

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

MINUTES

February 3, 2021

Online Only via BlueJeans

CONVENE: 1:36 p.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Tamara Paltin, Vice-Chair
Councilmember Gabe Johnson, Member
Councilmember Tasha Kama, Member
Councilmember Kelly Takaya King, Member
Councilmember Alice L. Lee, Member
Councilmember Michael J. Molina, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

STAFF: Lesley Milner, Legislative Analyst
Kasie Apo Takayama, Legislative Analyst
Richard Mitchell, Legislative Attorney
Yvette Bouthillier, Committee Secretary
Lenora Dineen, Council Services Assistant Clerk

Kate Griffiths, Executive Assistant to Councilmember Gabe Johnson
Evan Dust, Executive Assistant to Councilmember Tasha Kama
Michelle De Rosario, Executive Assistant to Councilmember Kelly Takaya King
Axel Beers, Executive Assistant to Councilmember Kelly Takaya King
Sarah Pajimola, Executive Assistant to Councilmember Keani N.W. Rawlins-Fernandez
Dawn Lono, Executive Assistant to Councilmember Shane M. Sinenci
Jordan Helle, Executive Assistant to Councilmember Yuki Lei K. Sugimura

ADMIN.: Michele Yoshimura, Budget Director
Rowena Dagdag-Andaya, Director, Department of Public Works (BFED-93(1), BFED-94)
Scott Teruya, Director, Department of Finance (BFED-24, BFED-85)
Guy Hironaka, Real Property Specialist, Department of Finance (BFED-24)
Michelle McLean, Planning Director, Department of Planning (BFED-24)
Andrew Martin, Acting Prosecuting Attorney, Department of the Prosecuting Attorney (BFED-93-(2))

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Leslee Matthews, Deputy Prosecuting Attorney, Department of the
Prosecuting Attorney (BFED-93(2))
JoAnn Inamasu, Economic Development Director, Office of the Mayor
(BFED-85)
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the
Corporation Counsel

OTHERS: Shane Fukuda, Fukuda Valuation and Consulting LLC (BFED-24)

PRESS: Akaku: Maui Community Television, Inc.
Kehaulani Cerizo, *The Maui News*

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Aloha `auinalā kākou. Kanakolukūmāono...o ka hola `ekahi e ko...`ekahi ma ekolu o Pepeluali i ka makahiki `elua kaukani iwakāluakumamakahi. E `olu`olu mai, e ho`omalū ke Mo`ohelu Kālā me hoomohala waiwai Komike `o wai ka po`o o kēia Komike Keani Rawlins-Fernandez. It was 1:36 p.m. on February 3rd, 2021. Will the Budget, Finance, and Economic Development Committee please come to order. I'm your Chair, Keani Rawlins-Fernandez. I keia lā, me ko kākou, Committee Vice-Chair Tamara Paltin. Aloha.

VICE-CHAIR PALTIN: Aloha `auinalā kākou. Mai Maui kumuhana.

CHAIR RAWLINS-FERNANDEZ: And mahalo for jumping in if at any point I lose service over here because of the weather, it's kind of uncertain. So mahalo. Council Chair Alice Lee?

COUNCILMEMBER LEE: In Persia we say "Salam", Madam Chair. But you know, my great grandmother spoke Hawaiian fluently, and you remind...your opening reminded me of her. But the only thing I remember she...from her in those days was, "kuli kuli you pilau kids" . . .(chuckled). . .

CHAIR RAWLINS-FERNANDEZ: That was real affection . . .(laughing). . . I think back on those words very fondly . . .(laughing). . . Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha `auinalā Komike po`o. Mai Maui Hikina and salam kākou.

CHAIR RAWLINS-FERNANDEZ: Salam. Member Mike Molina?

COUNCILMEMBER MOLINA: Aloha, Madam Chair. And may I say your `olelo is so eloquent today, as always. Blessings to you, my colleagues and everyone else watching in. I decided to come out from under the bridge in Makawao to my virtual remodeled home, so I'm broadcasting to you folks inside. And thank you, Chair Lee, for reminding us...those of us who grew up here of those wonderful words our kupuna would tell us when we would get in trouble.

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CHAIR RAWLINS-FERNANDEZ: Aloha, and I love your virtual background, very nice and clean and under the virtual bridge no more. Member Kelly King?

COUNCILMEMBER KING: Aloha `auinalā, Chair, and salam to everybody.

CHAIR RAWLINS-FERNANDEZ: Aloha and salam. Member Gabe Johnson.

COUNCILMEMBER JOHNSON: Aloha, Chair. Aloha, Councilmembers, salam. And my Okinawan grandmother could...never really gave me scoldings, but she couldn't even pronounce my name. She used to call be Gabeo . . .*(laughing)*. . . so we all got our stories, so mahalo for that . . .*(laughing)*. . .

CHAIR RAWLINS-FERNANDEZ: Mahalo Gabeo. Member Yuki Lei Sugimura?

COUNCILMEMBER SUGIMURA: Good afternoon, everybody. I'm getting to know my neighbor more and more, right, Gabeo. Is that how you say it? Good afternoon to you, that's a cute story. Anyway, it's just so fun, right? Let's just do this all day . . .*(laughing)*. . . Thank you. Good afternoon, everybody.

CHAIR RAWLINS-FERNANDEZ: Good afternoon, Member Sugimura. And Pro-Temp Tasha Kama.

COUNCILMEMBER KAMA: Aloha `auinalā, Chair. And let's take a trip down memory lane. Every time we use to give birth to one of my babies, my grandma used to tell oh, pupuka. I tell my mom, mom, what does that mean? She said, it means ugly. I said oh, okay. Endearingly I accepted that. Good afternoon to everyone.

CHAIR RAWLINS-FERNANDEZ: Good afternoon. Well, you do want to scare away any of those evil spirits that may want to take your babies, so pupuka loa.

COUNCILMEMBER KAMA: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: From Corporation Counsel, Deputy Corporation Counsel Christina Toshikiyo. Aloha.

MS. TOSHIKIYO: Aloha `auinalā, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Aloha `auinala. From the Administration, Budget Director Michele Yoshimura.

MS. YOSHIMURA: Good afternoon, Chair, Members.

CHAIR RAWLINS-FERNANDEZ: From the Department of Finance, Director Scott Teruya.

MR. TERUYA: Good afternoon, aloha.

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CHAIR RAWLINS-FERNANDEZ: And then from the Department of Prosecuting Attorney, we have with us acting Prosecuting Attorney Andrew Martin. Aloha.

MR. MARTIN: Good afternoon, Chair, Members.

CHAIR RAWLINS-FERNANDEZ: And we'll have two more representing the Prosecuting Attorney's Office, Administrative Officer Susan Clements, and Deputy Prosecuting Attorney Leslee Matthews.

MS. CLEMENTS: Good afternoon, Chair.

MS. MATTHEWS: Good afternoon.

CHAIR RAWLINS-FERNANDEZ: Aloha. From Department of Public Works, Director Rowena Dagdag-Andaya.

MS. DAGDAG-ANDAYA: Magandang hapon po sa inyong lahat to everyone.

CHAIR RAWLINS-FERNANDEZ: Cannot repeat that one . . . *(laughing)*. . . Aloha `auinala, salam . . . *(laughing)*. . . And from the Planning Department, Director Michelle McLean. And Committee Staff, we have Committee Secretary Yvette Bouthillier, aloha.

MS. BOUTHILLIER: Good afternoon, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Aloha. Budget Committee Analyst Lesley Milner.

MS. MILNER: Aloha, Chair. Aloha, Members.

CHAIR RAWLINS-FERNANDEZ: Legislative Analyst Kasie Apo Takayama.

MS. APO TAKAYAMA: Mahalo, Chair. Mahalo, Members.

CHAIR RAWLINS-FERNANDEZ: Mahalo. And Legislative Attorney Richard Mitchell, Remy.

MR. MITCHELL: Aloha, Chair. Aloha, Members.

CHAIR RAWLINS-FERNANDEZ: Aloha. Okay, Members, we have five items on today's agenda. BFED-93(2): Amendments to Appendix A, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs for Fiscal Year 2021 (Department of the Prosecuting Attorney (National Instant Criminal Background Check (NICS) Act Record Improvement Program (NARIP) 2020 Grant)). BFED-93(1): Amendments to Appendix A, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs for Fiscal Year 2021 (Department of Public Works (Federal Highway Administration, Federal-Aid and other Transportation Grants)). BFED-94: Amending Fiscal Year 2021 Budget: Department of Public Works (Countywide Federal Aid Program). BFED-24: Acquisition of 6.3 Acres at 100 Mahalani Street, Wailuku, Maui,

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Hawai'i. And BFED-85: Legislation and Discussion on the Effects of the Coronavirus Pandemic, Rules, CARES Act, and Related Issues. So the plan for today...because it's a full agenda, but I have faith and confidence that we can get through it by 4:30. So we'll take up BFED-93(2) and...that's a grant. BFED-93 and-94 together, which is a Federal grant with matching funds from the County for a bridge. And BFED-24, which...and we'll take a break, so we'll do a presentation, we'll do Q&A for about 20 minutes or less on the first item. Same thing...a quick presentation, five minutes, from the Department, and then Q&A for about 20 minutes. We'll take a ten-minute break, and then we'll come back and spend about an hour on the BFED-24, hopefully, and if we need more time, then we may not get to BFED-85. And my intention with BFED-85 is to get an update on the extension of the CARES Act funds that was the...the last we heard from our Finance Director back in December. Okay, so we'll begin with public testimony. Oral testimony via phone or video conference will be accepted. Please note that if you are signed in, you are on the list to testify, even if you did not request to testify. Let's see if we have...oh, you know what, we don't have any testifiers, but if testifiers do want to join, they can go to [BlueJeans.com/441891331](https://www.bluejeans.com/join/441891331). And I will do a call for testifiers since we don't have anyone signed up to testify. Would anyone wish to testify? If you would like to testify, please unmute yourself now, and you may proceed with your testimony.

. . .BEGIN PUBLIC TESTIMONY. . .

CHAIR RAWLINS-FERNANDEZ: Okay. Hearing no one speaking up, are there any objections to closing public testimony?

COUNCILMEMBERS VOICED NO OBJECTIONS

. . .END OF PUBLIC TESTIMONY. . .

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Any objections to accepting written testimony into the record?

COUNCILMEMBERS VOICED NO OBJECTIONS

ITEM 93(2): AMENDMENTS TO APPENDIX A, GRANTS AND RESTRICTED USE REVENUES – SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR 2021 (DEPARTMENT OF THE PROSECUTING ATTORNEY (NATIONAL INSTANT CRIMINAL BACKGROUND CHECK (NICS) ACT RECORD IMPROVEMENT PROGRAM (NARIP) 2020 GRANT))

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay, we'll start with our first item, BFED-93(2), Amendments to Appendix A, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Program for

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Fiscal Year 2021 (Department of the Prosecuting Attorney (National Instant Criminal Background Check Act Record Improvement Program 2020 Grant)). We have with us Budget Director Michele Yoshimura, and acting Prosecuting Attorney Andrew Martin. So we'll start with Budget Director Yoshimura for opening comments.

MS. YOSHIMURA: Thank you, Chair. The item before you is an amendment to Appendix A, Part I, which is the grants section. Prosecuting Attorney did get notified that they would be getting a grant from the National Instant Criminal Background Check, NICS Act Record Improvement Program, and it's a grant for \$264,750. They will be using that grant from...it's...it's good through December of 2022. So they will be getting a system called eProsecutor, and they will be expending that monies to implement that new program, or system. So acting Prosecuting Attorney Andrew Martin, Susan Clements, they're available to answer any additional questions you may have. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. And welcome, acting Prosecuting Attorney Martin to our first meeting as a acting Prosecuting Attorney.

MR. MARTIN: Thank you very much, Chair. So this program is something that I discussed quite a bit last week with you folks in my confirmation hearing. It is a substantial improvement over our current terminal-based case management system, as I discussed with you folks last week. Our current system involves hand-walking reports from the police department to us, manual input of data into our current management system, and then continued manual input of dispositions moving forward. This new system is a complete overhaul and modernization of that system. It is browser-based, it is compatible with devices such as iPhones, tablets, can be accessed from our attorneys while in court. It is native-touch enabled so that we can use the graphical...the graphic interface in court when we need to bring up information. It'll link directly with the police department and their new Hexagon system, so that there's no more need to hand-walk reports over, there'll be no more need for us to scan, encrypt, and manual...manually redact those documents in order to then provide them to the defense. Those documents will all come in direct from Hexagon to the new eProsecutor system that'll automate our intake processes, eliminating the need for manual input drastically, thereby eliminating possibility for mistakes. It will significantly improve, therefore, our intake workflow. We will no longer have to manually scan and encrypt documents, they will already be in a format where we can provide them to the defense through the integrated eDiscovery process. It will do automatic conflict checking for us, prepare...help us prepare our evidence and exhibits, our subpoena services, and will also do things that we're not able to do now, such as help us calculate our speedy trial calculations, which we are currently doing manually by hand. It is a substantial and complete overhaul and modernization of our current system. It will interface with HCJDC and fulfill the goals of the grant, specifically with respect to the instant background check for firearms, providing them electronically with the information that they need in order to keep their systems up-to-date. We will be using the entirety of this grant toward the eProsecutor system, and I am available to answer any questions that you may have with respect to this great new software package for the department.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Martin. Sounds like it'll save everyone a lot of time, and time is money, and...and bring our Department into the 21st century.

MR. MARTIN: Absolutely.

CHAIR RAWLINS-FERNANDEZ: So as I...at the last meeting that...you know my position on integrating technology into our processes, I fully support that. So I will open up the floor for questions, starting with Committee Vice-Chair Paltin, and then going to Member Sinenci.

VICE-CHAIR PALTIN: Thank you. I'm supportive of this, and I don't have any questions.

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

COUNCILMEMBER SINENCI: No questions, Chair, but happy to support and...support the direction the Department is going in. Mahalo.

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

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Mr. Martin, just a couple of quick questions. Is this a one-time grant opportunity, and is this from...is this from COVID relief funding, or is this something totally separate?

MR. MARTIN: No, no. This the NARIP grant, which is specifically bid through HCJDC, which is a branch of the Attorney General's office. The purpose of it is to basically update systems for police, prosecutors, in order to more efficiently report information needed for instant criminal background checks, which is used in various requirements for the registration and reporting of firearms.

COUNCILMEMBER MOLINA: Okay, great, yeah, especially in the times we live in now, any upgrades are really good so, totally support it. Thank you, Mr. Martin. Thank you, Madam Chair.

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

COUNCILMEMBER LEE: Thank you, Madam Chair. I have no questions. Thanks.

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

COUNCILMEMBER JOHNSON: Chair, I will...will echo my...my colleagues and say I'm full support, and I don't have any questions for you at the time. Mahalo.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Member Sugimura, followed by Pro-Temp Kama.

COUNCILMEMBER SUGIMURA: Thank you. So nice to see you here, Mr. Martins. I just wanted to know, what about training? What is involved, and does the \$264,750 also provide you some training opportunities?

MR. MARTIN: So ITSD is going to provide an individual to help us implement the...the system here in the office, as well as provide training.

COUNCILMEMBER SUGIMURA: And okay, great. It's all inclusive then. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Pro-Temp Kama?

COUNCILMEMBER KAMA: Thank you, Chair. Thank you for being here again, Mr. Martin, you beginning to be a part of this institution of ours. So my question is, so what...what...so would this be an ongoing cost, or you would...or do you have to maintain it, or is...is...is it...is the system, once it's in, it's in, and you don't have to keep paying repetitively for ongoing maintenance costs of it, et cetera?

