICE-CHAIR KING: Yeah, I mean, you had small shuttles, right. You didn't have big buses, so I don't, I'm just trying to figure out how you're gonna do that because that's what, I mean, if there's no clientele what's the point of people coming to work? You're gonna shuttle employees over there and the businesses are gonna be sitting there with no customers. So, what...how does that work?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Well, keep in mind there's about 150 on-street parking stalls remaining in the immediate vicinity and private parking, so there, it's not that there won't be any parking in all of downtown Wailuku. So the goal is for customers, for the majority of the parking that remains to be available and accessible for customer parking and to be able to incentivize employees and make it attractive for them to not want to take up those very valuable parking stalls and willing to take the shuttle. So 'cause if you just want to get a coffee you're not likely to take a shuttle from War Memorial and then back down, you know so we --

VICE-CHAIR KING: Okay.

MS. WADE: --want to make that...

VICE-CHAIR KING: So, those 150 stalls that are left are the ones that you're saying you're going to turn into two-hour parking --

MS. WADE: Well and it seems we need to revisit that --

VICE-CHAIR KING: --so people can...

MS. WADE: --with the merchants too and determine what works best for them.

VICE-CHAIR KING: Okay.

MS. WADE: Yeah.

VICE-CHAIR KING: Yeah, Chair, if we can, maybe, we can ask Ms. Wade to, kind of, give us her actual 'cause I've seen like different iterations, so it'd be nice to know what the actual plan is for parking in that area, the numbers of spaces 'cause at one hand we heard that with this project there's gonna be a lot of displacement, but then we're hearing, oh, but there's still 150 parking spots. So, you know, I just like to get like what are we actually losing...how many parking spots are we losing when we do this, the infrastructure part that we, you know, that we need to replace with the parking structure and then how many actual additional parking spaces are we adding with the parking structure? That would be...those would be good numbers to have.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Sure. So, the on-street parking stalls that are eliminated with Phase 1A is 43 total on-street stalls, and then there's 214 stalls in the parking lot today. We'll be adding an additional 171 to that 214 number.

VICE-CHAIR KING: Okay. So, 100...how much...how many are new?

MS. WADE: So, total of 428 stalls in the parking structure.

VICE-CHAIR KING: Right.

MS. WADE: One hundred seventy-one of those are new.

VICE-CHAIR KING: One hundred seventy-one.

MS. WADE: And that's excluding the 43 that are taken away.

VICE-CHAIR KING: Okay, okay, so but the bottom, the net is 171 new spaces?

MS. WADE: Correct. Yeah.

VICE-CHAIR KING: Okay. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, Members...oh, okay. Member Lee?

COUNCILMEMBER LEE: Can I have a one-minute recess, please?

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER MOLINA: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay. Are there any objections to a one-minute recess?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay, please don't leave. Okay, it's 2:57, we are now in recess. . . .(gavel). . .

RECESS: 2:57 p.m.

RECONVENE: 3:01 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Economic and Development...Economic Development and Budget Committee please return to order? It is 3:01 on March 29<sup>th</sup> and we left off with...Member Lee, did you have a question?



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

COUNCILMEMBER LEE: No, I did not. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, so I'm going to now provide the recommendation.

VICE-CHAIR KING: Can I ask more one question?

CHAIR RAWLINS-FERNANDEZ: Yes, Chair King.

VICE-CHAIR KING: Sorry, sorry about that. I had to do some calculations after my previous questions. So, I just wanted to ask Ms. Wade, if you have a number, I mean, so if we're adding 171 new spaces in Wailuku that comes out to for that figure of 26,963...26,963,000, that comes out to almost just under 27,000 per parking spot. And so I just wanted to get from you what the average, you know, how does that compare to, you know, just the average cost per parking space, maybe, in these kind of municipal parking spots across the country?

CHAIR RAWLINS-FERNANDEZ: Ms. Wade?

