

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

MINUTES

June 30, 2021

Online Only via BlueJeans

CONVENE: 1:33 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
Kristeena Locke, Council Services Assistant Clerk

Kate Griffiths, Executive Assistant to Councilmember Gabe Johnson
Evan Dust, Executive Assistant to Councilmember Tasha Kama
Davideane Sickels, Executive Assistant to Councilmember Tasha Kama
Axel Beers, Executive Assistant to Councilmember Kelly Takaya King
Ellen McKinley, Executive Assistant to Councilmember Kelly Takaya King
Sarah Freistat Pajimola, Executive Assistant to Councilmember Keani
N.W. Rawlins-Fernandez
Mahina Poepoe, Executive Assistant to Councilmember Keani N.W.
Rawlins-Fernandez

ADMIN.: Brad Ventura, Deputy Chief, Department of Fire and Public Safety
(BFED-44)
Michele M. Yoshimura, Budget Director, Office of the (BFED-41)
Scott Teruya, Director, Department of Finance (BFED-41)
Michele McLean, Director, Department of Planning (BFED-41)
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the
Corporation Counsel

OTHERS: Don Shearer, Founder and President, Windward Aviation, Inc. (BFED-44)
Jeffrey Ueoka (BFED-41)

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PRESS: Akaku: Maui Community Television, Inc.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Will the Budget, Finance, and Economic Development Committee please come to order. We are on our regular committee – oh. Aloha ‘auinalā kākou. Kanakolukūmākolū minuke i ka hala o kahōla ‘ekahi. Kanakolu ma lūne I ka makahiki ‘elua kaukani Iwakālua – Iwakālua kaukani Iwakāluakūmākahi. And o wau o Keani Rawlins-Fernandez. E ho‘omalū o kēia Komike. I kēia la me kou kākou eia hope ho‘omalū Komike Tamara Paltin. Aloha ‘auinalā a me bonjour comment allez-vous.

VICE-CHAIR PALTIN: Bien. Aloha ‘auinalā a me bonjour, comment allez-vous. Et toi?

CHAIR RAWLINS-FERNANDEZ: Ça va. Ça va. Merci. Okay, we have Member Shane Sinenci. Comment allez-vous?

COUNCILMEMBER SINENCI: Oui oui, buongiorno, mademoiselle. Comment allez-vous bien. Où sont les toilettes?

CHAIR RAWLINS-FERNANDEZ: . . .*(laughter)*. . . Malana. Member Mike Molina. Comment allez-vous?

COUNCILMEMBER MOLINA: Bien, Madam Chair. Bonjour and comment allez-vous and pehea ‘oe and hope everybody’s doing great and blessings to you and my colleagues and everyone else who are joining us here today.

CHAIR RAWLINS-FERNANDEZ: Bien, bien. Merci. Chair Alice Lee.

COUNCILMEMBER LEE: Madam Chair, bonjour.

CHAIR RAWLINS-FERNANDEZ: Comment allez-vous.

COUNCILMEMBER LEE: Comment allez-vous. I...since you seem to know so much French, we were trying to help Member Paltin become conversant in the language. How do you say where is the nearest McDonalds?

CHAIR RAWLINS-FERNANDEZ: Ou la McDonalds?

COUNCILMEMBER LEE: Okay. . . .*(laughter)*. . . Write that down, Member Paltin.

VICE-CHAIR PALTIN: No, I want to know where the baguettes are.

CHAIR RAWLINS-FERNANDEZ: . . .*(laughter)*. . . Ala café? Now let’s see, we have Member Kelly King. Comment allez-vous?

COUNCILMEMBER KING: Très bien, mon chèreere. Comment allez-vous?

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CHAIR RAWLINS-FERNANDEZ: Bien, bien. Merci. Member --

COUNCILMEMBER KING: Glad to see...

CHAIR RAWLINS-FERNANDEZ: -- Johnson.

COUNCILMEMBER KING: Really glad to see that Member Paltin is not planning to go to McDonalds if she goes all the way to Paris. So... . . .*(laughter)*. . . Baguettes are a much better choice.

CHAIR RAWLINS-FERNANDEZ: Certainly. Member Gabe Johnson.

COUNCILMEMBER JOHNSON: Good morning, Chair. Good morning...I should say good afternoon, Chair. Good afternoon, Members. And buongiorno. See, I was already in the France time zone that's why. . . .*(laughter)*. . .