MR. MARTIN: Sure. So there's a one-time cost, which covers the migration of our current system to this new system, and that's what this grant was going to go to. There are annual maintenance and hosting costs --

COUNCILMEMBER KAMA: Yeah.

MR. MARTIN: -- it is web-based program, and so there are annual costs associated with that, and we're currently working with ITSD and the Administration for that annual cost.

COUNCILMEMBER KAMA: So do you have any concerns about hacking into your folks' system?

MR. MARTIN: So it is...it is the...the web-based, Cloud-based system is the AWD government-level security Cloud-based system. So there's a concern, but that's already planned into the hosting.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro-Temp Kama. Okay. Mahalo for those great questions, Members. Okay, any other questions or comments from anyone?

COUNCILMEMBER KING: I didn't get called on, but I don't have any questions.

CHAIR RAWLINS-FERNANDEZ: Oh, I'm sorry Member King. Okay, no questions or comments. Okay. Okay, in that case, the Chair will entertain a motion to recommend

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passage on first reading of the proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS (DEPARTMENT OF THE PROSECUTING ATTORNEY (NATIONAL INSTANT CRIMINAL BACKGROUND CHECK ACT RECORD IMPROVEMENT PROGRAM 2020 GRANT))."

COUNCILMEMBER LEE: So moved.

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Chair Lee, seconded by Pro-Temp Kama. Any discussion? Seeing none, I'll call for the question. All those in favor please raise your hand and say aye.

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay, unanimous. Nine ayes, zero noes, zero excused. Motion passes.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of bill by C.R.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Martin, and Mahalo, Ms. Clements.

MR. MARTIN: Thank you very much, Chair, and thank you, Members.

CHAIR RAWLINS-FERNANDEZ: Thank you, Members. The next item on today's agenda is BFED-93(1): Amendments to Appendix A, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs for

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Fiscal Year 2021 (Department of Public Works *(audio interference)*)...Akakū? Okay, I think we're good.

COUNCILMEMBER KAMA: I think so too.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. I just had to call Linda real fast, just to let her know what's happening. Okay. Department of Public Works (Federal Highway Administration, Federal-Aid and other Transportation Grants). If there are no objections, Members, I would also like to take up BFED-94, as this funding is related. BFED-94 is Amending Fiscal Year 2021 Budget: Department of Public Works (Countywide Federal Aid Program).

ITEM 93(1): AMENDMENTS TO APPENDIX A, GRANTS AND RESTRICTED USE REVENUES – SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR 2021 (DEPARTMENT OF PUBLIC WORKS (FEDERAL HIGHWAY ADMINISTRATION, FEDERAL-AID AND OTHER TRANSPORTATION GRANTS))

ITEM 94: AMENDING FISCAL YEAR 2021 BUDGET: DEPARTMENT OF PUBLIC WORKS (COUNTYWIDE FEDERAL AID PROGRAM) (CC 21-23)

CHAIR RAWLINS-FERNANDEZ: We have with us again, Budget Director Michele Yoshimura for opening comments, as well as Director Dagdag-Andaya. Director Yoshimura?

COUNCILMEMBER KAMA: No objections.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro-Temp Kama.

MS. YOSHIMURA: Thank you, Chair. Okay, so on the first Item BFED-93(1), it's an amendment to Appendix A, Part I, which is grant revenue for federal aid and other transportation grants. We're looking at an additional \$3,864,000, and accompanying that is three proposed bills. One to amend the budget and asking for additional bond funds, all in relation to Waikakoi Bridge...moving up the project for one fiscal year, and so the additional amount is \$2,039,000 coming out of the bond fund. So it's a two-part funding for the project, County-matching funds from the bond fund to go along with the federal aid monies. Also, amending Appendix A to expand the project description. So I believe Director Andaya is on the call, and she could be more specific onto the project itself. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Yoshimura. Director Dagdag-Andaya?

MS. DAGDAG-ANDAYA: Yes. Thank you, Chair, and aloha, Members. I wanted to direct you to a transmittal from Office of the Mayor, the Budget Director dated January 6, 2021, and I'm going to begin there. At the end of page 2, it stated that the additional

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funds is for additional improvements for the Pukalani-Makawao pavement rehabilitation project, and for the addition of Waikakoi Bridge to the Kipahulu Bridge replacement project...or replacement plan. So there's actually two projects that are being affected by this increase in federal grants. The first one, the Makawao...or Pukalani-Makawao pavement rehabilitation project, that project involves the reconstruction of Liholani Street, Makani Road from Old Haleakalā Highway to Haleakalā Highway, and Liholani Street, and that project is anticipated to begin in a couple weeks to about a month. Again, it involves reconstruction of the existing road...road system. There's also some drainage improvements, which actually added to the cost of the project. During design, it was identified that there are some deteriorating structures that needed to be addressed, so we were able to work with our partners at the State and Federal Highways Administration to include those...those features into the project. So that's...that's part of the additional...the...the increase in...in our grant monies. The second item, the addition of the Waikakoi Bridge, that bridge was actually scheduled to be...you know, we were...we were to begin work on planning and design in a later phase, but in recent months, we identified that we needed to include that bridge into our federal aid program. And because it's within a mile from another federal aid project, the Wailua Bridge, you know, we worked again with Federal Highways Administration and our State partners to be able to combine the two projects, that way we can go in together and conduct the necessary environmental, cultural, and archaeological studies, and be able to have at least...I mean, experience some cost savings there with respect to environmental permitting. That project, the construction is expected to commence later on...we're looking maybe at about 2025, 2026 because the environmental permitting takes a pretty long time. For bridges, there's a lot of work involving public outreach, which is actually happening in the next couple months. There's also some...some assessments that...that are actually currently underway on those two bridges, and then, you know, we have the federal reviews, so all of that takes a long time before we can get into the construction. Total cost of the project, you know, we're looking at \$12 million for the Wailua-Waikakoi Bridge project, that's \$10 million federal dollars, \$2 million in County...County dollars, and then for the Pukalani rehabilitation project, that's about \$11 million, where \$9 million is coming from Federal Government and our County match is about \$2.3 million. So what we're...and for those of you who aren't familiar with the way federal aid projects work, there's a 80/20 split between the Federal and the County share, and our County share in this case will come from the bond fund. So if you have any questions, I'm more than happy to answer them. If I can't get the answer for you at today's meeting, I will work with Staff to get that answer to you. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Dagdag-Andaya. Okay, Members, start with Committee Vice-Chair Paltin, and then we'll go the other side starting with Pro-Temp Kama after. Committee Vice-Chair Paltin, you have any questions?

VICE-CHAIR PALTIN: Thank you, Chair. I have no questions on this, I'm just glad it's getting done and that we have some shovel-ready projects.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair Paltin. Pro-Temp Kama, followed by Member Sugimura. We'll come back to Pro-Temp Kama, I don't see...I just see her virtual background. Okay, Member Sugimura, followed by Member King.

COUNCILMEMBER SUGIMURA: Thank you, Chair. So I'm glad to see, especially the Upcountry projects, and Rowena, was this one of those that we held off from the last budget session?

MS. DAGDAG-ANDAYA: Not this one. Yeah, not the Pukalani project.

COUNCILMEMBER SUGIMURA: I look forward to that then. Anyways, thank God that you're moving forward, so appreciate it. I support this. Thank you.

MS. DAGDAG-ANDAYA: Thank you.

COUNCILMEMBER SUGIMURA: We like the match...the matches...the good matches, so thank you.

MS. DAGDAG-ANDAYA: Yes, and we're...we're also looking forward to what Director Buttigieg and the Biden Administration has coming up in their...their terms. So thank you.

COUNCILMEMBER SUGIMURA: Good.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. I see Pro-Temp Kama back, so we'll go to Member King and then Pro-Temp Kama.

COUNCILMEMBER KING: Thank you, Chair. Thanks for being here, Rowena, nice to see you. So I...I wanted to ask you about the 80...so the 80/20 split is 20 from the County and 80 from the Feds? Okay.

MS. DAGDAG-ANDAYA: Yes.

COUNCILMEMBER KING: Because I know at the beginning of the last Administration, they were talking about flipping that, making us pay the 80 percent, so that never happened, just to be clear. Okay. So I just wanted to ask you about the...these are both repair jobs, and so repair doesn't go through the MPO as far as the planning goes?

MS. DAGDAG-ANDAYA: I'm glad...I'm glad you asked that question because this...these projects actually had to go through review by the MPO, both the Technical Advisory Committee and the Policy Board. So the Members here who are a part of the MPO did get to review this back in December, and then it was also discussed at the TAC Committee back in November of last year.

COUNCILMEMBER KING: Oh, okay. But it didn't make it into the budget for this current year?

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MS. DAGDAG-ANDAYA: Not for this current year because as we were going through the design and all of those discussions with the State, you know, we...we came across those items after the budget had been formulated, so that's...that's why we're coming in for a budget amendment.

COUNCILMEMBER KING: Okay. All right. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Pro-Temp Kama, followed by Member Johnson.

COUNCILMEMBER KAMA: Thank you, Chair. I'm really excited to hear what's going on with the bridges, and that we're finally moving forward, and I'm kind of excited for what's about to come forward from the new Administration on the Federal level. So I'm really excited about that, looking forward to more projects. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro-Temp Kama. Member Johnson, followed by Chair Lee.

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you, Director Rowena, I appreciate all of this...this is...I'm just going to ditto what everyone's saying. I'm excited to see infrastructure being built, and I look forward to seeing it when it's done. So thank you so much. I have no questions.

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

COUNCILMEMBER LEE: No questions. Thank you, Madam Chair.

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

COUNCILMEMBER MOLINA: Thank you, Madam Chair, and good afternoon, Director. Just quickly, any restrictions or limitations as to how we can use these funds? And with regards to the start date, if you could...if you have that specific date today, it'd be great...if not, if we could contact you so we get that date and inform our constituents, especially the...for Makani Road, which is a heavily traveled road in Makawao. And I'm sure our constituents would appreciate, you know, the heads up that construction is upcoming.

MS. DAGDAG-ANDAYA: Thank you, Councilmember Molina. So the...as far as construction dates, I don't have that exactly pinned down at this point. I understand that the Staff still has a pre-construction meeting that they need to hold with the contractor. So once that's been done, then we can have a better date. I will, however, put a link in the chat box directing you to our current and future projects. So it identifies all of our existing projects, and when we do update the...the dates as to when construction will take place, that...that page does get updated. So I'll leave that in the chat box before I

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head out today. As far as your question regarding limitations on the way the monies are spent, that's something that we would work out with Federal Highways Administration and our...and State. So there's a lot of reviews that take place among the agencies prior to final, so when the monies do get spent, we have to account for, you know, all the dollars, and it...it does get reviewed by the...by Federal Highways. And so even after the project is closed out, there's still that review that takes place to make sure that our monies were spent on the project and in accordance with what was submitted in our plans.

COUNCILMEMBER MOLINA: Okay, fantastic. And that's all of Makani Road, yeah? All the way up through Kalama School and then down...up to Haleakalā Highway.

MS. DAGDAG-ANDAYA: Not for this one.

COUNCILMEMBER MOLINA: Oh, okay.

MS. DAGDAG-ANDAYA: This project is just Old Haleakalā Highway fronting the Community Center all the way to the Haleakalā Highway...up to the main --

COUNCILMEMBER MOLINA: Oh, okay, that --

MS. DAGDAG-ANDAYA: -- State Highway.

COUNCILMEMBER MOLINA: -- that portion, okay. Okay, great. Well, thank you. We look forward to getting that...those dates from you, and then we'll put it out in a District Newsletter for our constituents.

MS. DAGDAG-ANDAYA: Yes.

COUNCILMEMBER MOLINA: Thank you. Thank you, Madam Chair.

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

COUNCILMEMBER SINENCI: Thank you, Chair, and Mahalo, Director Rowena for being here today. I just...a clarification. So it looks like BFED-94, specifically, has Waikakoi Bridge, so it lists \$2,039,000, so that one is...that money is specifically for Waikakoi, and then you also mentioned the Makawao Avenue pavement reconstruction, which it doesn't have it on here, but is that...does the Makawao Avenue pavement reconstruction come under BFED-93(1)? There's two...it looks like there's two grants for Public Works.

MS. DAGDAG-ANDAYA: Yes. So the way this works is, the...the first part, increasing the grant...Federal Highways Administration grant by \$3,864,000, that's the Federal share, so that Federal share is for, you know, design or new construction or construction management for the projects that are in the...yeah, for...for federal aid projects. Yeah. And then the second part of it is amending the bond fund by about \$2,039,000, and that is distributed to fund...or that's used to fund design, new

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construction, and perhaps construction management for projects. So if I...if I were to break it down, the...you know, for the bond fund, you know, it will go towards the Waikakoi and Wailua design, and then a portion of it will also go to the Pukalani pavement rehabilitation project. But both projects will receive a 80/20 split between Federal and County.

COUNCILMEMBER SINENCI: Okay, and then...and then you also mentioned the Wailua Bridge in Hāna that would also do design as well.

MS. DAGDAG-ANDAYA: Yes, this phase is only for planning and design, and then construction will come at a later time.

COUNCILMEMBER SINENCI: Okay, all right. Thank you for that clarification. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. And just for clarification, Director Dagdag-Andaya, that's in the communication page 7, CBS 5022 County-wide Federal Aid program, and Makawao was first on that list, and then adding to number 6, Wailua and Waikakoi Bridge --

MS. DAGDAG-ANDAYA: Yes.

CHAIR RAWLINS-FERNANDEZ: -- on page 7. Mahalo, Director. Okay, Members, any additional questions or comments? Okay, seeing none, the Chair will entertain a motion to recommend passage on first reading of the proposed bills entitled, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS (DEPARTMENT OF PUBLIC WORKS (FEDERAL HIGHWAY ADMINISTRATION, FEDERAL-AID AND OTHER TRANSPORTATION GRANTS))." "A BILL FOR AN ORDINANCE AMENDING FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS: DEPARTMENT OF PUBLIC WORKS COUNTYWIDE (COUNTYWIDE FEDERAL AID PROGRAM)." "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 5101, BILL NO. 66 (2020), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE, AND DELIVERY OF SAID BONDS (DEPARTMENT OF PUBLIC WORKS - COUNTYWIDE FEDERAL AID PROGRAM)", and the revised proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF PUBLIC WORKS, COUNTYWIDE, ROAD IMPROVEMENTS, BOND FUND, COUNTYWIDE FEDERAL AID PROGRAM; TOTAL CAPITAL IMPROVEMENT PROJECTS APPROPRIATIONS; TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)," incorporating any non-substantive revisions, and filing of County Communication 21-23.

COUNCILMEMBER SINENCI: So moved.

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COUNCILMEMBER LEE: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Councilmember Sinenci, seconded by Chair Lee. Discussion? Seeing none. My Vice-Chair is supposed to . . . *(inaudible)*. . . make the motions, but that's okay, we can talk about that later. I'll call for the question, all those in favor --

COUNCILMEMBER MOLINA: Aye.

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

COUNCILMEMBER MOLINA: Give you a head start.

CHAIR RAWLINS-FERNANDEZ: . . . *(inaudible)*. . . say, aye.

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: I see nine ayes, motion passes unanimously, zero noes.

VOTE:	AYES:	Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, Kama, King, Lee, Molina, Sinenci, and Sugimura.
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	NOES:	None.
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	ABSTAIN:	None.
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	ABSENT:	None.
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	EXC.:	None.
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MOTION CARRIED.

ACTION:	FIRST READING of Appendix A, Part I bill, revised Budget bill, CIP bill, and Bond bill, and FILING of communication by C.R.
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COUNCILMEMBER LEE: We're not in sync today.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Dagdag-Andaya.

COUNCILMEMBER MOLINA: Too much wind.

MS. DAGDAG-ANDAYA: Salamat Po.