MS. WADE: Thank you. Of course, across the country, I mean, Maui is at a premium in terms of construction costs and I think we all know that. The cost is relatively similar to the cost per stall of what was just built at the airport, which I felt like was a positive given how many stalls are being built all at once. So, you would...we would have expected that given this price and again this is an estimate at this point, too, in terms of our costing, because we haven't put it out to bid yet. But it's about five, the cost at the Conrac were about \$5,000 less than this cost per stall projection at the Wailuku municipal parking.

VICE-CHAIR KING: The price at the airport?

MS. WADE: Correct.

VICE-CHAIR KING: Okay. Alright, thank you.

MS. WADE: You're welcome.

CHAIR RAWLINS-FERNANDEZ: Okay, Members. Okay. Considering all the testimony that was given in respecting the Wailuku-Kahului Community Plan, which underscores the need for affordable housing in considering all the County taxpayers in this decision, recognizing that this is a huge risk and, like, Chair King just pointed out 27,000 per stall, and that's if we stay on budget, and we already went over budget for Phase 1A, 171 new parking stalls. So, the Chair will entertain a motion to recommend passage of the proposed bill entitled A Bill for an Ordinance Amending Ordinance 4858, Bill No. 54, 2018, Relating to the Issuance of the General Obligation Bonds of the County of Maui, Issuance, Sale, and Delivery of Said Bonds, Department of Management, Wailuku Civic Complex; on first reading; incorporating any revisions made by the

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

Committee today and any non-substantive revisions and any adjustments required by prior amendments to the Fiscal Year 2019 Budget.

COUNCILMEMBER PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, seconded by Member Sinenci. Member Paltin, as the movant, you have the first.

COUNCILMEMBER PALTIN: You know, I think as I stated in the deliberations, I wish we had put this kind of effort and resources into our housing crisis but seeing that we didn't, for me, I would like to, you know, like, I think it was Ms. Holmes. I would like to continue the discussion and involve more stakeholders. It is an important thing and as I said in my questioning, I'd like to see us move forward with the employee parking at the War Memorial, and I'd like to see us, you know, if it's gonna be paid parking I'd like to see us, you know, implement that at the what we have stage right now of the currently free municipal parking before we take this huge leap. So, that's why I'm supporting the recommendation at this time.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. You know, I've been just looking at some of the numbers, punching some of the numbers, and the total cost for priority one CIP project for last year were estimated at about \$150 million for over 100 projects. And so the \$66 million is, you know, about 44 percent of those totals CIP projects, and I'm just looking at, you know, how that funding, you know, what other projects could be funded with those, the 66 million. And last year, the total the estimated revenues for 2020 was about seven...780 million, and so this project represents more than 10 percent of those total revenues. So, I just kind of looking at that numbers it, kind of, doesn't make sense for me. So, I'll be supporting the motion on the floor today.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Lee?

COUNCILMEMBER LEE: Madam Chair, I will be voting against this motion, because I strongly feel that we need to include the parking component in this project. I know even though the cost is high, as the Budget Chair before I initiated the acquisition of land and parking for both Paia and Makawao, so it's not like we haven't helped other areas. We have quite a bit. But Wailuku is as people say the hub of the County, so we, I think, it's important for us to try and help with the most number one problem that Wailuku Town has and that is the lack of parking. So, unfortunately, I cannot support this. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Member Hokama?

COUNCILMEMBER HOKAMA: Chair, thank you. Before I give my position, Chair, I just want to thank you. I think this is very healthy, the discussion. As one of the benefits, so I appreciate the opportunity you have provided for additional comment. That I have no objections with. This afternoon, I will not be in support of the motion currently on