CHAIR RAWLINS-FERNANDEZ: I think buongiorno is Italian.

COUNCILMEMBER LEE: Italian. It's Italian.

CHAIR RAWLINS-FERNANDEZ: Close, though. Close. . . .*(laughter)*. . . Member Yuki Lei Sugimura. Comment allez-vous.

COUNCILMEMBER SUGIMURA: Bonjour everybody, and this is so fun. What a great way to start a meeting. Aloha, everybody.

CHAIR RAWLINS-FERNANDEZ: . . .*(laughter)*. . . Aloha. And Pro Tem Tasha Kama. Comment allez-vous.

COUNCILMEMBER KAMA: Maika'i loa. O 'oe? And bonjour.

CHAIR RAWLINS-FERNANDEZ: Maika'i, maika'i. Mahalo. And from Corporation Counsel, we have with us Deputy Corporation Counsel Kristina Toshikiyo. Comment allez-vous. You're muted. I don't know how to say that in France. . . .*(laughter)*. . . From the Department of Fire and Public Safety, Deputy Chief Bradford Ventura. Bonjour.

MR. VENTURA: Aloha and bonjour everybody.

CHAIR RAWLINS-FERNANDEZ: . . .*(laughter)*. . . Aloha. From the Office of the Mayor, Budget Director Michele Yoshimura. Bonjour.

MS. YOSHIMURA: Hi everybody.

CHAIR RAWLINS-FERNANDEZ: Aloha. From the Planning Department, Planning Director Michele McLean. Bonjour. Oh, Ms. Bouthillier. Okay. We'll go to our Committee Staff, and I believe our Committee Secretary has a French last name, Yvette Bouthillier, bonjour.

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MS. BOUTHILLIER: Bonjour. Comment allez-vous, Committee Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Bien, bien. Merci. Budget...Budget Committee Analyst Lesley Milner.

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

CHAIR RAWLINS-FERNANDEZ: Bonjour. Legislative Analyst Kasey Apo Takayama, bonjour.

MS. APO TAKAYAMA: Bonjour, Committee Chair and Members.

CHAIR RAWLINS-FERNANDEZ: And Legislative Attorney Richard E. Mitchell. Bonjour.

MR. MITCHELL: Bonjour, Committee Chair and Members.

CHAIR RAWLINS-FERNANDEZ: This online meeting is being conducted in accordance with the Governor's most recent emergency proclamation on COVID-19. Please see the last page of the agenda for information on meeting connectivity. We have two items on today's agenda, BFED-44, Department of the...Department of Fire and Public Safety Helicopter Contract...tongue twister for me apparently. And BFED-41, Acquisition of Property Identified as Tax Map Key Numbers (2) 46011:011 and (2) 4-6-011:028, Lāhainā, Maui, Hawai'i. We don't have anyone signed up to testify, so I will extend the invitation to anyone online now to testify. Or perhaps...oh. Oh, I see one person signed up to testify. Okay. And it's someone that's testified before...with us before. So...but I'll go over the procedures. Oral testimony via phone or video conference will be accepted. Please note that if you're signed in, you are on the list to testify even if you did not request to testify. Please let Staff know in the chat if you are signed on and do not intend to testify. Testifiers wanting to provide video testimony, please join by going to BlueJeans meeting link noted on today's agenda. Testifiers wanting to provide audio testimony, please join by calling the number and entering the meeting code also noted on today's agenda. Committee intends to keep the same meeting link and phone number for all meetings this term for the ease and convenience for the members of the public. Written testimony is highly encouraged. Instructions on how to submit testimony can be found at mauicounty.us/testify. Oral testimony is limited to three minutes per item. When testifying, please state your first and last name. If you are testifying on behalf of an organization or are a paid lobbyist, please inform the Committee. The link has been shared--mahalo, Ms. Milner--in the chat so you can see where you are on the testifiers list. And we will move forward with our one individual signed up to testify, Jeffrey Ueoka.

MR. UEOKA: Good afternoon, Chair. I wasn't...

CHAIR RAWLINS-FERNANDEZ: Whoops.

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MR. UEOKA: I didn't know I was signed up to testify. I was just here to be...answer any questions if you had any questions. I do represent the owners of the property on agenda item --

CHAIR RAWLINS-FERNANDEZ: 41?