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CHAIR RAWLINS-FERNANDEZ: Salamat.

COUNCILMEMBER KAMA: That's because you guys were excited and anxious.

CHAIR RAWLINS-FERNANDEZ: Love it, great energy . . . *(laughing)*. . . and look...look we're all...like we're so ahead of schedule right now, I don't even know what to do with myself. We're already on BFED-24, and I was planning on taking a break, but it's too early to take a break, so we're just going to keep going.

COUNCILMEMBER MOLINA: The day is still young.

**ITEM 24: ACQUISITION OF 6.3 ACRES AT 100 MAHALANI STREET
WAILUKU, MAUI, HAWAII (CC 21-26)**

CHAIR RAWLINS-FERNANDEZ: . . . *(laughing)*. . . Okay. BFED-24: Acquisition of 6.3 Acres at 100 Mahalani Street, Wailuku Maui, Hawai'i. We have Budget Director Yoshimura for opening comments, followed by Director of Finance Teruya, and Planning Director McLean. Director Yoshimura?

MS. YOSHIMURA: Thank you, Chair. Thank you. So you have two proposed bills before you. One to amend the budget bill and...actually three bills before you, one to amend the budget bill to add \$9.8 million dollars to the bond fund for appropriation for the acquisition of 100 Mahalani Street building and property, Appendix...an amendment to Appendix C to add the project and the acquisition, and the third bill to amend the bond authorization bill, which will allow the County to proceed with the purchase. You also have before you a revised proposed resolution to authorize the acquisition of the property. So for detailed information, I'll turn it over to Director Teruya. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Yoshimura. Director Teruya?

MR. TERUYA: Good afternoon, Madam Chair and Members, Scott Teruya, Finance Director, here. To make it easier, how Chair Lee likes it, I will share my screen with a one-page summary. I'm going to attempt to share my screen, hang on.

COUNCILMEMBER LEE: The whole page?

MR. TERUYA: Does that work? Nope.

CHAIR RAWLINS-FERNANDEZ: Maybe three-quarters.

MR. TERUYA: Okay, that doesn't work? You don't...you don't see my...my Word document?

CHAIR RAWLINS-FERNANDEZ: Not yet.

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VICE-CHAIR PALTIN: The real question is what size is the font?

MR. TERUYA: Oh, my God. Okay, well, maybe I have to talk about it and give it to Committee then.

CHAIR RAWLINS-FERNANDEZ: Do you want to...do you want to send it to me and I can share it for you. You can email to me right now.

MR. TERUYA: Okay, maybe...maybe it's working now, hang on.

CHAIR RAWLINS-FERNANDEZ: Okay.

MR. TERUYA: I think it's just slow.

COUNCILMEMBER KAMA: There it is.

CHAIR RAWLINS-FERNANDEZ: Oh, there we go.

COUNCILMEMBER KAMA: . . .(*inaudible*). . .so far.

MR. TERUYA: Okay, good. Okay, I got it.

CHAIR RAWLINS-FERNANDEZ: Okay, and then on the bottom right where it says "100", if you can click on the plus sign like maybe five times.

MR. TERUYA: Okay, hang on. Is that better?

CHAIR RAWLINS-FERNANDEZ: Maybe two more times.

MR. TERUYA: . . .(*laughing*). . .

CHAIR RAWLINS-FERNANDEZ: Well...well, I mean, I can see it well. I just...I'm thinking of everyone.

MR. TERUYA: Can everybody see it? You just got to tell me when to stop.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay.

MR. TERUYA: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. It looks good...good.

COUNCILMEMBER KAMA: Thank you, Keani.

MR. TERUYA: Okay.

CHAIR RAWLINS-FERNANDEZ: Oh, you're welcome.

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MR. TERUYA: Okay, so for Chair Lee's purposes, everything needs to be very simple, outlined, so I'm going to go down in this format. The property location is 100 Mahalani Street, and there the reference TMK. The land area is 6.276 acres, okay, it is B-2 zoned, I'll defer to Director McLean to talk to you about the zoning and the potential uses to...to the fullest, but I...I don't want to comment on that. The total building area for the two buildings is 44,129 square feet. The front building, known to most people as the Maui Publishing Building, is 14,978 square feet, and was built in 1987. The Maui News Print Building, which is more like a warehouse type, in the rear, is 25,697 square foot, and was built in 1994. Attached to that is a VITECH Building, which is like office space of 3,454 square feet, and that was built in 1969, but that's been since...looks like it's been renovated since 1969. There are a total of 175 marked parking stalls that...known to me. It is outside of the flood zone, so I believe that would be Zone X. There's an existing radio tower on the building with a 55-year ground lease, the terms are stated there, and it's a revenue of \$100 per year. According to our terms with...we negotiated with *The Maui News*, they would be leasing back portions of the rear building, excluding upstairs second floor room area of about 3,500 to 4,000 square feet, I cannot verify, it's about that point, and downstairs is one bay with a roll-up door of 1,500 square feet for storage purposes. So we have negotiated...we start...we had a higher starting sales price, but we negotiated to a lower sales price provided that there's no rent for the first two years, and then there's an escalation if they were to stay, that the monthly rent would be \$10,000 a month for them from months 25 to 36. So the appraised value, according to the appraisal that we commissioned by Jane Fukuda, the cost approach is \$9.39 million, and the income approach to value is at \$10,210,000, and below is the current assessed values that the County has on this property. That's all I have for opening comments, Chair. If there's anything else that the Members would like, we could go more into detail later. I'll defer to the questions as being asked, and I'll take it from there, but any other questions, I'll be more than happy to answer, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. And do we have anyone else on...signed on right now to answer questions?

MR. TERUYA: Not at this time, Chair, but if you would need to, if you want us to call the appraiser or call anybody else, we can have that. I don't see anybody else on. I'm not sure if the listing agent is on. I don't see him on the call, no.

CHAIR RAWLINS-FERNANDEZ: Okay, and then...but Mr. Hironaka is on.

MR. TERUYA: Yes, that's correct, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. And I don't...oh, okay. I see Director McLean may be on. I see her signed in, but I know she's juggling a couple of meetings, so...

MS. MCLEAN: I'm here, Chair.

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CHAIR RAWLINS-FERNANDEZ: Oh, okay. Mahalo, Director McLean. Did you want to provide any opening comments, or are you just available for questions?

MS. MCLEAN: I believe Council Chair Lee had her hand up.

COUNCILMEMBER LEE: Oh, I'm not...I had my hand up to ask --

MS. MCLEAN: . . .*(inaudible)*. . .

COUNCILMEMBER LEE: -- only to ask if before Mr. Teruya ends his presentation, perhaps he could include the pros and cons of purchasing property.

CHAIR RAWLINS-FERNANDEZ: Director Teruya?

MR. TERUYA: Okay, thank you. Chair Lee, thank you for that question. I...and that's probably a good time to maybe bring these things up. In speaking with our underwriter, the added debt service on \$9.8 is around \$600,000 a year, which is about \$50,000 a month, and regardless of whether the Council chooses to move there or if they decline, we would probably be moving other Departments into this building. The square footage of what Departments would be moving out, whether or not the Council takes it or we take it over, the...the savings in lease rent covers the debt service. It's right around the same amount of money per month. So even though it may...the perception may look good not to be purchasing in a time like this, we're paying lease rent anyway, so you're just converting lease rent to purchase the debt service on this improvements, and at the end of 20 years, you'll...you would be owning this asset. So according to the appraisal, there's more than 30 years or there is at least 30 years left in both buildings, so financially it makes...it makes sense, but that's really up to this body to decide. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay, so I'll go to Committee Vice-Chair Paltin, followed by...we'll go back to Member Sinenci, and then Member Molina, and we'll...we'll just do three minutes for now, and that way everyone gets an opportunity, and then we can do a second and third round if necessary. So we have Director Teruya, Director Yoshimura, Director McLean, and Mr. Hironaka on the line. If Members have any questions that are...that our Directors are unable to answer, then we will be able to get someone else on the line. So we'll just make note of that question for now, we'll take a quick recess, get...get you know, the appropriate person on to answer those questions, and then we'll reconvene. Okay, Committee Vice-Chair Paltin?

VICE-CHAIR PALTIN: Thank you, Chair Rawlins-Fernandez, and Director Teruya, Ms. Yoshimura, and Director McLean. My first questions would be...Director Teruya, have you run this through Janet Six and her...her kind of semi-confidential significant areas, like is there any Qdo sand deposits or things like that? Any known significant things or burials that we know of, or have you run it by her to look at her thingy?

MR. TERUYA: I apologize. No, I have not, and I will do it right now.

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VICE-CHAIR PALTIN: Thanks. Okay, and then the next...forgive me, I'm not super up on all the building things and when things happened, but was the '80s...do we have any concerns about like lead or asbestos?

MR. TERUYA: Chair, in review of the appraisal report, I do not have any indication that there is any. I believe you guys all have a copy of the appraisal report and the improvements and discussion items on the improvements start on page 5 of the appraisal. It has everything you really need to know about the improvements on those pages, and there is no significance that I have read that leads us to believe that there is any...anything of the sort.

VICE-CHAIR PALTIN: Okay. And would Janet Six know about the Qdo or would she only...you don't know anything about that?

MR. TERUYA: Sorry, Chair, I do not.

VICE-CHAIR PALTIN: Okay. And I just was curious, for this round I guess...and we're only asking of Director Teruya, Director McLean, and Director Yoshimura at this time. I just was wondering how this came to our attention.

MR. TERUYA: Chair, if you don't mind, if I can defer that to Guy Hironaka right now? The juggling of the multiple purchases right now.

CHAIR RAWLINS-FERNANDEZ: Mr. Hironaka?

MR. HIRONAKA: Can you hear me now?

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. HIRONAKA: We were approached by the listing agent to see if we were interested, and so we engaged them into a letter of interest and we made it subject to an appraisal, and then from there, we negotiated a price.

VICE-CHAIR PALTIN: Thank you, and...and was this listing made public, or how long had it been on the market? . . . (*timer sounds*). . .

MR. HIRONAKA: It was not listed publicly because we were the first ones that they approached, so they gave us the first chance to, you know, look into it before they placed it. If we did not...if we had declined, they would have placed it on the market.

VICE-CHAIR PALTIN: Okay, thank you. Thank you for my opportunity, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair Paltin. Member Sinenci...oh, I'm sorry, and then really quickly, the question that you had would've been for...who is not available right now, if you mind sharing?

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VICE-CHAIR PALTIN: Me?

CHAIR RAWLINS-FERNANDEZ: Yeah, Member Paltin.

VICE-CHAIR PALTIN: The question I had was for Janet Six.

CHAIR RAWLINS-FERNANDEZ: Okay, yeah.

VICE-CHAIR PALTIN: And then the other ones, when I was asking if those were the three folks that we could ask for, I guess it's...it's maybe more along the discussion for us, like, internal, not maybe a resource as...as far as like are we...how we're going to move forward with...if the purchase is something that we agree on, it's questions, I guess amongst ourselves for discussion. Like...like what are we going to do if we're still moving in the District Office directions and like those types of questions rather than...I don't think Director Teruya, Director Yoshimura are those guys who would answer it. I think it's like amongst us to decide, maybe, or something.

CHAIR RAWLINS-FERNANDEZ: Okay, yeah. So during deliberations. Sounds good. Mahalo, Committee Vice-Chair Paltin. Okay, so we'll go to Member Sinenci for his three minutes, followed by Member Molina.

COUNCILMEMBER SINENCI: Mahalo, Chair for my opportunity, and mahalo, Director Teruya for the presentation. So I...I was just wondering what is income approach? You had on your...can you clarify income approach? I believe it was \$10 million.

MR. TERUYA: Thank you, Chair, and thank you for that question, Member Sinenci. The cost approach to value is a recognized approach indicated with the...indicated land value and the improvements cost replacement new less depreciation. The income approach basically takes the leasable square footage and caps it...caps your annual rent income, and to get you an income approach to value.

COUNCILMEMBER SINENCI: Okay, and then...and then you were mentioning that monthly would be upwards of \$6,000 a month? Is that what you...

MR. TERUYA: What...what I was referring to is the debt service in acquiring the...this building, assuming that we went out to bond and borrow for this would be about \$600,000 a year, which is about \$50,000 per month. The annual savings of rent leases by moving...by purchasing this and to either move people out of rent, would be saving about \$50,000 a month or even more. I mean, but that's generally on average, would be saving about \$50,000 to \$60,000 a month in rent. I think he lost network, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. I will pause there, and then we'll come back to Member Sinenci after he gets better connection. Okay, Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Good afternoon, Mr. Teruya, and Mr. Hironaka. So one, at this point has the Administration developed a...a plan

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for the immediate and future use of the property? And also, I note that the appraisal utilizes four comps dated from 2014 to 2017. Can you tell us why these comps are...are somewhat outdated?

MR. TERUYA: Chair, that question would be more appropriate for the appraiser to speak on his behalf on what his assumptions were. So if that needs to be, we can either put it in writing or we need to contact the appraiser to be...come answer that question.

COUNCILMEMBER MOLINA: Yeah, that...that'd be fine. Madam Chair, if under your signature if that question could be asked as well...of the appraiser?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER MOLINA: Okay, and as far as the plans from Administration, anything at this point?

MR. TERUYA: Chair, at this point, there are departments that we could move in there, but I...as mentioned, I'm not sure if you were aware of this, but the...when we first negotiated this, we initially had thought about moving people out of One Main Plaza, but the Mayor had asked that we give the Council an opportunity to purchase it, and use it for their...their purposes. If they chose not to, then we would go ahead with our plan and move other departments as we see fit. But the plan --

COUNCILMEMBER MOLINA: Okay.

MR. TERUYA: -- would definitely be looking at lease rents, and how much we're paying for other departments, and to move the most expensive departments out of their leasing situation to...to make...to cover the debt service. Thank you, Chair.

COUNCILMEMBER MOLINA: Okay. Thank you, Madam Chair. You know, I get one more quick question before my time is up. The...as far as the...at this point, no inspection of the building has been made, I guess that's still pending...ensure everything is structurally sound.

MR. TERUYA: Chair, that...that portion would be done during our due diligence purposes if...if this Council was to move forward with it. Right now, we have an appraisal to go on, and I'm not sure if you want, as I mentioned, you want the appraiser to speak onto his report and his inspection of the building. If the Council were to move forward and we engage into little bit more serious talks and we're going to consider purchasing this building, then we can always move forward and do our own...have our CIP Coordinators go there and do an inspection as well, but as of right now, all we have is the appraisal report to go on.

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

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. And I don't see Member Sinenci. Member Sinenci, are you back on?

COUNCILMEMBER KING: I don't see him either.

CHAIR RAWLINS-FERNANDEZ: Okay, yeah. He texted me to let me know he was jumping back on, but okay, we'll just...we'll come back to you, Member Sinenci. Okay, and then we'll go to Chair Lee, followed by, oh...Director Teruya, did you raise your hand?

MR. TERUYA: Yeah, just real quick, Chair. Is the intent to have the appraiser speak to it, then I can maybe ask Mr. Hironaka to contact him to see if he's available.

CHAIR RAWLINS-FERNANDEZ: Yeah. We'll do this first round with questions for those on the call now, and then after we get all of those questions answered, then we can have the appraiser speak to his report and questions that Member Molina brought up. Mahalo, Director. Okay, so we have Chair Lee, followed by Member King.

COUNCILMEMBER LEE: Thank you, Madam Chair, and thank you, Mr. Teruya and actually, the Mayor as well. Even though we don't always get along, I did ask him early in the term if we could have land in Waikapu, actually, because that's where we have land, to consider building a new Council building at...you know, at some point. So can you tell me how much the Kahului Service Center costs because I'm just talking about comparisons now.

MR. TERUYA: Oh, gosh, I...