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

the floor, Chair, and let me give you some of my basis for my position. Good or bad, I know Wailuku Town from the early '60s 'til today. I've seen Wailuku during its prime, and I've seen it during the start of its decline. I can tell you that if you understand where this County was in the '60s when the '60s Census showed that we had a 14 percent decrease of population because of lack of opportunity for our local folks, especially West Maui if it wasn't for Central Maui, Wailuku and Kahului, would there be a South Maui and a West Maui today. That is the districts that provided the support. For those of us on Lanai that understand County financing, a lot of our services on Lanai because of the economics, basically, agricultural and, basically, one landowner without Wailuku we would not have had a lot of services, facilities, or personnel. So, when we look at the districts, okay, and for us it's our rural districts. East Maui, Molokai, Lanai, when you look at the tax generated versus the expenses and again Lanai did its best with some approval of development, at one point in time we're district number five out of nine, the last three districts is us now, okay, and without the support of Maui and basically Central from the '60s, '70s, '80s, what would our three districts be like. We are the most heavily subsidized districts because we do not bring in sufficient revenues. I would say Wailuku has been very generous in its support. If Wailuku didn't also support during the Mr. Cravalho's regime to develop the Central Maui water system, would there be a Wailea? Would there be a Makena that now provides us with immense revenue whereby South Maui...well, West Maui is the number one district, okay. South Maui is the number two district, the only two districts that have positive cash flow under real property taxation. All other seven districts are subsidized, okay. Kahului, Wailuku, Upcountry, Paia, Haiku, and, of course, our three rural districts. Where would we be today? I would say that part of this effort this time is to give back to the mother lode. Bring Wailuku back to what it should always has been, the civic center of the County. Look at every civic center across the country and our sisters. The Big Island of Hawaii is now enjoying some of the benefits of redevelopment under Mayor Stephen Yamashiro who utilized redevelopment component by State statute in the late '80s, early '90s, and now Hilo in Hawaii County is reaping its benefits. What I'm asking us today, Members, is to continue the political will and to show our community that we have visioning for long-term. I consider this a 50-year project. I consider that this project will continue to evolve and community participation will need to be required because things will change and the community will need to make adjustments and this County's gonna need to adjust the final project toward its completion. I don't see this happening in three years. We're gonna start. We should start, but I think the continuation of our vision and our political will will definitely pay off in the long run. I've worked too hard with my other colleagues to change the cash flow debt ratios of this County over the last 20 years to provide this kind of with this type of opportunities. And I will say this on the record, to any one of, any resident of this County, we are not taking away anything from any other project. We have capacity, okay. If you have a project bring it up. If Council believes it's deemed worthy, we can fund but this project is not taking anything away from any other project. And for those that understand governance, the County's not responsible for education. Go and talk to those that you have voted in that have that responsibility, and that's your State senators and representatives. Let's just make it clear. Again, we are not taking anything away from any other district or any other project. This is Wailuku's turn. They've waited a long time and maybe too

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

long because of the deterioration. And why does the Federal government provide HUD to take care of slum and blight it's because we've allowed areas to get so degraded over time and lack of maintenance and attention that now we need to do this type of funding for revitalization to take a slum and blight. That's pretty sad for a civic center of a county. This is about, again, and I'll agree with the testifier, this is a Countywide benefit and Lanai understands what Central Maui and Wailuku has done to help Lanai have the appropriate services and facilities, and we are proud to support Wailuku at this time. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. I'm going to be voting against this also and by listening to...many of the testifiers said important things. I really value that Ms. Spenser came here after listening to us on *Akaku* and wanted to share with us her family history of the importance. I think, she echoed what Mr. Hokama is saying about this is about all of us, Countywide. One of the things that we've all been saying that this is about parking, and I think I heard MAPA talking about it's not only about parking, it's about arts, culture, about the community. You know, this property represents a lot more than just putting up a structure. And I want to also recognize the many people who have come forward and I think another testifier said, I don't know if it was Ms. Jeanne Skog, honor the process that has already been taken. With 47 public meetings and all the effort that's been put into this project is huge, and I believe that the voices that were heard in the past, the amount of community outreach and voices, I don't think you can ever get enough, but I wanna, you know, commend the Administration for doing as much as they have and really digging in to make this not only a parking structure, which is what it was maybe only envisioned to be in years past but to really be about a civic center complex and about the community. So, Chair, I appreciate this discussion for you to bring this forward, and I'm gonna be voting against it, and I just want to take into account the will of the community and the voices that we heard on both sides and appreciation to the Administration for sticking it out. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mr. Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. And first of all, thank you for bringing this to the attention of the, not only the rest of us but to the public as well, because I think there's a lot of unknowns and if it weren't for you throwing this out there. You know, I think it was pretty bold of you and I surely respect that. And, you know, we've heard the Administration is going to have their evening hearing next week which leaves me with some reservations to support your proposal. I had questions answered about the impact of the increasing property values should this project move forward and potential impacts to nearby surrounding residents 'cause, yes, it would add value to their property but that also means higher, potentially, higher real property taxes for them, but now upon hearing that those within that MRA district would qualify for some, you know, tax considerations or exceptions, I think that made me feel a little bit better with that issue. I can appreciate Member Hokama's historical analysis and he is 100 percent right about Wailuku, the capitol seat having helped up