MR. UEOKA: -- BFED-41, and I will be on the call if you have any questions regarding the property. So I don't want to waste any more of your time, so thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ueoka, for informing the Committee. And if we do have questions, we can at that point ask for you to be a resource personnel. Mahalo for joining us.

MR. UEOKA: Thank you, Chair. Thank you, Members.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, and I will invite anyone else signed on who would like to testify to please unmute yourself now and you may proceed with your testimony. It looks like everyone's either Staff, Councilmembers, or from the Administration. So if there are no objections, Members, we will close oral testimony and accept any written testimony into the record. Any objections, Members?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Merci, merci.

**ITEM 44: DEPARTMENT OF FIRE AND PUBLIC SAFETY HELICOPTER
CONTRACT (CC 21-281)**

CHAIR RAWLINS-FERNANDEZ: All right. We will start with our first agenda item, BFED-44, Department of Fire and Public Safety Helicopter Contract. Members, in Fiscal Year 2020, the Department of Fire and Public Safety responded to 63 helicopter incidents for residents and 59 helicopter incidents for visitors. For Fiscal Year 2021, these numbers are estimated to be 65 helicopter incidents for residents and 60 for visitors. In order to meet industry standards an upgrade to a helicopter with a hoist and a twin engine has been recommended. We have with us Deputy Chief Ventura --

MR. VENTURA: Aloha.

CHAIR RAWLINS-FERNANDEZ: -- and I will invite Deputy Chief Ventura to also introduce anyone else he has joining him today.

MR. VENTURA: All right.

CHAIR RAWLINS-FERNANDEZ: Okay, Deputy Chief.

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MR. VENTURA: Aloha, everybody. Thank you very much for having us today. Appreciate you listening to our helicopter contract comments. I have myself today, and I also have our contract owner, Don Shearer from Windward Aviation, who currently has the Department's five-year helicopter contract with our Department. If okay, can I share my screen, Chair?

CHAIR RAWLINS-FERNANDEZ: Please proceed.

MR. VENTURA: Okay. The PowerPoint that I sent in to share with you all is what I'll be sharing today on screen. Please let me know if it's large enough to see. That work okay for everybody?

COUNCILMEMBER KING: All I see is a blue screen.

MR. VENTURA: Okay, let me move it to my other screen here. How's that?

CHAIR RAWLINS-FERNANDEZ: It's still blue.

COUNCILMEMBER KING: Still a blue screen.

CHAIR RAWLINS-FERNANDEZ: When you select share screen and scroll down, does it show you an option for PowerPoint? Is it a PowerPoint?

MR. VENTURA: It's PDF and I selected --

CHAIR RAWLINS-FERNANDEZ: Oh, okay.

MR. VENTURA: -- pdf, let me try it again. Share screen, Adobe...it's...

CHAIR RAWLINS-FERNANDEZ: There we go.

MR. VENTURA: Okay, is it up?

CHAIR RAWLINS-FERNANDEZ: Yeah. We can see it now.

MR. VENTURA: Okay. Okay. I'm going to leave it in this view. I'll make it a little bit larger maybe it'll help. Is that better?

CHAIR RAWLINS-FERNANDEZ: Yeah, so on the top right, right below the red X, there's two arrows pointing diagonally. Perhaps if you --

MR. VENTURA: Full screen...

CHAIR RAWLINS-FERNANDEZ: -- can click on that.

MR. VENTURA: That?

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CHAIR RAWLINS-FERNANDEZ: Yeah, full screen.