COUNCILMEMBER LEE: Was it like \$25 million?

MR. TERUYA: Yeah, it's around there, 24, and I think the annual debt service on that is about \$1.7 million annually . . .*(inaudible)*. . .

COUNCILMEMBER LEE: Okay, and how much did the land cost? How much did the land cost?

MR. TERUYA: Chair, I don't have that offhand.

COUNCILMEMBER LEE: Yeah.

MR. TERUYA: Is Mr. Hironaka on to respond to that?

CHAIR RAWLINS-FERNANDEZ: Mr. Hironaka?

COUNCILMEMBER LEE: Okay, but I guess...never mind, I don't have to know it to the penny, but my whole point is to build a brand new building would cost us a lot of money...\$25, \$30 million. So I saw this as an opportunity for the Council to consider because we do need more space. Even though we have District Offices, you got to remember, we have OCS and OCC. It...we've been neglecting them and our Council

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for 47 years, yeah? 47 years, we...we've had the same square footage versus what the 9th floor of the Mayor, just show you how progress...everybody has progressed while we have stayed still in time. The Mayor used to have...besides his...his secretaries and EAs, he used to have...and the entire Office of Corporation Counsel was on the 9th floor. The entire office of Economic Development was on the 9th floor. CDBG was on the 9th floor, and other offices. Now, they're all gone. They're all in different locations. The Mayor, by himself, occupies the 9th floor. We have so many more Staff in OCS. We have so many more Staff within ourselves. When I started a long time ago, we only had one person, now we have three and four. You know...you know, my point is at some juncture, the Council has to think of the future, not only today of ourselves, but what about the future. We have to provide options for future Councils. And I'm telling you right now, the building we are in, the space we occupy is totally inadequate . . . (timer sounds). . . ask Yuki, it was leaking in her office, the whole 8th floor leaks. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. I hope nothing got seriously damaged. I don't even know if my office is leaking right now. My office leaks too. I think I might have to ask Sarah to go check on that. Okay . . . (laughing). . . Member King, followed by...oh, I'm sorry, Member Sinenci is back on, so we'll give him back his minute and a half. Member Sinenci, and then followed by Member King.

COUNCILMEMBER SINENCI: Oh, thank you, Chair. Yeah, my other question was just how much in monthly costs for...for rents that the County has for the other facilities?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Thank you, Chair. I wasn't sure if that was a question for me. I apologize I missed it, I was on the phone. My understanding from Mr. Hironaka is the appraiser will be logging on shortly. So you can look for that. I apologize, was that question for me, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes, that question was for you, and the meeting is unlocked, so when he is ready he will be able to join.

MR. TERUYA: Thank you. Councilmember Sinenci, do you mind repeating? I apologize.

COUNCILMEMBER SINENCI: Yeah, just the total monthly rental costs that the County pays for all of its rental facilities.

MR. TERUYA: Thank you for that question. You kind of just served it up for me. The County currently leases 93,000 square feet amongst the departments for a total annual cost, to the best of my knowledge, at \$3.6 million.

COUNCILMEMBER SINENCI: Divide that by 12...3.6 million, and okay...and that's our monthly cost for all of our rentals?

MR. TERUYA: That's our annual cost. The monthly is about \$300,000 a month.

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COUNCILMEMBER SINENCI: \$300,000 a month? And then you said with this...would be \$6,000 should we go ahead with the...the acquisition of 100 Mahalani, yeah?

MR. TERUYA: It'll be about \$50,000 a month in annual debt service with this purchase, that's approximate. It all depends on the interest rate on the bond cost.

COUNCILMEMBER SINENCI: Oh, okay. But that's total, yeah? . . . *(timer sounds)*. . . Thank you. Thank you, Director. Thank you, Chair.

MR. TERUYA: No problem. And Chair, I just want to follow up, the land purchase price of the Service Center was \$7.1 million.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Shane Fukuda, the appraiser?

MR. TERUYA: Chair, I believe I see him logged on, so I'm not sure if you want him to unmute and maybe you can...I'm not sure if he's followed the question, but I'll...I'll defer to him, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Teruya. Aloha, Mr. Shane Fukuda. Can you hear us okay?

MR. FUKUDA: Good afternoon, Committee Chair Rawlins-Fernandez, and Committee Members. I'm trying to take care of my video. Here we go. Good afternoon.

CHAIR RAWLINS-FERNANDEZ: Good afternoon. Okay. Okay, Member Molina, would you like to ask your question?

COUNCILMEMBER MOLINA: Yes, Madam Chair. Thank you. Good afternoon, Mr. Fukuda. I had a couple of questions earlier with regards to the appraisal that utilized the four comps which dated from 2014 to 2017, and why are the, you know, the...the comps or the...there's a disparity in years, you know, from 2014 to 2017, and you know, how you arrived to your conclusion with your appraisal?

MR. FUKUDA: Sure. Thank you for that question, Member Molina. It's a fair question. Given the size of the property, it's...it's pretty atypical to find any vacant land zoned B-2 in general, and then the sales of those properties, it makes it even harder to find. So if you are familiar with these comps, while they are dated, they're all in the Maui Business Park 2. They are, for the most part, larger parcels, and they're kind of in the vicinity of the Service Center, so in that regard, you know, while they have little bit different zoning, the highest and best use would be the main criteria for the selection I choose...I chose the larger properties and then the properties that might have been on an interior street, which would be one off of Ho'okele.

COUNCILMEMBER MOLINA: Okay, all right. Thank you for that explanation. And then lastly, the...your own assessment of the buildings with your inspections so

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everything's structurally sound, no...no issues based on your inspection? And this was a...you hired, I guess some engineers for this?

MR. FUKUDA: For my own side of the appraisal, I'm not really qualified, you know, as far as like structural integrity. It's just in general, you know, what I readily observed from my experience as an appraiser. As far as the remaining economic life, that too is just based on what typical buildings might be...the actual age of the buildings, you know, if it's deferred...if they show a lot of neglect, then we would have it even older as far as the effective age of the building than the actual age. But in this case, I didn't really observe anything that was current. There were some things that were repaired that maybe...maybe it was weathered ceiling tiles, you know, from something previously, and I was assured by the owners that the...the issues have been resolved. Other than that, you know, the buildings...they're built pretty well. It wouldn't be wood frame or wood-siding type buildings, you know, it would be a lot sturdier. And as far as the remaining economic life goes, that's really just a term that we use as appraisers, and you know, it could be that it could have 30 years of . . . *(timer sounds)*. . . economic life for the next 60 years as long as it's maintained. So down the road, you know, it's just not like that's what's left on the building in general. It's just what we feel that it could produce economically. It still could produce rents, or it's still able to be occupied on a market level.

COUNCILMEMBER MOLINA: Okay, still very economically viable, yeah?

MR. FUKUDA: Yes.

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

MR. FUKUDA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. And just so the Members know that...that will be Member Molina's second round of three minutes, and then so, I'll go to everyone and everyone...their first round, and then their second round. Member King, followed by Member Johnson.

COUNCILMEMBER KING: Okay, thank you, Chair. Is...Mr. Teruya, are you still on? I have some...most of my questions I think are for you, and --

MR. TERUYA: Yeah, sure.

COUNCILMEMBER KING: -- I wanted to start out by...I had asked for...I didn't see it provided, but I had asked for a kind of a break down, even if it's an estimate of what is going to move and how we're going to be making the savings. Because I had thought that I had heard last time we talked about this that there was going to be a \$25,000 a month savings, but now you're saying the debt service is \$50,000, and now you're saying you believe we can save \$50,000 a month. But is there a way for you to provide that breakdown because...who's moving? How...I mean, obviously if the...even

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if the Council moves out of the 8th floor, you should be able to move someone into the 8th floor, so...but the numbers kind of get thrown around, and I haven't really seen any breakdown to show that we're going to be saving \$50,000 a month. Is that something that you can provide?

MR. TERUYA: Maybe Mr. Hironaka could provide it, but what I was basing it on was the square footage that would possibly become available with this purchase for the front building of the Maui...of the Maui News Building, and that square footage would equate to about \$50,000 a month in what I see as market rent in what we're renting in any department, whether it is Environmental Management, Planning, Housing, we're running around \$50,000 a month for that square footage. So even if the Council was to choose not to move, and we would move our departments into there, I would see a savings around \$50,000 a month.

COUNCILMEMBER KING: Okay.

MR. TERUYA: If the Council should choose to move there, it wouldn't be a savings for us, but it would be a savings if you moved out and we occupied either the 7th or 8th floor, and that square footage in the County building is about 9,000 square feet per building, except the 8th floor because you have that large atrium. So that's different. But I see the savings to be...whether or not you move there or we move there, the savings would be about \$50,000 a month, and that's about 12 to 14 thousand square feet of leasable area.

COUNCILMEMBER KING: Right. So is there a way to show which departments would be moving and how high those rents are?

MR. TERUYA: But...as I mentioned, most departments are around that amount when I'm looking on paper for what is...

COUNCILMEMBER KING: I'm just, you know, I'm just asking you because, you know, we asked for the same thing when we did that Service Center. We never got it, and I don't know that we ever realized the same amount of savings as we were told we were going to get if we built that \$25 million building, so that's why I just wanted to, you know, see exactly what we're talking about. Because we throw around these loose numbers, but do we ever follow up and make sure that that's what we're saving? I...I haven't seen it . . .*(inaudible)*. . .

MR. TERUYA: Okay, well, I can tell you, Chair, that when I look at the overall with the purchase of the...the purchase of the Hawaiian Tel building and the opening of the Service Center, when that's all said and done, there will be 55,000 square feet occupied or moved out of rental situation, which would be a savings of little over \$2 million a year.

COUNCILMEMBER KING: Okay . . .*(inaudible)*. . .

MR. TERUYA: And that is a number that can be easily provided or calculated.

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COUNCILMEMBER KING: Okay, . . . (*timer sounds*). . . that'll be great if you can get that. Can I just real quickly, did you ever do the tour that we talked about? You were going to offer a tour to Councilmembers of the building.

MR. TERUYA: Chair, did you want to cover that?

CHAIR RAWLINS-FERNANDEZ: Are (*audio interference*) to me, Member King?

COUNCILMEMBER KING: I don't know who was going to...we talked about that the last meeting. I don't know who was going to put it together, but I never heard anything.

CHAIR RAWLINS-FERNANDEZ: No, we're in Committee Week. We didn't...there wasn't a tour yet.

COUNCILMEMBER KING: There hasn't been one?

CHAIR RAWLINS-FERNANDEZ: We're going to...we're going to talk about it at this meeting --

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: -- and then decide, if this is something that we would want to move forward on first, and then tour.

COUNCILMEMBER KING: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Johnson.

COUNCILMEMBER JOHNSON: Mahalo, Chair. So I have a question on page 2, I think this might be for Mr. Fukuda. It's just in regards to the idea of ADA compliance. And in the bold on page 2, it says that the non-compliance could have a negative impact on value, however, this has not been considered or analyzed in this appraisal. Is it...is...if I'm reading that right, like you're saying that well, we might have to redo the bathrooms to make them ADA complaint, or we might have to do certain steps to make it ADA compliant, and that's going to bump up the price. Is that...is that what I'm hearing?

MR. FUKUDA: It wouldn't bump up the sale price, and yes, you know, I include that in every single one of my appraisals, and it's pretty standard for the profession because we are not experts in that field.

COUNCILMEMBER JOHNSON: Okay, so this...this building was built in 1994, was that right? Is it...or mid-'90s, but ADA was passed in 1990, so it would be...I would hope that there's some...has some compliance, but maybe over the years it's gotten more strict, I don't know. But I...I saw some of the pictures, I saw some of the bathrooms, but that's kind of like what I was concerned about. If I...I have not done the tour, but

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maybe later when we do do the tour, that's kind of what I would be looking for. That's all my questions, Chair. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Okay, Member Sugimura, followed by Pro-Temp Kama.

COUNCILMEMBER SUGIMURA: Thank you, Chair. That was very interesting and I hear...have the same concerns about what is actually going to happen, or does Administration have a general plan of the rentals. I don't know if this is for Mr. Teruya or...maybe Mr. Teruya, does it have a master plan for moving out of rentals or is it going to be piecemeal, as we're hearing today?

MR. TERUYA: Chair, I don't want to speak on behalf of Mayor Victorino. I don't...I'm not here to tell you what department or what...who would be moving out. I haven't had that discussion. We know that there would be space available, and we would step through it should this process take place, but I cannot speak on behalf of Administration. Sorry.

COUNCILMEMBER SUGIMURA: Just wondering what the impact is to this building if we move out...the 7th and 8th floor, what is the impact in terms of what's going to happen to this building? I mean, even I have in my Committee a parking plan that we're working on, and I...I wonder if we need all the parking with all these changes, so I just wonder what your overall plan is.

MR. TERUYA: Chair, I can tell you the overall plan is to try to get out of renting properties for somebody else's mortgage. When I...when I look at the numbers as generally as they are, it is almost the same amount of debt service that we're realizing in savings from rent. So...and that's what I bring forward to you, and that's exactly the way I see it, and for those reasons is the reason why I would say that it makes sense financially for us to go out of the lease business and into owning our own equity. Thank you, Chair.

COUNCILMEMBER SUGIMURA: What is the...the CAM costs for these...for these projects that we were renting from? Like One Main Plaza, and...I guess we're no longer in Maui Mall, but the buildings that we are...the monthly rent plus are there additional CAM costs?

MR. TERUYA: Chair, all of my numbers that I gave to you include CAM.

COUNCILMEMBER SUGIMURA: Oh, it does?

MR. TERUYA: Yeah, includes CAM.

COUNCILMEMBER SUGIMURA: Okay.

MR. TERUYA: Yeah.

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COUNCILMEMBER SUGIMURA: Okay. I look forward to understanding what departments, like at the...at the Maui News Building, is it...are you looking at putting any other departments there in that complex, or is it...would it only be for the Council as you've discussed with Chair?

MR. TERUYA: Chair, in the brief discussion we had with Chair and Mayor, the only inclination that he had discussed was the possibility of moving the Housing and Human Concerns into the rear building. It's really difficult to see what we're going to do now because we do not...we do not own that. That's part of a lease back for three years. So in the next three years, we wouldn't be initially moving anybody into the rear building. All we're have...all we have in the rear building is 3,500 square feet upstairs of a raw open area and 1,500 of warehouse area, so right now, there's nothing else that...to be there. If...when they move out, then that would be a discussion as to how we would renovate the building to...to handle any division or any department to go in there, but the rear building, as the appraisal explains, is in general of about 28,000, 29,000 square feet, of which 25,000 is general warehouse, and just 3,500 of office space, but that doesn't mean that we couldn't convert the warehouse general area to office space. So I'm not sure if you want to ask the appraiser if...his thoughts on changing that into office space.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Mahalo, Member Sugimura. Okay, we have Pro-Temp Kama, but I would really like to let Mr. Fukuda go if Members don't have any further questions for him? Do Members have questions for him? Pro-Temp Kama, do you have any questions for Mr. Fukuda?

COUNCILMEMBER KAMA: I do not, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Would you mind if we allow the Members who do have questions to ask their questions and then I'll come back to you?

COUNCILMEMBER KAMA: Not at all, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro-Temp Kama. Okay, I saw Committee Vice-Chair Paltin and Member King, and this will be your second round for three minutes.

VICE-CHAIR PALTIN: I just was wondering, Mr. Fukuda, if...if it's not included that there's any concern about asbestos or lead, then you don't think it happened, it's before the time?

MR. FUKUDA: To my knowledge, the more...the newer buildings are...were built after the general use, I suppose, of those types of materials.

VICE-CHAIR PALTIN: The '69 building might have?