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

a lot of our other communities in maybe not quite a similar form or fashion but Wailuku was there as a launching point to help begin the success stories of other areas of this island. So, I think that is something we all need to keep in mind to support Wailuku and, especially, for those who are not aware of the history. And it was really nice hearing from some of the testifiers going down memory lane, if you will, all of these stores that were there and at one time the hotels. My family was situated in Wailuku, had a business. My uncle had a bar there and then my parents, my dad had a musical orchestra, and as a matter of fact, my mom and dad met at the old Wailuku Grand Hotel and got married, so there's some little nostalgia there for me. But we need to support Wailuku. I think there's general consensus that we do need the parking and the related infrastructure improvements. Now, as far as the second phase of this development or proposal with the civic center, I was glad to hear that there is room for flexibility, because it is quite pricey so that's something that, you know, I think needs further discussion and I can agree with Member Paltin with regards to that. But again because the Administration wants to, is going to be doing their public hearing on the 4<sup>th</sup> and, of course, we're going to be at a district budget meeting, I think, we need to, there's some more inputs from the public, who else wants to come up because that seemed to have been the main complaint. And I saw on some information being circulated in the community about this is only going to be about bars and only certain people are going to benefit. Well, we need to clear the air on some of that information that was put out. It was quite, you know, at first disturbing to me but then upon hearing being here at this meeting, which you called for, Madam Chair, it's clarified a lot of things for me. So, I don't want to do anything to impede what we currently are looking at as it relates to the project, the infrastructure improvements and the parking. So, therefore, regrettably I cannot support the motion at this point. So, I will leave it at that and just thank all of you and I, certainly, out of respect for the district representative as well, Ms. Lee, so you know she has to face her constituents and answer a lot of questions as the area rep. So, thank you very much for this opportunity, Madam Chair.

COUNCILMEMBER LEE: Don't worrying about me.

VICE-CHAIR KING: You already spoke, didn't you?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Thank you, Madam Chair. So much to say about this project and I think I made kind of my position clear. I apologize for the confusion. I think it was a combination of being sick and then seeing these four agenda items and couple of them being contradictory but, you know, my intention was to come here and address the additional 40 million that has not been bond obligated yet. And I actually didn't realize we were talking about taking away the parking structure, so I'll address the parking structure. So, I went back and I miscalculated in the beginning the actual costs per parking spaces in the six figures, so it is astronomical, and we are, you know, we're hoping to recoup that. I know that we have funded other parking structures or not structures but properties throughout the County, and one as I mentioned earlier just recently in North Kihei because of necessity and because it's