MR. VENTURA: Okay. Okay. So just to give everybody a little bit of background. For this Budget that starts tomorrow, we're perfectly fine and okay. We're not here right now today asking for any immediate money for this fiscal year. What I'm trying to do is give you a little bit of background on our helicopter program and where we need to get to as a Department, which we would like to start in next fiscal year's budget. So the reason we're here today with this presentation is basically that the Windward Aviation needs to purchase this aircraft by the end of probably August. Therefore, they're going to need, you know, our vote of confidence that they're going to invest, you know, several hundred thousand dollars in the deposit of the aircraft and then the...you know, the final buildout takes about a year including the training for their pilots, as well as the training for our personnel. So it's something that we need to start rather than wait until next year when we're discussing this in March and then we're...he's not going to be able to get the aircraft in time. So in our five-year contract with Windward Aviation, year one is what we currently have and what you've seen flying around the island. It's a McDonnell Douglas Hughes 500 aircraft. In contract years two, three, four, and five, we're trying to move to industry standard aircraft, which I'll go over in this PowerPoint. So please feel free to stop me at any time if you have any questions. We first off...you know, we always want to say, you know, thank you for the program you've supported for the nearly the last 21 years for our Department to have the helicopter within our Department. The...basically in 1999, interpretation was changed, and then our Department was required to have at minimum a 90-day exclusive contract with a helicopter vendor if we're going to be doing what we call live loads or human external cargo on our aircraft. So that's the...

CHAIR RAWLINS-FERNANDEZ: Deputy Chief, right now we're seeing your first page of the PowerPoint. Is that what we're supposed to be seeing? Just the first page first or are you...I just want to make sure that we're not not receiving the next slides.

MR. VENTURA: Yeah. It must not be sharing screen properly. I'm on the third slide. The PowerPoint that I sent in, were...was it able to get to you all? Do you have a copy?

CHAIR RAWLINS-FERNANDEZ: We have it and Staff has offered to share screen.

MR. VENTURA: Okay.

CHAIR RAWLINS-FERNANDEZ: So perhaps we can --

MR. VENTURA: Let's --

CHAIR RAWLINS-FERNANDEZ: -- do that.

MR. VENTURA: -- do that then if we can do it that way.

CHAIR RAWLINS-FERNANDEZ: Okay.

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MR. VENTURA: I'll stop sharing the screen and see if Staff can pull up the PowerPoint.

CHAIR RAWLINS-FERNANDEZ: Perfect, mahalo.

MR. VENTURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Please proceed, Ms. Milner. And I guess while we're waiting for that, you can proceed. Oh, okay.

MR. VENTURA: Okay.

CHAIR RAWLINS-FERNANDEZ: Oh, and then Ms. Milner, will you please zoom in...okay, perfect. Mahalo. All right. Deputy Chief.

MR. VENTURA: Perfect. So that's the background of the program when I... '90s to about 2000. Ms. Milner, next slide please. Okay. So the next couple of slides just basically go over our different types of major incident calls that we've had over the last 10 years. We... with our aircraft program, we responded to about 500 calls. And of course, every day that continues to go up. During the summer months within the last three years, we average about 60 brush fires a month during the busiest periods. Not all of those include the aircraft, but many days like today, a windy day, they have potential to include the use of the aircraft if the winds are up. Next slide, please. The... this slide at the bottom, it talks about the number of rescues we've had. So this is for ocean rescues, mountain rescues, as well as, you know, the things that we do in rivers and stuff. This is the number of actual calls that were happened in the last ten years, but the number of victims far exceeds that. So we've had up to 34 victims on one rescue at a time. So this is just the number of calls that we've had in the last ten years. Go ahead, next slide please. So a glimpse at the last, you know, decade prior to COVID basically, 2010 to 2020, we've used, obviously, Air 1 as our primary aircraft for those types of calls. And then Air 2, 3, and 4 we've used for a variety of calls when the Air 1 is occupied or when the incident is larger than one aircraft can handle. The average annual usage for hours per air... the aircrafts combined were about 232 hours. And that's over the last ten years. I did the last three years as well, and we're up to nearly 300 hours per year in aircraft usage. Next slide, please. So basically why we're here and where we're trying to get to. So as always, every program that we have, we're always trying to make it safer for all users. And this kind of shows a little evolution of where we've been over the last 10 years. We eliminated nighttime operations because we don't have flier capabilities. We've limited the distance that we go offshore due to the fact that our jurisdiction is normally shoreline and a ways out. The aircraft is limited at this point to only four miles offshore. And when we talk about four miles offshore, that's not very far. Some of our channels in between our islands are a little bit further, you know, there's some space in between the islands that are further than four miles offshore just for us to cross the channel and get to the other islands. And then rappelling is a method that has been used out of aircraft for years and years and years, where our rescue men will utilize basically sliding down the rope to exit the aircraft to get to the ground. In 2008, we suspended that activity because there was so many near misses in the industry--not necessarily with us but in the industry--that