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MR. FUKUDA: The VITECH building, I...I didn't notice anything just visually, but again, you know, that's not really my area of expertise. It may come up maybe during environmental, or if you do have some structural engineers.

VICE-CHAIR PALTIN: Okay, thank you. And then I guess continuing on my three...three minutes, Director Teruya, when you said that CAM was included in your estimation for the savings, did you also include adding on these buildings to public works for maintenance and come up with a equitable savings?

MR. TERUYA: Chair, no, I have not. That is a very good point that Director Andaya...Dagdag-Andaya had mentioned that there will be added costs to maintain the building because you're going to need public works employees to maintain the building. So no, I have not put those numbers into the equation. Definitely appreciate the question because that will be coming as well.

VICE-CHAIR PALTIN: And there's no way to subcontract that out because HGEA, we have to use them?

MR. TERUYA: That is my understanding.

VICE-CHAIR PALTIN: Okay. And as far...I...I didn't take any tour, but the Maui News building is more set up for, like, offices usage than, say, like a...like a auditorium-type thing where we have to meet the general public to be able...once COVID is done, I mean, not right now. Right? Does it look like there's any auditorium seating in there?

CHAIR RAWLINS-FERNANDEZ: Who's your question for, Member Paltin?

VICE-CHAIR PALTIN: Whoever was in the building. I...I never went inside. I guess Mr. Fukuda.

MR. TERUYA: Maybe Chair Paltin, I can answer that question. It's basically areas of open, professional office, I guess is what you would call it, whereas it...it wouldn't really be demised [*sic*] into separate...a lot of separate offices, but you know, maybe bullpen style, with cubicles and...and such. So there are additional areas more so for...they have locker rooms, you know, in the restrooms, they have showers. That type of thing to where...yeah, those types of things are in already. . . . (*timer sounds*) . . . If I may, though, going back to your question about the maintenance, typically professional...professionally-managed properties will include a line item for maintenance in the CAM. So if it's gross rent that's being presented, it's kind of baked into the total. You know, whereas if you own the building, you wouldn't have that expense, but I guess, you know, you'd have to pay your departments to maintain the building. So there's kind of a...a...I don't want to say a...a net zero impact, but it...it's kind of included right now in the lease areas that you're renting. Thank you.

VICE-CHAIR PALTIN: Thank you. Thank you, Member Kama for your letting me go before you. Chair, I was wondering if I could ask a side question, if Mr. Teruya could email the Committee that thing that he showed up on the screen because I didn't memorize

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the numbers, and I...I keep, like, wanting to know it, and don't want to use up my time, like, re-asking the question. So if I could just refer it on Granicus, that would help my cause.

CHAIR RAWLINS-FERNANDEZ: Sure. And so, yeah, I...I think Director Teruya can do that. I wanted to show one area. This is the courtyard that's in the center of the publishing building. I think it's publishing. Printing building? Anyway, so this area here could be converted into chambers. And that's on page 85 of the appraisal report.

VICE-CHAIR PALTIN: Yeah, I...I saw that. I just wasn't sure, like, you know, the...the die scope from the picture, like, if you have, like, a little person, and like --

CHAIR RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR PALTIN: You know what I mean.

CHAIR RAWLINS-FERNANDEZ: The relative.

VICE-CHAIR PALTIN: Yeah. Yeah.

CHAIR RAWLINS-FERNANDEZ: Yeah. Okay. And then Director, will you please send us your one-pager? You said yes?

MR. TERUYA: Not a problem.

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

COUNCILMEMBER KING: Thank you, Chair. And thank you, Member Kama, for letting us ask these questions of the appraiser, appreciate it. So I think I kind of had the same question as Member Paltin about the common area maintenance. I think you cleared it up, that we wouldn't have that fee, but we would have to pay for that. So we're going to have to be maintaining for the Maui News if they decide to continue renting? They would expect that common area maintenance would be included in what, you know, the two free years of rent, and we would have to cover that maintenance? Is that how it works, Mr. Fukuda?

MR. FUKUDA: Thank you for the question, Member King. Yeah, it depends on how the lease is structured, you know, the lease back. It...it could be structured to where they're not paying base rent on the gross leasable area, you know, within the building, but at the same time, you could collect just CAM. You know, you could collect or --

COUNCILMEMBER KING: Oh, on top of --

MR. FUKUDA: -- waive the CAM. Right. Right. So again, it just depends on how the lease back is structured.

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COUNCILMEMBER KING: Okay. So I don't know if this is for you or Mr. Teruya, but what do we...what are we saving off the...for that two...the two years of rent, which I guess if it's 10,000 a month, that's 240,000, and how much are we saving off the sales price?

CHAIR RAWLINS-FERNANDEZ: Member King, Mr. Hironaka wanted to respond to your --

COUNCILMEMBER KING: Oh, I'm sorry. Thank you. I didn't see that.

MR. HIRONAKA: Yeah, Member...sorry. Member King, the agreement would be, because they are going to...they're occupying the back two buildings, Maui News would be responsible for paying all their...all maintenance cost. The buildings are already submetered, so they would continue paying the electricity. Water, we would just, you know, pro-rate it based on how much space they're taking. Because, you know, if we were to charge them our janitorial prices, they'd be higher, because we have these union wages.

COUNCILMEMBER KING: Right. Yeah, no, that's --

MR. HIRONAKA: And...because the print room, they didn't want our people walking through their print room anyway.

COUNCILMEMBER KING: Okay. And then what...can you answer that other question too? That, you know, if we're...if we're giving them free rent for two years for 240,000, what's the discount off the sale price up front?

MR. HIRONAKA: I'm not sure. We had to negotiate, so that's what was part of the negotiations.

COUNCILMEMBER KING: You know, that Scott that what was the, you know --

MR. TERUYA: Yeah.

COUNCILMEMBER KING: . . .*(inaudible)*. . .

MR. TERUYA: A little over \$2 million.

COUNCILMEMBER KING: The \$2 million off the original sales price, or their original asking price is what it was. Okay. Great. Okay. And yeah, I guess I...I guess I was thinking that we were going to go in before we made this decision, but since we're not, is there any way to estimate, even roughly, what it's going to cost to turn that building into? Because I know they're all open offices, and the last time I went in there, there were little cubbies. They had their little, you know, temporary cubbies like we have in OCS. But if we were going to turn that into actual offices for the Council, there seems like there'd be a pretty good expense there. Any idea what we're looking at?

MR. TERUYA: Chair, so I'm not sure if the appraiser knows off hand, but there are offices as well, I just don't know how many there are in the front building. I'm not sure if Mr.

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Fukuda can give that comment. But I really wouldn't know the cost because ultimately you're going to need what are you building out? Once that is determined, then you can go get your estimates from your bids, but it really would determine what you're turning it into that would determine the cost. Because if we didn't...if the Department was to move in there, there's likely we wouldn't do anything, other than office furniture and maybe changing the carpet and, you know, patching holes, et cetera. But if it's constructing, then that would be a different thing. But if Mr. Fukuda could answer how many rooms...offices, are there?

MR. FUKUDA: Yes, thank you, Director Teruya and Member King. During my inspection, I noted there'd be, I would say maybe half a dozen, but I want to say less. It was a little challenging to determine because some of the rooms went into another room, and I'm not sure that they have the...the electrical wasn't on, but I don't know if they had any fixtures working at the time. So with my little camera light, yeah, maybe half a dozen at the moment, and I don't know how conducive they would be for your purposes as well, so...

COUNCILMEMBER KING: Yeah, that was kind of my memory of it too, the last...but it's been a while since I was in the building. Thank you, Chair. Thank you for the consideration.

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

COUNCILMEMBER SUGIMURA: I know...I...and this might be for Mr. Fukuda or Mr. Hironaka, but do we have a time schedule of having to act upon this?

MR. TERUYA: Chair, I can answer that. No, we...we are not under a time table, but obviously we would like to get it done sooner than later. But timetable-wise, no, we're not having to close by a certain date in this situation. I will respond to the Chair that I got...I received word from *The Maui News* that if a tour was needed, that they will accommodate you, provided that they can give you potential times and dates for your selection. Thank you, Chair.

COUNCILMEMBER SUGIMURA: I would appreciate that. Thank you very much on that.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay, Members, any other questions for Mr. Fukuda? Okay, I...I don't see any hands.

MR. FUKUDA: I think Council...Chair Lee might have had her hand up, if I'm not mistaken.

CHAIR RAWLINS-FERNANDEZ: Chair Lee.

COUNCILMEMBER LEE: Thank you. Thank you, Shane, but I really don't have any questions for him. I have one for Scott Teruya. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Okay. And then I just had one quick question. How many parking stalls are there on site?

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MR. TERUYA: Chair, there is 175 marked stalls.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay. Seeing no other questions for Mr. Fukuda...oh --

COUNCILMEMBER KING: Oh, Shane...Shane has his hand up.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Real quick. It just looks on page 2, it says "This appraisal assumes there is no existence of hazardous materials or conditions in any form on or near the subject property," but it's "No responsibility is assumed for such conditions or engineering necessary to discover them." I guess this...this is just...I just wanted to share that some of the questions was "Otherwise stated in this report, the existence of hazardous substance, including without limitation, asbestos, petroleum leakage, or agriculture chemicals, which may or may not be present on the property was not called to the attention of the appraiser, nor did the appraiser become aware of such during the appraiser's inspection." So it...I don't know if it's not that there is, but the...the...it wasn't brought, I guess it's just standard language that the appraiser normally...I just wanted to share that on page 2. Thank you, Chair. Of...of the scope of work. Excuse me.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Did you want Mr. Fukuda to respond to your comments?

COUNCILMEMBER SINENCI: If...if he wanted to.

CHAIR RAWLINS-FERNANDEZ: Mr. Fukuda?

MR. FUKUDA: Sure. Thank you. Thank you, Member Sinenci. Yes, that's also pretty standard language and typical for the industry. Again, we're not environmental experts. We would defer to an environmental report. You know, they do have environmental studies, either Phase 1 or if necessary, Phase 2, but again, you know, that really wouldn't be our level of expertise as appraisers. If we were handed something, then obviously we'd need to review it. But in the absence of anything, we would include something of that nature, just to ensure that maybe we would be...relieve us of some liability.

COUNCILMEMBER SINENCI: Okay. All right. Okay. Thank you. Thank you, Chair.

MR. FUKUDA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. Please let me know, Members, if you see anyone raising their hand. Okay. Anyone else have questions? If not, we're going to let Mr. Fukuda go. It's for Mr. Fukuda. Okay. Mahalo for being with us today, Mr. Fukuda. We really appreciate you answering our questions.

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MR. FUKUDA: Thank you, Committee Chair Rawlins-Fernandez and Committee Members.

CHAIR RAWLINS-FERNANDEZ: Have a wonderful day. Aloha.

MR. FUKUDA: Aloha.

CHAIR RAWLINS-FERNANDEZ: Okay. And we'll go to Pro-Temp Kama.

COUNCILMEMBER KAMA: Thank you, Chair. So I have a couple questions, and some might be for Scott, but I just wanted to...to share that, you know, my...when I first heard about this last week at...at our previous meeting, that I felt really uncomfortable, you know, in my na'au because I always worry about this being COVID and...and whether or not we can afford it, because I have no idea what the budget's going to look like. It might get worse than what I thought. But I have it in my mind what I think the budget might be, but it's only in my head, so I'll keep it to myself, but that's my concern. That's my worry. But I also understand what Chair Lee's saying too, in terms of 40 years, and every...the Administration has expanded in many ways. They've increased staff, they've increased their...their...their capacity, they've...and yet the Council has stayed within the confines of the 7th and 8th floor. So I get that. It kind of reminds me of me, in terms of "God, I really need a new car, but is this the time for me to buy a new car?" So I have to grapple with that myself. But as I listen to what everybody's saying and...and...but one question was really important to me was, Scott, how are we going to pay for this building? Do we pay cash? Are we going to take out a loan? How is that going to happen?

MR. TERUYA: Chair, Member Kama, thank you for that question. We would go out and bond fund this project in the next bond issuance. Likely somewhere in the next fiscal year, we would probably go out to bond for this \$9.8 million.

COUNCILMEMBER KAMA: And when we bond this, we'd be able to pay it back through the savings that we're going to get by bringing everybody under one roof, or at least as many roofs as...as least amount of roofs as possible? Is that what I understand?

MR. TERUYA: Chair. Yes. Thank you. It won't be, totally. I mean, we'll be very close. I mean, the whole point is this. We've had very good ratings in the past. When I look at it, you have opportunities to go bond fund at 10 years, 20 years, 30 years. You know, there's...what...whatever you do, there's costs associated.

COUNCILMEMBER KAMA: Yeah.

MR. TERUYA: In general, we've gone out for a 20-year bond. There's life of the building for at least 20 years. It will very likely 30-plus years.

COUNCILMEMBER KAMA: Yes.

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MR. TERUYA: And when we...when we look at the numbers, I...I would say when I looked at the 20-year scenario...and the reason why I picked the 20-year scenario, not only do we normally bond at 20 years, it comes right in at what I think the cost savings of...of the leases would be. So being mindful to the Council that we're not...we're...we're...COVID time or not, we're still going to have to lease a space for the Department. So we're just trying to --

COUNCILMEMBER KAMA: Right.

MR. TERUYA: -- take that money and put it into a building, an asset that we can retain.

COUNCILMEMBER KAMA: So my last question is, you know, we all are paying for parking...
... *(cell phone rings)* ... Oh, sorry about that, I didn't realize my phone was on. But ...
(timer sounds). . . you know, we all pay for parking, although we're not parking there. So I was wondering if there was a...there was a thought to increase the parking at the new center over there at the Maui News building.

MR. TERUYA: Chair. My understanding is whenever you charge for parking at a location that, if we were to acquire this, you would still need to amend the budget ordinance under rates and fees, and that goes before the Council for approval as well. So that would be something that you would take up at the appropriate time if you were to charge...charge parking. So that would have to be something that would be vetted through the Council process as well. But I'll defer to Budget Director Yoshimura if I'm incorrect on that.

COUNCILMEMBER KAMA: Okay. So I think that's about all the questions I have for now, but I'm just trying to reconcile, you know, what's going on internally with myself. So thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro-Temp Kama. I guess going with your buying a new car analogy, it would be kind of like if your old car is costing more money in repairs, and so then you would probably save money by getting a new car instead of continuing to take your old car to the mechanic and costing you thousands of dollars to repair. Okay. So I'll call on the last two Members for their second round, and then we'll take a ten-minute break. Chair Lee, followed by Member Johnson.

COUNCILMEMBER LEE: Question for Scott. Are you still on the call? I see your name.

MR. TERUYA: Chair, I'm here.

COUNCILMEMBER LEE: All right. So let's say the Council decides it does not want this building, but you're going to persist, right? Because you see this as a bargain for the County, okay. What...do you feel that this is a bargain for anyone to the point where if it goes back on the market, I mean, if we don't do anything on it, if...they're not going to hold it for us indefinitely, right? So they're going to sell this property, right? So anyway, I just want to make that point and just verify with you that, you know, if not...if the Council says oh, no, you folks can't buy this and nobody can have it, then

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it goes back on the market, right? So if...if there was any urgency, that is the urgency, as opposed to something that has to be bought by a certain date, yeah?

MR. TERUYA: Chair. That...that is correct. Chair Lee, you are correct. If we were no longer interested, I'm...I'm sure the property would be on the market.

COUNCILMEMBER LEE: Okay. Right. Actually, I have no more questions. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. And my staff just brought up another analogy with the car --

COUNCILMEMBER LEE: . . . *(laughing)* . . .

CHAIR RAWLINS-FERNANDEZ: -- that it's not...more appropriate. It's like having a car for five people and you have now a family of ten that you're trying to transport in your car for five.

COUNCILMEMBER KAMA: I've done that. . . . *(laughing)* . . . I really have, because I had all the kids and not a van.