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

considered part of infrastructure and that was pretty astronomical to look at that and that hasn't been developed yet, it needs to be completed. I think that the...I wanted to make the statement though that it's not necessarily that folks, I think, are upset or misunderstand that this money could go to something else. This is about priorities. So, when we fund something like this before we funded affordable housing, before we've gone in and done some of the infrastructure I think that's what people are really upset about is that we're prioritizing the marketplace, the potential of creating this kind of a civic complex. And we don't really know what the return will be and yet we know the problems, the social problems, the infrastructure problems, and so I wanted to speak for those folks who, you know, I think intended that to be their testimony that we, you know, what we put our time and attention shows our priorities, and we put a lot time and attention on this, and we need to put equal or more time and attention on affordable housing, on the roads that are falling apart, on what is happening with our reef structure in the ocean, which is going to soon be a deterrent to tourists if we don't take care of that. So, I just want to kind of make that point that I understand there is great concern about where we're putting our time and resources. And also I don't, you know, I'm looking at this list of places that have gone out of business in Wailuku and this list could be done like 30 times over in places that have gone out of business in Kihei or in Kahului. It's not about parking. There are other issues that are putting businesses out of business and a lot of it has to do with e-commerce and people not actually going to a place anymore. So, I understand about wanting to create that place, but I don't think that people can say I went out of business because there wasn't enough parking. I mean, there's plenty of parking in Maui Marketplace and they're going out of business. You know, if you drive over there it looks like a ghost town sometimes. So, I just kind of wanted to clear up some of these arguments, because, you know, I'm not in favor of defunding the parking, Chair, and there's a lot of different reasons. One is as I said I consider it's part of infrastructure. I think it's going to affect all of us in Wailuku. I don't think it's going to affect Kihei. I don't think it's going to affect West Maui. I think it's going to affect our broader part of Wailuku because we're all struggling for parking and if people are going to downtown Wailuku can stop parking in our parking spots maybe our employees don't have to run out every two hours and move their car or get parking tickets. One of my employees has already gotten three parking tickets this year, and we're not even, you know, through the third month. So, I think the parking is important, and I agree with the businesses, it will help them it will help us it will help everybody who lives and works in Wailuku. But the, I mean, there's another issue for me and part of that is reaching back into even though I didn't vote for this pot of funding, the Council passed it, and they passed it with a bond obligation that allowed the department to go forward with it, and if we keep doing this, you know, I'm fearful for what the next Council's going to do if we fund something and they, and it hasn't been obligated yet and they reach back into our Council time and say well we don't like that, so we're going to take that away from you. I mean, this is what we're seeing at the Federal government level. We're seeing our president reach back into the Trump administration, now he's trying to take healthcare away from everybody, he's trying to fund a wall, he's trying to do everything the opposite that the previous administration did, and I don't want to create that, you know, I mean and I don't think the intent of it was to do that, I think the intent of it was to really have a conversation

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

about this parking lot because it is an astronomical cost per parking space. But the precedence that it sets and maybe we need to go in and look at that Charter, that, you know, the conflicts in the Charter with that, because we're at a point where yes we could go back and defund this section of the bond obligation that the previous Council funded, but we can't take it out of the appropriations which to me is almost backwards. But I think this Council and, you know, I really, like everybody else, appreciate this being on the agenda, because I think what we've done kind of repeatedly with this new Council is we've been testing our limits and we've been testing what are the, what does the Charter mean, what, you know, what part, and we're going to find out more about what parts of it need to be changed because we are seeing a lot of conflict in it. And then we're seeing conflicts between opinions of Corp. Counsel and of our own legal counsel at OCS when it came to the Mayor's appointment of the directors, you know, continuing on as interim. So, I appreciate having these kinds of discussions and getting more information out. I would like to...I wish we could defer this issue because there's, you know, we have a public hearing coming up, and we have information that we've asked for from Ms. Wade and from the Administration. And so I'm not really ready to vote, you know, to vote but I also feel for the Administration that, you know, we made a statement last Council term, which I may not have agreed on but as a Council we gave you a directive and you're kind of in limbo on this part of it, so I feel for you and I wish we could settle this once and for all. But I do think that there's a feeling of despair among those community members who have not been notified, who...and people have come out and people aren't coming here lying that they haven't heard about this until the last six months. So, there may have been 47 public hearings, but it may be a limited number of people that have been invited to those hearings or they have known about and that's what I'm hearing. You know, you hear from people who live in the area and who have been hounded about their B&B permit but never found out about these meetings. So, and I know that happens because it's happened to me where I live. But, you know, so I hope we don't delegitimize those feelings by saying we've held 47 public hearings because it doesn't mean that everybody's been notified about those or everybody was able to attend. So, you know, I just wanted to share that, Chair. I'm not ready to vote on this, but if it does come to a vote I'm not going to vote for it because I'm really worried about what we're doing to the process and to what are...and I wanted to ask our Managing Director who's not here right now if that affects our bond rating. If we have the ability to go back and take a, you know, a bond that's been issued by or authorized by a previous Council and then take it out of circulation, I mean, does that help or hurt or how does that affect our ratings. So, anyway, I'm kind of in a position where I would like to hear more, and I would like to be able to ask a few more questions and get a little bit more answers. But if it does come to a vote, I just can't support it on principle. I'm just really worried about taking this step and what's going to happen to the future, and I think we need to clean this up so that decisions we make as a Council in the next two years don't get undone in the two years following. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Looking at the clock it's 3:29, and I know we're going to lose quorum any second, but I just...the reason I bring this up now before, right before we go into Budget Session is because I wanted to try to take action before the funding is encumbered and then we cannot take any action after