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we wanted to avoid becoming a statistic. So we stopped rappelling, and we do what we call short hauling now from a static line. And there will be some pictures coming up ahead to illustrate that. And then we...last year we finally standardized all of our helicopter operation training for all of our rescue companies, something that we've been really striving to do for literally a decade now. We finally were able to accomplish that last year, so that was really, really important. And where we want to get to next is basically to keep up with the industry standards for doing the type of work that we do, which is to have a twin engine aircraft that will provide a lot of safety and enhanced features for all of us. And I'll go over that a little bit later. Next slide, please. So a typical and normal very basic operation is that we have to rescue one person. And what that entails is it entails four different operations for us to come on scene, set up the aircraft, hover rescue personnel in to the victim, go back to the landing zone, pick up another rescue person, bring them into the landing zone, then short haul the victim out to an ambulance. And lastly, short haul out the rest of our manpower to get them back to their vehicle. When we're in a hover position, that's the most dangerous work that we do with an aircraft. We have low speed, which is basically none, we have low altitude, which is basically the length of the rope, and we're on this...we're doing the operation with a long line or a human external cargo, which was what I was mentioning earlier, with somebody hanging from the end of the rope. If the helicopter should have any type of engine failure... what we are currently dealing with is a single engine aircraft, and we can all determine what the outcome is going to be. We want to move forward and get away from the single engine aircraft as much as possible so that we can move into what's being used in the rest of the industry. Next slide, please. Give you an example of a little rescue that happened Thanksgiving Day, 2017, there was a kayaker in distress. He was crossing the Pacific Ocean. He came through Hawai'i and he was injured outside of Kaho'olawe. Called in right about sunset when there was still light. Our rescue personnel got on the aircraft, headed out there to do the rescue, they identified the victim, they put somebody in the water, and they were able to get him safely away from his kayak and apparatus, but the aircraft had two issues. One, it backfired. And with one single engine out in the middle of the ocean, that obviously creates a sense of insecurity for everybody onboard. The second thing was it was getting dark. As I said, the call came in at sunset. They had to force landing on Kaho'olawe so that they could put the patient into the aircraft so they could fly quicker back to the South Shore of Maui to drop the patient off. So they had to land on Kaho'olawe. We all know the hazards just on Kaho'olawe alone. We know they're...they landed in the dark there. The passenger was the fifth person in the aircraft, and we don't have seatbelts for a fifth person in the aircraft right now. And then they had to take him to the Wailea Fire Station where the medics met up with us, and then we were able to get him advanced medical treatment. So this is not everyday operations, but these are the types of things that happen to our rescue men and our pilots often that kind of raise...you know, raise the hair on the back of our necks. So that's one little story there. Next slide, please. So the next few slides just illustrate, kind of, the past, the present, and the future. This is what we used to do in the '80s, a lot of rappelling off the helicopter to get into the waterfalls, to get down to where the victims need help. Next slide, please. Currently, we use what's called a Y band or belly band, goes around the aircraft and then we hook up a static load line to this and we short haul our victims as well as our rescue personnel in and