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

COUNCILMEMBER LEE: She has eleven children.

CHAIR RAWLINS-FERNANDEZ: Such an appropriate analogy.

COUNCILMEMBER KAMA: Yes, it is. Yes, it is. That's why I'm thinking and saying what I'm saying, because I've been there, so I just got to grapple with that, right? Yeah.

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

COUNCILMEMBER KAMA: So now I have no children, except one, and I drive a van.

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

COUNCILMEMBER JOHNSON: Mahalo, Chair. Thank you. I have no questions at this time.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. And then I'll give Pro-Temp Kama another opportunity. You didn't get a second round.

COUNCILMEMBER KAMA: I'm done. I'm done. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, Members. We'll take a ten-minute break at this time, and then we can return, and if Members still have questions, we can ask...you know, we can have your questions asked and answered, and...and then we can, you know, discuss. Okay. Oh, shoot, I had questions. Okay, wait. Real quick. I have...I have a

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couple questions for Director McLean. Let me put on my timer. Okay. Okay. Director McLean, mahalo for joining us. Okay. So it's zoned...so this property is zoned B-2, which is business district...community business district?

MS. MCLEAN: Yes.

CHAIR RAWLINS-FERNANDEZ: Okay. Would you be able to share what the max build out capacity for this zoning and space is?

MS. MCLEAN: Yes. I...I did an estimate. The setbacks for the B-2 district are zero, unless an adjoining property has a zoning district with a setback. So the property's mostly surrounded by other B-2 uses, but a portion of it borders residential uses, which has a setback of six to ten feet, depending on the height of the building. Discounting area for driveways and parking and so forth, I estimated that you could get about 200- to 300,000 square feet of building, and that could be separated into two different stories. So two stories of about 100- or 150,000 square feet each. With a B-2 district, like I said, it has zero setbacks, but you need to set a building back for every foot it is in height. So a ten-story building would have to be set back ten feet. A two-story building would have to be set back...or a 20-foot building would have to be set back 20 feet. And then the taller you go, the farther you need to be set back, so you know, it's...it's proportional. And then you also have to provide parking. So those are rough estimates, and it's also making the assumption as...as...as the Committee alluded to earlier, that there aren't any archaeological issues, areas that need to be avoided or preserved. Also topography, I'm not sure about the topography for the entire site. It may not be cost effective to build on all of it if there's slopes. So those are just some general assumptions. It...it is a large parcel, and there would be a fair amount of build out that...that . . . *(audio interference)* . . .

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. So the maximum amount of buildings on the property, 6.3 acres, is two?

MS. MCLEAN: Well, it's...it's not number of buildings, you know, it could be one building, one big building, but using, you know, assuming a certain height and setbacks and so forth, and assuming flat, and assuming, you know, no features that need to be avoided, I...I'd guess that you can do about 200- to 300,000 square feet.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay and --

MS. MCLEAN: That would leave room for parking, the parking that would be needed to accommodate that.

CHAIR RAWLINS-FERNANDEZ: Mahalo. What is the maximum height?

MS. MCLEAN: The maximum height is 50 feet. But again, if you go that tall, you'd need to be set farther back. Right? So I just did an estimate of two stories set back . . . *(inaudible)* . . . on each side.

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CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. And would mobile housing units on wheels be allowed on that property?

MS. MCLEAN: I have the zoning district up on my...so if housing is allowed...if they're owned or operated by a Government agency, then yes. Multi-family dwellings are allowed, so if they're multi-family. But standalone single family dwellings aren't allowed.

CHAIR RAWLINS-FERNANDEZ: Even on wheels?

MS. MCLEAN: Yeah, it...so for...we're having this discussion, we have a small team together with Planning and Finance and Public Works to figure out how we all deal with...with these uses. For the Planning Department, if it's a dwelling, it's a dwelling. It doesn't matter if it's on wheels or if it's, you know, a slab on grade or post and pier. So for us, it would be considered a dwelling, and that's not allowed in the B-2 district. Single family dwellings are not.

COUNCILMEMBER LEE: Unless it's a Government agency.

MS. MCLEAN: Right.

CHAIR RAWLINS-FERNANDEZ: Owned and . . . *(inaudible)*. . . As...okay. Okay. All right. Oh, okay. If you moved in...or if half of the 7th floor cleared out, so where OCS is, would your division fit in there?

MS. MCLEAN: Well, in terms of...it.. at...no. . . . *(timer sounds)*. . . We wouldn't fit in half the 7th floor.

CHAIR RAWLINS-FERNANDEZ: The whole 7th floor?

MS. MCLEAN: Maybe. I'd have to check the square footage of the office space we have now, and what the office space is there. Perhaps. Perhaps.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director. Okay. Oh, is the property an SMA?

MS. MCLEAN: . . . *(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. All right. So Members, we'll take a...a ten-minute break. So it's 3:28, so shall we return at 3:40, since you all have been so good at moving this agenda along so quickly? I appreciate all of you.

COUNCILMEMBER KAMA: 3:40 sounds good.

CHAIR RAWLINS-FERNANDEZ: Okay. 3:40. Okay, it's 3:28 on February 3rd, 2021, and the BFED Committee is now in recess. . . . *(gavel)*. . .

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RECESS: 3:28 p.m.
RECONVENE: 3:42 p.m.

CHAIR RAWLINS-FERNANDEZ: Will the BFED Committee please return to order. It's 3:42 p.m. on February 3rd, 2021. And we are...

COUNCILMEMBER LEE: You're frozen.

CHAIR RAWLINS-FERNANDEZ: Can you hear me?

COUNCILMEMBER LEE: Yes.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER LEE: Yes.

CHAIR RAWLINS-FERNANDEZ: That's the main thing.

COUNCILMEMBER LEE: Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair Lee. Okay, we are on BFED-24, Acquisition of three point...6.3 acres at 100 Mahalani Street, Wailuku. Okay, Members. Let's see. We'll...we'll move on to the next part of this item. Okay, one...so the first thing is the one-page summary sheet was sent to all the EAs from the Director. So please have your EAs send you the one-page summary sheet if you don't already have it. The second thing is that we're not...there's no legislative action scheduled for today. Today is discussion only, and it is on Friday's Council agenda, if we would like to discharge and pass it on first reading on Friday's Council agenda. And the last thing is a site visit. By a show of hands, Members, who would like to see the building? It looks like everyone. Okay. Mahalo. Okay. So before we continue discussion, I wanted to ask Director Teruya a question. So earlier, Director, you were asked about deadlines, and the time sensitivity nature of this item. So there aren't any closing costs...or closing deadlines for this item, but are...are there any other things that you would like to make us aware of that would encourage us to consider this item sooner rather than later?

MR. TERUYA: Right, Chair. Thank you. I can go back to the seller and let them know that, if there...we can clarify, because we're going to have to do a purchase sale agreement after this, our due diligence, which includes maybe our CIP coordinators to take a look at the building, et cetera. But you know, I was just acting in good faith to the seller, based on what...we took it up to the Mayor. We started the discussion on July 1st, around there. It's taken this long to get to where we are. There was negotiations back and forth from various things...sales price, lease back areas, contract terms, there's a lot of things. The appraisal took a while as well. As you know, appraisers take, generally, about five to six weeks to get that number back. So you know, there's a lot of things that we've been doing. We haven't been lax in negotiation, but in good faith, we've been trying to get to this point to bring it to the Council. I can go back to

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the...the agent and identify if there's any time constraints, but as of at this moment, I do not know of any.

CHAIR RAWLINS-FERNANDEZ: Okay. During this time of...that we're...we're considering the acquisition of the property, is the property owner eager to get it on the market?

MR. TERUYA: Chair, I do not know that answer. I can ask and get a response back to you.

CHAIR RAWLINS-FERNANDEZ: Okay. And I...I'm asking, because I don't want us to miss an opportunity because we're taking too long to decide. So that...that's why I put it on Friday's Council agenda, but if Members, you know, need more time, as you heard from the Director, we can take more time, but we aren't sure of what the property owner may be thinking if we, you know, take longer than the property owner would...would like, that...there...there really isn't anything stopping the property owner from listing it on the market. Is...is that last statement correct?

MR. TERUYA: Chair, yes. But I will contact the agent to see what the client has in mind. We haven't had talked about anything, just because the process has never stopped. It just kept going. So I think in good faith, we were just acting if...as fast as we can. So at this point, it's hit the Council, so...but I can ask that question. Not a problem.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director. Okay Members, so we can discuss our position right now on where we're at with the...with the acquisition, and if we...if...if you would like to consider it for Council or not. I have a...an amendment to the resolution and the bill to ensure that the property would be for the legislative branch, for the Council, and to ensure that the floors that we vacate would be for departments that don't already have space in the County building. Okay. So at this time, I will now call on the Members, starting with Committee Vice-Chair Paltin, and then we'll go to Member Kama, and then we'll...we'll work our way down again. And so just three minutes each in sharing your thoughts on where you're at with this item. Member Paltin.

VICE-CHAIR PALTIN: Thanks. For me, being that there's not, like, a hard deadline, I'd like to just follow the regular procedure of the Committee report and then go to Council instead of the discharge and then go to Council. I feel like that would give us time to try and schedule all of our site visits because I think we can't go more than two at a time or something, so it's not like we can all go one time because of the Sunshine Law, in my understanding. I think . . . *(timer sounds)* . . .

CHAIR RAWLINS-FERNANDEZ: I'll pause your time to clarify. So the site visit, if we...if we do it, would be all at...at once, not...it would be all at...on the same day for longer duration, so that everyone can go in groups separately.

VICE-CHAIR PALTIN: Okay.

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CHAIR RAWLINS-FERNANDEZ: But it...it...it wouldn't be on separate days at separate times because the Maui News is still operating, and we would like to not interrupt their operations as...as much as possible.

VICE-CHAIR PALTIN: Oh.

CHAIR RAWLINS-FERNANDEZ: So it...it would be together. Yeah.

VICE-CHAIR PALTIN: I did have a other question, but if we're...I can hold it off as we're in the discussion part.

CHAIR RAWLINS-FERNANDEZ: You can ask the question if you want.

VICE-CHAIR PALTIN: Oh, okay. My question was, you know, I've been working with Stacey on, like, a cell-house thing, and I just was wondering, for the due diligence of this kind of a...a purchase, would we have, like, once we commit and make the offer, we have an amount of time to do the inspection and get all the information, and if something comes up like, whoa, this is, like, not what was represented, like lead or asbestos coming out of the ceiling, then we can kind of pull back; is that correct?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Chair, let me defer to Mr. Hironaka, who I believe is still on this call, as he is pretty astute to the process of acquisition. So he might be better suited to answer that question. Guy, if you are on?

MR. HIRONAKA: So to answer your question, the purchase and sale agreement would have language that would allow us to do due diligence, and if we find something, we can either ask them to remedy it, or we could terminate, or we could renegotiate. Because those are normally our choices, and that would be, you know, something that Corp. Counsel would help us with.

VICE-CHAIR PALTIN: Okay. Okay, thanks. And then, so going back to the discussion, I...even if we're all on the same day, the Council meeting is on Friday, and we're in Committee on Thursday, so I think that's still a little bit fast. Like, if we just go through the regular process of Committee report and then put it on the next Council meeting, that's...that's I think more desirable. And then I guess the other thing I would like...I mean, I'm...without knowing the due diligence stuff and just with everything that's presented here, I'm...I'm kind of leaning in favor of the purchase. I think the purchase is a separate conversation from who's going to ultimately stay there, and that one I'm not super sure about, but I'm...I'm fairly okay with the purchase, barring no unforeseen, like, burials or asbestos and things like that. So I think that's as much as I can commit to now. Preference for regular process, so we can do site visit without, like, it being in the middle of the night, because I might, like, put you guys through the wringer tomorrow with PSLU. . . .*(laughing)*. . . Just joking. It'll be fun. I'll be gentle.

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CHAIR RAWLINS-FERNANDEZ: . . .*(inaudible)*. . . and then we'll go to Pro-Temp Kama.

COUNCILMEMBER KAMA: Thank you, Chair. I like the idea of having a little bit more time to think about it. You know, like I said earlier, you know, the things that I'm grappling with. I still got the five kids in a car...the car big enough for only four. So but I like the idea of having a little bit more time to...to think about it, to talk to other people about it, you know, to get their sense of comfort level too. Because it's just not me, it's the people I represent too, that I want to make sure that...that they're not thinking that, oh, my God, what are you guys doing? This is not the time to be spending money. But I like the idea of having more time to just talk with other people and talk to my community about that. So thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro-Temp Kama. Okay, Member Sugimura, followed by Member Johnson.

COUNCILMEMBER SUGIMURA: Yeah, I would like to do a site visit and have more time to assess, and if the Department...if the Finance Department is going to be doing some studies, then I want...I want to see that before we jump and say yes, we're going to do this. When you buy a car, you want to be able to test drive it, right? You don't want to just buy it, get in the car seat and go, right? You...you want to make sure. So I think we, as policy makers, I would like us to be sure, and make sure that what we're signing up for is...is going to fulfill what the needs are. I asked for information from the Administration for the costs, what kind of costs there are associated with renovations, what kind of costs there are that's going to...that will...is ahead of us, but it doesn't sound like they have a plan to know. It's kind of like, it depends is the answer, but I wish they would have more definitive answers for us so we understand what we're jumping into. I also am hearing that if the County Council does not occupy this facility, then it sounds like the Administration wants to buy it anyway is kind of what I'm hearing. And connected to that, if you think about what our role is, in terms of we represent the people, there's a Council chambers that's on the 8th floor here, which some of you have in the background, you know, of our...our BlueJeans meeting, and that chambers and the...it's a people's chamber for people to come and meet, and I just wonder how you duplicate that at the Maui News building. So what are the costs for the building if we were to move there? If we were to stay here, and if it's not going to be an option because it's too expensive to duplicate that chamber, then all of these site offices, which I'm sitting in right now, Gabe is down the hall from me, I'm in my office. But all of the...I would imagine we would need site offices, so that we're not bringing our things from the Maui News building to the chambers, meeting there, and then going back to. So there's logistical questions that I have, but before we buy this car, I want to kick the tires and make sure that we know what we're purchasing, and that we get the best, you know, miles per gallon that we want to sign up for. And I believe, Members, that in the car analogy, that this passenger...this car that we're going to be driving has to fulfill being able to help and carry the people that we represent. So that...that's my concern. I...I don't think there's a rush to it . . . *(timer sounds)* . . . So that's...that's my concern.

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

COUNCILMEMBER JOHNSON: Mahalo, Chair. You know, this is a very interesting debate, and I love a good debate. But my first...if...if...you know, there's...there's a lot of pros and cons, and the Members have expressed a lot of them. The one thing that I kind of am thinking of, is that Director Teruya had mentioned that *The Maui News* had come to us first, and for...for me, if we're in...if we're looking at the points that some Members had pointed up, that we have been in the building for...for many years, and the place is small, and we would save money, and all those valid points, then I would feel like it would be smart for us to shop around. And instead of being reactive, we could be more proactive. But again balancing out this debate is, how many other...is it B-2 zoned? Is that the word, B-2 zoned? Big lots are out on the market? The...the...the appraiser mentioned he had to go back to 2014 to even find one. So there...it's really a fascinating debate. I still would like to learn more. I agree with Councilmember Sugimura that time is...is...we don't have to rush this, in my opinion. So that's kind of like, if we're going to...if we're going to do a big ticket item, I'd like to shop around, but...if that's possible. That...that's the really, the nuts of it. But yeah, that's...that's kind of where I'm standing, straight up, honestly. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Chair Lee, followed by Member King.