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

that. And so that was the urgency, and I do support parking in Wailuku, and I do support it, you know, being a vibrant community, I feel like it's...we continue to call it blight and talk down upon it, but I know a lot of people love old Wailuku Town and this project will change the character of old Wailuku Town. And coming from Molokai, we cherish our, the character of our home, and that's something important, and it's hard to put into dollar amounts. And it breaks my heart, it broke my heart last year, and I testified against this bill last year because people are living on the streets and in their cars and it's shameful. I'm sorry. It's just we have homeless people and the amount of time that we're spending talking about parking, not housing, there are people living on the streets. I'm sorry. I just...it's something that I know it's also important to all of you too. I'm not saying that it's not. I just feel like a sense of privilege that we're talking about parking that each stall is \$152,000 and...152,046.78 [sic] for 171 new stalls. That's the reality of what we would be passing and that's too much for me to swallow and that's why I decided to take this action now. I am willing to defer if the maker of the motion is willing to withdraw her motion as Chair King recommended, and I know you guys gotta go. So, will the maker of the motion be willing to withdraw the motion at this time?

COUNCILMEMBER PALTIN: I had a second and final comment, and then can I withdraw or no?

CHAIR RAWLINS-FERNANDEZ: Yeah, I think so.

COUNCILMEMBER PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: Either way.

COUNCILMEMBER PALTIN: I'd like to withdraw my motion and make a comment if that's okay?

COUNCILMEMBER SINENCI: Second.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci.

COUNCILMEMBER PALTIN: I'm willing to defer and I just wanted to point out like, you know, how your sense of urgency I feel like, you know, what was said today if the Phase 1B comes in over the allotted amount bid, the bid for Phase 1B comes in over the allotted amount it's going to come back before us again. So, possibly it's not quite that urgent depending on what the bids come in. And the other part was, you know, if you ask the majority of people here in this County if \$300 million was the best use to make a parking garage at the airport I don't think they would agree that was the best use of \$300 million. In being that this is 5,000 more per stall that looks worse. And, you know, I'm grateful that my district brings in a lot of revenue to the County, but in the process of becoming that revenue generator we moved forward without the infrastructure needed so that now, you know, Keawe Street is very dangerous, the injection wells, the gentrification for the local people and the people trying to practice the original culture being moved out of all the original canoe club areas to Hanakao



**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

where they feel even more so pushed out by commercial vending. It's kind of not all it's cracked up to be being the revenue generator for the County. Sometimes it feels like you get kind of pimped out so to speak, but I'm glad that there is a benefit to the County as a whole. And it's just, you know, overall the big picture I think we need to look at everything. Even as my colleague from Lanai said, you know, the regional effects and whatnot, I think that we haven't been doing that and I'd like to do it moving forward. Thank you.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King and then Member Hokama.

VICE-CHAIR KING: Do we need a...maybe Corp. Counsel, do we need a motion to defer if there's been a motion that's been withdrawn?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: I don't get involved in your guy's process.

VICE-CHAIR KING: You're not our parliamentary...we don't have a parliamentarian for our committee meetings. Chair, I'd like to move to defer.

COUNCILMEMBER LEE: Second.

UNIDENTIFIED SPEAKER: Second.