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out. Next slide, please. And then this is our current operation. So that's a static line. We can combine lines together because many of the cliffs and waterfalls in Hawai'i are very tall and deep so sometimes we have to get multiple lines together to get down to the victims. All right. Next slide, please. And this is where we want to get to. So looking at this aircraft, the basis of it are it has twin engines. And the key with the twin engines are that if there's any sort of engine failure, this aircraft that we have decided to pick can actually fly away on a single engine. Now, the aircraft we have currently does not do that. Other twin engine aircrafts that are in...are available that do cost more do not have the ability to fly away on a single engine, and that's why we kind of went with this aircraft. Next slide, please. This is just another version of the same aircraft. Okay. The following slide, please. So what are we basically getting out of this new aircraft? So in 2018, Citygate did an audit of our department. It was very deep, very thorough, and it brought a lot of important information to our attention where we need to better our Department. One of them was our aircraft program, the capabilities that we need to enhance in our current aircraft program. So this particular aircraft would...obviously you can see be able to improve seating. What this will do is assist us in getting manpower to our rural areas. Currently we don't have a hazmat company or a rescue company in Maui, Moloka'i...I'm sorry, Moloka'i, Lāna'i, or Hāna. This aircraft would be able to allow us to move our personnel with equipment to take care of those types of incidents. Additionally if we have large fires on Lāna'i or Moloka'i, we do have extra apparatus in those areas where we'd be able to fly in Staff and have manpower to fill those apparatus so that we could work those incidents. And then same for the incidents that I mentioned before, a lot of our incidents have multiple victims. Instead of us having to leave...basically leave the scene and fly the first victim to an ambulance or to shore or to wherever else, we would be able to use that hoist capability and hoist each victim individually up to the aircraft and then leave the scene. There's been many times where the water is rough, there's multiple kayakers in the water, we identify where the kayakers are, we rescue the first person, we basically leave the scene to take them to shore, and then we have to come back and find them again. Now, we have GPS and that sort of thing, but with the wind and the waves, people blow off the last location. So it's just better if we can just rescue everybody at one...you know, one visit. Next slide, please. Next couple pictures just show the type of operation that we're wanting to evolve to. This is that hoist that I was discussing. So that's, you know, mainly for all the rescue type operations. Next slide, please. And then we talk about our firefighting. So we know we have, you know, constant wildfire challenges in the County every summer when it dries up. This aircraft will be able to carry nearly three times the amount of water per drop. And so the advantages we obviously see are that's similar to showing up with multiple aircraft initially. Right now, our aircraft...there's a variety of baskets we have or buckets that carry water, anywhere between from 70 gallons and 120 gallons. And so this new aircraft would be able to carry up to a 312-gallon basket. And so that's a lot more water coming on scene. What we see as a benefit to the community initially is hopefully we can catch fires quicker. Fires stay smaller, we won't need the second and third aircraft. That's our ultimate goal is to get there quickly and then, like I said, this is a multiplying factor, having that much water with our initial attack. Next slide, please. So the goal here is to meet the industry standards. So in order to do that, when we talk about human external cargo, in order to do that type of work, today's

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industry requires a twin engine aircraft. Now, there's electric companies and all those sorts of businesses that do same type of work we do with human external cargo, and they've all moved to twin engine aircraft. So in the State of Hawai'i, we would be the leader. We would be the first department to have this type of capability, but we just feel at this point that this is something that we want to get done in our Department. And then, of course, the hoist capability. What that does is instead of doing the four evolutions that I mentioned to you folks earlier about going, you know, to the scene, dropping off rescuers, picking up victims, going back again is we'd be able to stay on scene and hoist rescuers and victims straight up and down immediately rather than having to do multiple evolutions at the one rescue. Next slide, please. So this kind of just covers the audit that was done in 2018. The audit recommended that we upgrade our aircraft program, and it was specific to a twin engine aircraft, which would provide more transport capability to our remote locations, as well as a stronger firefighting force on initial attack. Additionally, this new aircraft with twin engines comes with more power, and we do have elevation challenges in Hawai'i, believe it or not. There's been several calls where we go to Haleakalā where we have to actually unload personnel and then go into the crater and perform the rescue because the current rescue aircraft can only hold so much weight, and at elevation, it really loses weight capability. So a lot of times we drop people off at Hosmer's Grove and such, and then pursue further into the crater. Next slide, please. Couple more slides, then we're done. So what does this all boil down to. So this is the important slide here. The...what is this going to cost our community, our taxpayers, because this is really what we have to justify and be fair about. So as I said, we have a five-year contract with Windward Aviation. The first year, 2021 to 2022, is already set. We have the funding, we're good, we're going to continue using the Hughes 500. The reason we're here today is to basically ask for future support of the program so that we can basically give the Windward Aviation, the vendor, the green light to purchase the aircraft, the hanger, the training, the spare equipment, the fire buckets that we need because we don't currently have the buckets that we need for this size aircraft, the hoist, the hoist training, all that is very specialized stuff. And so this is...these are the numbers. The reason the first is year is higher is because of all those upfront expenses. After the first year, 2022 to 2023, the price goes down to more an operations-based cost. Yes, it's more expensive, we totally agree, than our current program, but we just feel that for the safety factor and the service that it provides to our community that it has its own benefits. We did compare and made some calls, basically around the world, to find out who else is using this aircraft. Because the aircraft was recommended by the auditor, we wanted to just make sure that it would fit our needs and our...you know, our geography here in Hawai'i. So we made some phone calls to see what other type of prices this is being billed at in the nation...worldwide. So you can see anywhere between similar hourly rates to more hourly rates, a lot of them are on short summertime contracts. The bottom one talks about Papua, New Guinea comes out \$160,000 a month plus \$1,200 an hour to operate. And that's where they have a full time fleet of these available. A lot of the ones up above are seasonal or for just fire season firefighting. And then the last slide. So just a quick recap, why we're doing this and why we're here. The timeline is basically that the...our vendor has to put down a deposit and purchase the aircraft, build the aircraft, ship the aircraft here, and receive the training, and that