COUNCILMEMBER LEE: Okay. Since we were talking about cars, I'm sure all of you will recall your Staff having to run downstairs, the public having to run downstairs to move their cars because we don't have enough parking, you know. So you can be sentimental only so far. But facts are facts, reality is reality. We...we...our building is obsolescent, yeah. And it no longer really fits our needs. For a very many years now, the...the public has been cheated in that they...we have...we have marked parking. They don't. They have to circle the block and...to find parking. And how...how many more years are we going to make it inconvenient for people to come to us? So you know, I don't think there's any particular rush, but just remember, it is a good purchase, I mean barring, you know, bombs being buried underneath there or something ridiculous. Assuming everything is above board and everything is, you know, is in line for a purchase, I think it behooves the County. Definitely, it makes great sense for the County to buy it. Whether the Council wants to move there is up to you, but I guarantee you, you will not have another opportunity. I guarantee you. Because I'm one of the few people, and I know Member King was thinking the same way. We have to catch up couple centuries, you know. We cannot be living our lives through...through a rear view mirror. We have to look forward, and we have to plan for the future. You know, you cannot stuff...you can stuff only so many people in a Volkswagen. It's time to move up to today. So again, if you don't want to move into that building, fine. But it doesn't make sense to build one...a brand new one because it's too expensive. We cannot...we cannot afford a Kahului service center. Believe me, that's not going to happen. The only thing that we could probably afford is a used building, and this is what it is, a used building. So...and then the other thing to think of, is we wouldn't be, if we bought it . . . (timer sounds) . . . we wouldn't be moving

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tomorrow because modifications have to be made. Things have to be done. We're not ready to go back anyway, to any building. So if I were to guess, maybe some time next year or late...or late this year. That's...that's the timeline I was looking at. Thank you.

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

COUNCILMEMBER KING: Thank you, Chair. Well, since we're on the car analogy, I was just thinking, you know, if we're...if we're trading in a used car, we're actually trading it in for another used car. So what we're really doing is trading in a leased car to buy a car. So to me, that...that's kind of the better analogy, and you know, I'm not...I'm not against it. I'm not ready to vote on this on Friday because I think we...there's a lot of unanswered questions, and for me to...for this to make sense, I want to see the plan that says "Yes, here's the movement that's probably going to happen, where we're going to save the money." Because I...we've just been hearing a lot of verbal yes, we're going to save money, yes, but this and that are going to happen. And I'd like to actually see what I asked Scott Teruya for, is a, you know, on paper to show, you know, here's the debt service, here's where...how we're going to cover the debt service, this is where we're going to be making the move so that we know we're saving money. We also need to know how much it's going to cost us to renovate, because if it's cheaper, we should just renovate the 8th floor, you know, and...and redo those...those buildings. And if they...if they...if they're going to vacate some space when they move...you know, we just bought the Hawai'i Telcom building, and so that was part of the same deal. So, you know, we're going to move more County...County Departments into that, and hopefully that will cover that net. But I...I just...I'm still having a hard time with the timing of this, especially, you know, because of COVID and because people are seeing us spending more money on ourselves so we're more comfortable, but also because we're fighting really hard to be able to continue to meet this way when we don't even need an office, almost. You know, we need an office to house...house our paperwork and stuff, but we're all kind of just, you know, sitting at home having these meetings. So I just...I'm trying...I'm trying to reconcile this with how it would make sense to the public, and I haven't...until I see some hard numbers that show, yes, we are going to be saving money, I'm...I'm happy that, Chair, you put those provisions in because, you know, we should have done that with the Service Center and then we would be over there, you know, or at least our County Clerk's Office would be over there if we had put something in proviso. So you know, just to make sure that we have all of our ducks in a row before we take that vote on this, and...and also to make sure that the public knows what we're considering because, you know, nobody came out to testify, and I think...I think...you know, I've heard a couple of people say something about it, but nobody really knows all the detail about what we're planning to do. And then the last thing I wanted to say is, you know, if we could get some information on what's happening with commercial buildings because I know right now, there's been a lot of sales of homes. People are moving here, buying places sight unseen because they see Maui as being a safety...a safer zone than where they're at and, you know, maybe we could get some input at some point from a realtor or somebody then, as to how business property and buildings are going because I

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don't . . . (*timer sounds*). . . personally feel that need for the urgency of jumping on before someone else picks it up. Those are my thoughts for now. Thank you.

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

COUNCILMEMBER MOLINA: This is a tough issue, can I pass? Nah, nah, just kidding. Trying to shed some humor on this, but you know, this is a...if...if we didn't have COVID, in my opinion, this would be slam dunk. I mean, it's an opportunity and a good one, but unfortunately, it comes at a time where, you know, we're looking at some major, major cutbacks with departments, services to the public, so while you have a good opportunity, you also have the old economics term, opportunity cost, so what is the cost of this opportunity? What will that be the result of? I...I appreciate what your Committee Vice-Chair, my colleague, Member Paltin, her recommendation. I too would like...like more time. And I think the real issue is not so much the purchase of the land, but how it's going to be used. In the appraisal, it said this property could be used for other, you know, like non-profits or whatever, and of course, the Council Chambers has always been looked at as the people's house as well, so there's that conflict that I'm kind of dealing with right now. What...what is the greater priority? Moving into a newer home, or a newer used home, which is what we know as the people's house...the Council...or do we consider it for something else? But what brings back to mind is, I was on the Council when we had that proposed purchase of One Main Plaza, you know. I think today, if we had bought that building, we would have owned the building by now, and saved a hell of a lot on rent money. I voted for it, but it lost by a 5-4 vote. And there were good arguments on both sides, so that...that particular case was a missed opportunity, but that was then, this is now. So I'm just really not...not ready to act on this immediately, but I think what we need to also consider is maybe a public hearing. See what the public thinks because we're living in some austere times. I mean, we've been talking about, you know, other major purchases, such as the Wailuku Water System and so forth, but...but I...I'm...I agree with Chair Lee, we got to look ahead, and that building is what...County buildings...what was built in 1968 I think, so it's a 50-plus year old building, and you know Councilmember Sugimura's office was leaking today, and you know, so...

COUNCILMEMBER LEE: '72.

COUNCILMEMBER MOLINA: Oh, was it 1972? I thought it was...oh, I think '68 was when they approved the purchase, but the building was constructed in '72 then, maybe, yeah? Okay. Okay. Alice has better history knowledge than I...I have of the building. And yeah, this also came at the heels with the recent Hawaiian Telecom building purchase, so it's just all timing, yeah, that's the whole issue with this. So yeah, Madam Chair, so there's good arguments on both sides for this. It's just the timing of it right now. It's quite unfortunate we're...we're in this pandemic and economic times. And I guess this may be a prelude, Madam Chair, as we go into the budget session, you know? You know, I like the name of your new committee, "Beef Ed", you know? There's going to be some beefs over priorities...what we're going to spend our money

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on, or what we have money for. So...so that's my spiel, Madam Chair. I'd request more time, and then we consider a public hearing at some point. Thank you.

CHAIR RAWLINS-FERNANDEZ: Perfect timing. Okay. And...and BFED, I was think more on the "FED" part of like feeding . . .*(laughing)*. . . instead of beefing . . .*(laughing)*. . .

COUNCILMEMBER KING: I thought you were a vegetarian?

COUNCILMEMBER KAMA: Oh no, we're going to be fed.

COUNCILMEMBER KING: Oh.

COUNCILMEMBER KAMA: It's be fed.

COUNCILMEMBER KING: Oh, we're not eating beef.

CHAIR RAWLINS-FERNANDEZ: Not cow. Beef as in scrapping, as in fighting, but I was thinking more on the end part of being fed after the meeting. So it feels fed after. Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair for the opportunity, and I personally never drove a brand new car. I guess I always put my priorities in...I always thought 'āina...purchasing 'āina was more than purchasing a new car, but anyway...just opportunity to speak to my personal values. I support adaptive reuse of older buildings versus the exorbitant [*sic*] costs of new construction. From a sustainable perspective, older buildings may not always have the greatest sustainable credentials...leaky building envelopes and inefficient lighting and heating systems are extremely common, but in the quest to meet our climate goals, existing structures do have one positive sustainability feature going for them, the fact that they're already built. All the emissions released in construction, the fossil fuels burnt to create raw materials and...and to move them to the site, the carbon release to make concrete, trees felled for timber is all already embodied in this structure. I also like the cost savings from rental properties in excess of \$2 million a year, but for me, I personally like being in the government center of historic Wailuku, and at South...200 South High Street, so I'm open if should we acquire it. If the Administration wanted to move there, I'd be open for that as well. So thank you for my opportunity.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Did I miss anyone? Okay, very good. Okay. I think...I think my position on...on this item is...is pretty clear . . .*(laughing)*. . . since I put it on Friday's agenda. I think it's...it's a really good deal, and one that I wouldn't want to pass up. I...I understand the argument of the optics, you know, not looking so good for the County purchasing, you know, a building during this pandemic, but the direction that the Mayor and our Finance Director is taking us, I think, ultimately, saves our County more money, and I support that. With the Hawaiian Tel building or prior to the Hawaiian Tel building with the amount of departments and divisions that are spread across privately-owned structures, I believe we're paying close to \$100,000 a month, and that, like Member Molina said, had we,

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you know, the Council voted to purchase One Main Plaza at the time that, you know, they had that opportunity to, you know, perhaps we would own One Main Plaza by now. And so, you know, lost opportunity there. And so I...I don't want Councils 20 years from now looking back on this Council going, ugh, they totally missed that opportunity. I think it's, you know, six acres close to...in Wailuku, close to the other Departments and...and the Administration, and so at \$100,000 a month in lease and CAM, that I believe with the Hawaiian Tel building, we're saving about half that, or we will save half that in the cost of not paying lease to someone else's owned building, and you know, we have the potential of...of saving more money. So I'm...I'm open to having a public hearing on this and, you know, making sure that the community understands that the...the funds that we would use to acquire the property would be bonds, and so bond funding cannot be used for, you know, giving money to non-profits or other kind of social services. It's...it's very specific in its use, so we're not foregoing opportunities to spend this money on affordable housing or social services or parks or anything like that. Bond funding is specific to this type of activity. So as long as, you know, the community understands how that financing of the County works, I think it...it could go well. I can...my timer didn't go off, but that was three minutes. So I...I'm open to having a public hearing, and I am willing to work with the property owners on setting up a site visit, one that's safe for our Councilmembers and also for *The Maui News* employees. And so I...I guess I will let everyone know about that as soon as we can figure out how to make that work. I think that's about everything. So yeah, regardless of whether we're getting it for the Council or not, I...I would be in favor of acquiring the property, and I would like it to be for Council. Member Sugimura, you had your hand up?

COUNCILMEMBER SUGIMURA: That's exactly the question that I think is before us, is would we purchase...authorize a purchase of the building if it was not going to be for the Council, but just for the County to consolidate and bring offices to a County facility as they're proposing? Or are we saying we can only buy it if it's for the Council. So those are some of the questions that I have. I think the...I think what I heard Scott say it would be for...if the Council wanted it, it would be Council for...I think he said Housing and Human Concerns in the back building or something, after *Maui News* would move out. So is that...is that a scenario we're approving, or if it's not the right optics right now, after we do the public hearing...just because of the pandemic and for us to, you know, buy a facility for us, then would we also be willing to support the purchase of the building just so we have a County facility with all...what you just said...why it makes sense, you know? And...but doesn't have to be for the Council. So those are some of the other questions that I think we need to talk about, yeah?

CHAIR RAWLINS-FERNANDEZ: Yeah. So as I stated before I opened up for everyone to share their comments was that you can share your comment on acquiring the property, and acquiring the property for Council specifically. We have to decide, when passing the bill, if it's going to be for Council though, because we only get that one opportunity to make that clear and reserve that space for Council. Member King said that Council should have put in writing that the Clerks would have space in the Service Center, which it wasn't. It wasn't put in writing, and that opportunity was

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lost. So in deciding whether we're going to purchase the building, and if we do, will it be for Council, all of those would have to be made at the same time. And if we pass the bill without putting the Legislative Branch in there, then there's no guarantee that the Legislative Branch would get it. So that...that...that's why we're taking them up together. And then I see Chair Lee's hand up, and then Pro-Temp Kama.

COUNCILMEMBER LEE: Okay, so I understand your proposal, but what I don't understand is if it doesn't make sense to purchase it for the County, why would we approve it? I heard arguments against purchasing it for the County as well during these times. Didn't people make that argument? No? So it makes...so people are saying it does make sense to make this purchase for an...another department, but not for the County Council, is that...is that --

CHAIR RAWLINS-FERNANDEZ: I think...

COUNCILMEMBER LEE: --- I didn't hear that?

CHAIR RAWLINS-FERNANDEZ: It's...not every Member was very clear in saying that yes, they are in favor of purchasing the property, and (*audio interference*) second, they're unsure of whether they would like it to be for Council or not. So not every Member made themselves very clear, so I am not sure where everyone stands. And if you would like me to take a poll on that, I can, Chair Lee.

COUNCILMEMBER LEE: Yeah, you know why? Because you have that proviso, yeah, for the Council. So they...they may be wanting to buy it for the County, but not for the Council. That's all I'm saying, so you know, just...just to say...spare you some heartburn, you may as well get it out now, you know? What people feel and how they intend to vote so they don't surprise you.

CHAIR RAWLINS-FERNANDEZ: Um-hum. Yeah, so what I did hear that was very clear from the Members is that they would like to not take action on Friday, which I'm okay with...Members would like to take time, and I...I...so therefore, I won't be discharging the item and trying to pass it on first reading with the proviso. And yeah, so please raise your hand if you feel kind of confident about wanting to acquire the building for the County. Okay, so you have yourself, Chair Lee, Member Johnson, Member Sinenci, Member Paltin, and myself, and that's for the County. And then everyone else was kind of mixed feelings about whether it should be for the Council or not. I wanted it to be for the Council, and you wanted it to be for the Council, and I think you and I are the only ones that have made that part clear. So I see Pro-Temp Kama, and then Member King.

COUNCILMEMBER KAMA: Okay, thank you, Chair. So what does raise my comfort level is the fact that you are willing to take this out to a public hearing. That really raises my comfort level because the discomfort was what our people would be thinking and saying, knowing where they're at and knowing that...are we going to...would they get furloughed a few months down the line? I don't know that. Do they know that? Are they thinking that? Are they fearful? I don't know. But I'd rather know upfront that

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they're okay with some of the stuff we're doing as we go forward, so that raises my comfort level with our community a little higher. And as long as I think we continue to do these kinds of things, and the comfort level gets better and higher, then I think we can get to that place where we can get to some agreement. At least that's my thought, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro-Temp Kama. Member King?

COUNCILMEMBER KING: Thank you, Chair. So I just wanted to clarify my position because I'm not necessarily married to whether it has to be for the Council or for the County. I want it to make sense...make financial sense, and I haven't seen anything yet. I just heard a lot of verbally, yeah, it's going to be this much debt service and we're going to save this much money, but I haven't seen anything, you know, I'd like to see a plan, something in writing that shows that it's going to make sense. Whether the Council moves in there and other Departments move into the Council space or whether other Departments move right into the space, I just want to get that comfort level that...that we are going to be saving money and...and the whole...that there is a plan for how to move forward that we've taken into account...the renovations they have to make...be done to the building, the maintenance of the building, all the things that we talked about today. So I just want...say, I'm not against buying the building, I just haven't heard enough to make me comfortable that it does make financial sense, and I think that's what I feel responsible to the public, not necessarily just because the optics are bad. I think the optics are bad either way, but if we can show that we done our due diligence and that we are confident we're going to be saving money with this purchase, then I feel that that's something that we can present to the public...and you know, taxpayer dollars. So...so anyway, that's my feeling is I...I...if we are going to...my point about if we are going to want to move into it, yeah, we should decide and we should put that proviso in because if we...if we...we can't decide later, like you said, Chair, if we give up this...if we don't put it in, it's probably not going to happen. You know, we have no way to hold...hold that...hold them to that agreement. So that's not my biggest concern, my biggest concern is can we cover the expense of doing this, you know? Because I have no idea if this is a good deal or not compared to what else is out there because they haven't put...it's not like they put it up for sale and it's been sitting around for a year, and no one else has bid on it. It hasn't gone out, you know, so we don't know what the reaction would be if they did put it up, you know, list it for other buyers. So that's kind of my position, I'm just...I'm just wanting to do due diligence, and I think it's a good idea to...to ask for that information and wait until we get it. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Committee Vice-Chair Paltin, and then Member Sinenci. And then I do see your hand, Member Sugimura, but I wanted to give everyone an opportunity to speak who hasn't spoken yet, and then I'll come to you. Okay. Member Paltin, and then Member Sinenci.