CHAIR RAWLINS-FERNANDEZ: Okay, motion to defer by Chair King and seconded by Member Lee. Okay, any...sorry, Mr. Hokama. Discussion? Mr. Hokama?

COUNCILMEMBER HOKAMA: Chair, I'll be happy to support the motion on the floor. And I would just like to say a few things and, you know, we've brought up a subject that is very serious so we need serious discussion because we are going to make a serious decision. So, I appreciate it, and with all respect to my other three colleagues, the MPO is of a lower priority than what we're talking about right now, for me, personally. So, Chair, I hear your heart and, again, it has its right place regarding the housing crisis. I'm looking that this project in a sense of looking at trying to approach our housing crisis in another manner, and I think this project by allowing us now to try and expand those horse guards and expansion to the regional approach, maybe then we can make smarter planning regarding housing, regarding the transportation, collector roads so that we can also address congestion at the same time with housing and it makes sense whether it be transportation connected like Oahu trying with transit housing development. I see that we now are going to present to us additional opportunities in approaching something that we've tried in the past in the last term and for whatever reason we did not get either RFPs or good results, and so what was the bottom line, Chair, nothing constructed, okay. We put \$6 million a year into the affordable housing fund, so it's not the money that's not there. It's the right project that makes sense to actually get built is not there. So, I would say maybe this

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

opportunity, Chair, will help this Council design and construct the landing strip to allow those planes that have that funding and additional financial support that can assist this County to actually land on our new strip and give us the monies to actually start and doing the building because, obviously, what we have for our landing strip now nobody wants to land those planes with the money or give us the projects to get into construction. So, I hope from one point of view we can look at this project as part of an initial regional step and give us another opportunity to address what your heart has shared with us this afternoon and that is to get the housing built. Thank you very much, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Are there any other comments before...okay. Member Molina?

COUNCILMEMBER MOLINA: Thank you. One last thing I'd like to say, you know, I know a decision will not be made here today, but it doesn't mean anything was...you know, people may say, well, nothing was accomplished. Well, I disagree because there's a lot of education 'cause myself I got a lot of questions answered. I'm sure the community did as well, and this is a very, very heavy, heavy project financially, so it merits the discussion before any final decisions are made. But this project was hatched under a previous regime or Administration, now this Administration, you know, councils change and so do mayors. We have Mayor Victorino now. Now there is flexibility for modifications to this project aside from the parking. So, I'm hoping the Administration considers that. There is that possibility of adding a housing component, which, you know, you and everyone else is very concerned about throughout this whole County. So, I think there is the need for additional discussion in the community and see where we could include some form of housing if it's feasible and practical. So, you know, we did accomplish something. I think just the awareness and educational aspect, that is of value to this community, especially, as it relates to this project, Madam Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Okay, so we'll vote on the motion to defer the item EDB-76, which includes all four bills. All those in favor please, say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Any opposed? Okay, motion passes with eight "ayes," zero "noes," and one excused Member Kama.

<b>VOTE:</b>	<b>AYES:</b>	<b>Chair Rawlins-Fernandez, Vice-Chair King, and Councilmembers Hokama, Lee, Molina, Paltin, Sinenci, and Sugimura.</b>
--------------	--------------	---

	<b>NOES:</b>	<b>None.</b>
--	--------------	--------------

	<b>ABSTAIN:</b>	<b>None.</b>
--	-----------------	--------------

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

**ABSENT:       None.**

**EXC.:         Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:     DEFER pending further discussion.**

CHAIR RAWLINS-FERNANDEZ: Okay, it is 3:40 on March 29<sup>th</sup> and I'm going to now adjourn the Economic Development and Budget Committee. Meeting adjourned. . . .(gavel). . .

ADJOURN:   3:40 p.m.

APPROVED:



---

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

edb:min:190329:mb

Transcribed by: Michelle Balala

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES**  
**Council of the County of Maui**

**March 29, 2019**

---

CERTIFICATE

I, Michelle Balala, 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 29<sup>th</sup> day of April, 2019, in Kihei, Hawaii

A handwritten signature in cursive script, reading "Michelle Balala", is written over a horizontal line.

Michelle Balala