VICE-CHAIR PALTIN: Thank you, Chair. I wanted to apologize to Chair Lee for not being clear, you know. So trying to...trying to be real clear --

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CHAIR RAWLINS-FERNANDEZ: You were clear.

VICE-CHAIR PALTIN: -- assuming the due diligence, I'm okay with the purchase of the building and getting some County people out of the rented space, whether...whichever way that happens. I agree with Member Molina that the Chamber is considered the People's Chamber, and so for that, I agree that we should have a hearing because it's not us that like own the Chamber, it's where the people come to testify, so public hearing on that. And at the same time, I agree with Chair Lee that...you know, if we don't get more space out of the deal, it would not be a good move either. And so I haven't seen the proviso or the amendment, but I would say, you know, either we get this space or we get the 6th and 7th floor...or 6th and...6th floor and another floor. So I hope that's clear.

COUNCILMEMBER LEE: That's clear, but does...doesn't pencil out.

VICE-CHAIR PALTIN: Oh, okay, the 6th floor?

COUNCILMEMBER LEE: Yeah, I took the 6th floor because bringing people in would save the money, yeah, at One Main Plaza, you know.

VICE-CHAIR PALTIN: I...I just was thinking that, you know, Personnel is where people come to apply for jobs, take tests, do trainings and stuff, and the 6th floor doesn't necessarily need to be in the County building if they go to the Service Center or if they go to the Maui News, they could possibly combine with Planning or Public Works, or whoever it is.

COUNCILMEMBER LEE: I totally agree with you. I've been trying to get another floor. Even Water doesn't have to be there either. So I been trying for years from before to get the 5th and 6th floor, but yeah, we can --

VICE-CHAIR PALTIN: . . .*(inaudible)*. . .

COUNCILMEMBER LEE: -- you know, we can try. No, we can try to get the 6th floor, but it...then it doesn't make...they not saving that much, you know what I mean? They not...they're not bringing an outside department in the building. They're moving one that's in the building and moving them out, you see?

VICE-CHAIR PALTIN: And just to follow that up...follow up on that, I don't understand how we're saving money the other way either because the Chamber as how it looks isn't conducive to moving people from One Main Plaza to take up that space. Like, it would have to be renovated and then we'd have to make a new Chamber, so I mean, in those same terms, it wouldn't be saving that much either.

COUNCILMEMBER LEE: Believe me, if...if we were to move up to anywhere, that Chamber would be renovated because it's useless. Let's face it, you know, it might be nice, but it's not efficient. It's not efficient. So you know...you know, you want to, you know, hold on to that emotion or you want to use every square foot efficiently? That's...that's

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the question. Because really, if we moved out it wouldn't take them five seconds to renovate that 8th floor Chamber to make it more useful to the Departments.

VICE-CHAIR PALTIN: I guess I'm not sure. Like if MEMA is moving to the Telcom building, doesn't that open up the entire...where MEMA was? And then...

CHAIR RAWLINS-FERNANDEZ: I'll let Finance Director have an opportunity later to share on some of those plans.

VICE-CHAIR PALTIN: Yay. And I guess to clarify as well, if we have a public hearing or whatever, it would be nice if, you know, at some point the Administration, whether it's the Finance Director, the Managing Director, or the Mayor to come and, you know...I don't know if it has to be come to a Council meeting, but probably because it's a Sunshine Law thing, like if we can talk story and say like, you know, which Departments go together? Like Planning and Public Works should go together, or all the folks that permit together, and just make like an overall master plan of what's the best for the public that we're serving of where things should go and where they should be together. Because for us to talk about what we want and the Mayor to talk about what he wants is leaving out kind of the most important part of the equation to me, which is the public that we're serving, and making it most convenient for them, like...and...and the functions that we deliver to them, you know? And...and right now with the new Service Center opening up, the Hawaiian Telcom building being purchased and like that, I feel like I don't have the information I need of where everybody's ending up, and if it is the most appropriate place for folks to be. Sorry. Okay, time's up.

COUNCILMEMBER LEE: Madam Chair, can I pretend I'm Scott Teruya and answer her question?

CHAIR RAWLINS-FERNANDEZ: Okay, Chair Lee.

VICE-CHAIR PALTIN: Chair Lee, you look way more beautiful than Mr. Teruya.

COUNCILMEMBER LEE: I have more hair...I have more hair. But anyway, no...you know, what you're saying makes a lot of sense, but that's never going to happen because we're the Legislative Branch, and he's the Administrative Branch. So you can make suggestions to him...why don't you combine, you know, so and so Department, like that. But he doesn't have to listen. It's really up to him. And...and that's why we've been kind of like a stepchild in that building. We don't have...we have zero, you know, authority to say anything other than the 8th, you know, the 8th and 7th floors, and that's the reason why we haven't been able to get any more room because they can grow, but we can't. So...so that...the...having our own building, whether it's Maui News or someplace else, would be like having our own campus. The Legislative Branch would have its own campus, and we can do whatever we want. But in the building, that's the Mayor's building...that's the Administration's building. That's why.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

VICE-CHAIR PALTIN: Yeah, and I...I didn't...I really didn't want to tell the Mayor what to do or even suggest it. It was more like a...a question because I don't know, you know. Like I don't know where everything is going or what the plan is, and I don't know...if I don't know, I'm assuming the public doesn't know either and it would be good information for everyone to know. And...and I'm not trying to tell anyone how to do it, I mean, if...if he can explain it, like how it's going to be, I...I think I would be okay with it, but it's the not knowing that is kind of like, I don't know. So then it makes it hard for me to make that decision, but you know, if it's never going to happen, I still believe in miracles.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay.

COUNCILMEMBER KAMA: I do too.

CHAIR RAWLINS-FERNANDEZ: Okay, we're going past 4:30. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. I just wanted to add to the conversation. I guess, maybe, I would be open to...to moving down to 100 Mahalani, maybe, if we somehow dismantle the Chambers or the woodwork and then maybe re-renoate it somewhere in that building...just personally. I...I personally like where the Council have...has established home rule for Maui County, and...and I see this as a personal investment for all of our constituents. You know, looking at how real property tax were taking percentages to purchase open space to put in conservation, these are huge investments into our home rule here on Maui. For years, we've seen Maui a hotbed for outside investors, so if we don't purchase this building, who will? You know, the next pension fund, the next, you know, Alaska pension fund? Somebody else pension fund is going to want to do long-term investments in Maui again because of our...our investment. So I'm supportive, and I just wanted to add that from another perspective. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, would any other Councilmember who hasn't spoken...I believe Member Johnson and Member Molina, and if you don't have any...any comments at this time, I can call on Member Sugimura.

COUNCILMEMBER JOHNSON: Yeah, I yield my time.

CHAIR RAWLINS-FERNANDEZ: Member Molina?

COUNCILMEMBER MOLINA: Oh, yeah. No, just more of a request for information. I did...Mr. Teruya told us...what was it, \$3.6 million a year we pay in rent? Was that number, or did I hear that right earlier?

CHAIR RAWLINS-FERNANDEZ: Director, are you on?

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MR. TERUYA: Sorry, I was just on the phone, but go ahead. Can you repeat the question?

COUNCILMEMBER MOLINA: Yeah. Thank you, Mr. Teruya. I don't know if I heard you right, in terms of the amount of rent we typically pay for our offices throughout Maui County, was that...did you mention that...like I thought I heard the number thrown out at \$3.6 million a year. Can you correct me if needed?

MR. TERUYA: Yes, that is --

COUNCILMEMBER MOLINA: Or was I just hearing things . . . *(inaudible)*. . .

MR. TERUYA: We ran...we have currently under contract about 93,000 square feet for \$3.6 million.

COUNCILMEMBER MOLINA: Okay, and this is throughout Maui County, Moloka'i and Lāna'i included?

MR. TERUYA: This, I believe...Mr. Hironaka, are you still on? I don't...

MR. HIRONAKA: Yes. Yes. Yeah, I'm here.

MR. TERUYA: Can you verify...

MR. HIRONAKA: Yes, that includes...yeah, that includes all offices on Lāna'i and Moloka'i.

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

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

COUNCILMEMBER SUGIMURA: Thank you, everybody. I think this has been a good discussion, and Chair, I...I want to hear what the plans are for the site visits and public hearing, and further.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura. Okay. Members, if there are no more questions or comments at this time, then I will defer this item, BFED-24.

COUNCILMEMBERS VOICED NO OBJECTIONS

ACTION: DEFER pending further discussion.

**ITEM 85: LEGISLATION AND DISCUSSION ON THE EFFECT OF THE
CORONAVIRUS PANDEMIC, rules, cares act, AND RELATED
ISSUES (CC 20-207, CC 20-275)**

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. Okay, and we have the last item, BFED-85 which is Legislation and Discussion on the Effect of Coronavirus Pandemic

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Rules, CARES Act, and Related issues. I just...I wanted to just get a quick update, like five-minute update from Director Teruya on where we're at. The last we talked about the CARES Act funding, we were waiting to hear back from the State about the extension we requested, so I just follow up on that.

MR. TERUYA: Thank you, Chair. I'm hopeful that the Budget Director's on as well to give you maybe the exact numbers. However, I have received an amended MOU from the Governor allowing us to extend it until the end of the year, so we have that in writing. The downside is...is very little that we didn't spend yet, so maybe that would be...a second part would be maybe the Budget Director to give an updated because she would probably have to...I'm not sure if she knows her numbers, but we're very close already...have expended 95 if not more percent that...of the allocated because we expected to spend it before the end of the year. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Teruya. Director Yoshimura, are you still on?

MS. YOSHIMURA: Yes, I am.

CHAIR RAWLINS-FERNANDEZ: Could you please expand a little bit where Director Teruya left off?

MS. YOSHIMURA: So Chair, we did proceed through December anticipating that we would end December 30, and we...like I had mentioned before, we had saved all of our own reimbursements to the County to the very end. And so now we are working through that to make sure...or to see if we didn't reimburse ourselves, what programs can we move forward? We do, on this Friday's Council meeting, have two budget amendments, one for CDBG and one for the Department of Housing and Human Concerns because we are going to receive monies for rental assistance, mortgage assistance, and utility bills. And so once we kind of get a feeling of what is available to us from the second round of CARES Act...I think even Department of Transportation, they're getting additional monies. So we're going to have to like, regroup, and look at all of these different sources of fundings that's coming in and determine how we're going to move forward, but I'm trying to find my report to tell you how much money we have left. So we have...I think we were \$6.7 million about, so we have about million, a million six, that we didn't reimburse ourselves that we could actually look at for projects rather than reimbursing the County's funds. So we are still working on those things. I'll be working with Director Teruya and the management team and see how we move forward from there. But we could give you an update...I think another report is due to the State, February 10th, so we'll forward that to you as soon as we file it with the State.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Yoshimura. Okay, Members, my preference would be to defer this item and adjourn the meeting, but if Members have burning questions, I'm also open to taking those questions. So I guess by a show of hands, who would like to adjourn the meeting now? Okay. Okay, very good.

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COUNCILMEMBER KING: . . .*(inaudible)*. . . Even though I do have a burning question.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. So if there are...I'm just going to keep it fair because I don't want to...either we're all going to ask questions or no one asks questions.

COUNCILMEMBER KING: No, that's okay. I'm...I'm fine. That's fine. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, so if there are no objections, I will defer BFED-85.

COUNCILMEMBERS VOICED NO OBJECTIONS

ACTION: DEFER pending discussion.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay, that is the end of our agenda. Mahalo Director Teruya and Director Yoshimura for sticking with us. Are there any last comments or questions before we adjourn? Announcements?

COUNCILMEMBER SUGIMURA: . . .*(inaudible)*. . . the meeting.

CHAIR RAWLINS-FERNANDEZ: Director Teruya?

MR. TERUYA: Chair, can you just let me know if you wanted me to move forward with *The Maui News* and giving the Council some options of dates and times...what's convenient for them, and I know you have to agenda seven days in advance, et cetera, so I'll ask them for convenient times. And do you have a window that you're looking at? Like how long will it take for each group, or how many groups? So I can kind of give them some...some understanding of how much time that they should block out.

CHAIR RAWLINS-FERNANDEZ: Okay. I'll...I'll work with you after we adjourn?

MR. TERUYA: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director. Chair Lee?

COUNCILMEMBER LEE: Yes?

CHAIR RAWLINS-FERNANDEZ: Oh, were you getting my attention? Were you trying to get my attention?

COUNCILMEMBER LEE: No, I was going to let you know that Scott had has hand up.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Mahalo. Mahalo for everyone's assistance. Okay, and then we have PSLU tomorrow at 9. West Maui Community *(audio interference)*.

COUNCILMEMBER KING: Chair?

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VICE-CHAIR PALTIN: I'm so excited, I got a full day planned for you folks, but only three hours.

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

COUNCILMEMBER KING: Yeah, I just was wondering if you could do like a group poll for when you start working on dates for the tour...Councilmembers?

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah, I'm going to have to work with OIP because the...we've been requested to not allow the public in because of the pandemic and the exposure to, you know, the virus and everything. So we're going to have to...under Sunshine Law, we'll have to work with OIP to ensure that we're...we're following the law. Okay? Okay, Members, mahalo for, you know, your...your hard work and getting us through this robust agenda. It's . . .*(inaudible)*. . .

COUNCILMEMBER LEE: *(audio interference)* told you it was going to be exciting.

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

VICE-CHAIR PALTIN: Just wait until tomorrow . . .*(laughing)*. . . just joking. Got a robust schedule planned for you all.

COUNCILMEMBER LEE: Mostly presentations, huh?

VICE-CHAIR PALTIN: Well, I was hoping to get through section 1, 2, and 4.

COUNCILMEMBER LEE: Oh, you mean vote on?

COUNCILMEMBER KAMA: That's your idea of robust?

CHAIR RAWLINS-FERNANDEZ: Well, I like Member Paltin's strategy of just looking at the 15 percent that was different from CPAC to the Maui Planning Commission. And we won't go any deeper than that because of Sunshine Law. Okay, Members, it's now 4:45 on February 3rd, 2021, and the Budget, Finance, and Economic Development Committee is now adjourned. . .*(gavel)*. . .

ADJOURN: 4:45 p.m.

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APPROVED:



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

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Transcribed by: Jaylene K. Hamilton
& Kaliko Reed

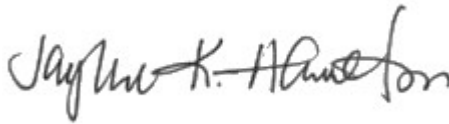
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CERTIFICATIONS

I, Jaylene K. Hamilton, hereby certify that pages 1 through 31 and 47 through 60 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 11th day of March 2021, in Wailuku, Hawai'i



Jaylene K. Hamilton

I, Kaliko Reed, hereby certify that pages 32 through 46 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 11th day of March 2021, in Wailuku, Hawai'i



Kaliko Reed