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takes about a year. So we're requesting just your support today for...to give him the green light to move forward. We understand that there's a lot of variables between now and the next nine months before we meet again to talk Budget, but the ultimate goal of this program is just safety; safety for our community, safety for our responders who are in the aircraft and under the aircraft, safety for the victims that we're going out there to rescue every week. The...you know, the places that we go to are generally very populated. When we're hovering over a waterfall, it's just not the victim down there, it's up to 20, 30, even 50 people. And so if there was ever a time when some type of, you know, catastrophic helicopter failure, you know, we would all be very, you know, saddened by it, of course. So thank you for your patience and time listening to what I have to say. We're both available here for as many questions as you have.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Deputy Chief. All right. I will ask three questions, and then I see Chair Lee with her hand up. And then any questions from the Members will (*audio interference*) Chair Lee and then Member King. Okay, so for FY'22, the estimated time per...or cost per hour is 590, and that's because we're still using the single engine helicopter. And then come next fiscal year, it's up to 1,100 per hour because we're hoping to have the double engine helicopter by that time; is that correct?

MR. VENTURA: That is correct. The Hughes 500...the rate that we have here is a discounted rate because we have a contract to have the helicopter available the whole year. The normal rate of a Hughes 500 right now is about \$1,200 an hour. But because we contract this helicopter, we're going to pay 590 an hour. Next year, yes, it's...that would be the rate for the BK 117, that twin engine aircraft.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. For FY'22, so this coming year, how many hours do you estimate needing or allocating for the helicopter? And then the two years preceding?

MR. VENTURA: Right now, we're averaging about 300 hours in total aircraft time a year. And that would include the Air 2, 3, and 4 when we have large brush fires.

CHAIR RAWLINS-FERNANDEZ: So for FY'22, it's 300 hours for that fiscal year, and then for FY'23, 300 again?

MR. VENTURA: That's a safe number. You know, as we've seen recently with the increase in tourism and everybody being back and out and about and adventuring, we've seen what's happening in Honolulu, with their rescue numbers going up. We can safely say we'll be at least that busy in the future most likely.

CHAIR RAWLINS-FERNANDEZ: Mahalo. We estimate that it will save us time in...by having larger buckets. So the back and forth in carrying water and the multiplier effect of having a larger bucket to put out the fire quicker at the front end so that it doesn't spread as much. Do you anticipate it...there being less time being able to also pull multiple people out of the water instead of just one person at a time?

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MR. VENTURA: Yeah, that's a good point. Because we'll have less evolutions per rescue, there's a good chance that our hours per call will be down. Not necessarily saying that our calls will go down, but our time to actually do our rescue will go down because we won't have to be flying back and forth in between. And then the same for the firefighting. If we're able to pick up 300 gallons of water in one pick up, that saves us about six to ten minutes in between with back and forth flying to get water from the water supply...nearby water supply.

CHAIR RAWLINS-FERNANDEZ: Mahalo. And then this is for a five-year contract, correct?

MR. VENTURA: Yes, we currently have a five-year contract.

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

COUNCILMEMBER LEE: Hi, Brad. Is it cheaper to buy our own helicopter?

MR. VENTURA: So we did look into that, and the...we compared our model to the other models that other counties are using. And based on the service needs, the housing needs, the pilot training needs, those can be contracted out individually, but they were very, very close in price when I compared, like, our program to Kauai's program, which is owned aircraft...

COUNCILMEMBER LEE: Okay. Okay, thanks, Brad. I was also looking at the source of funding, like now we pay for many of our trucks with CDBG funds. Would this be the same, or do you have another source of funding?

MR. VENTURA: That's a good question. I...based on what I know about CDBG, I'm not sure that this would qualify because it doesn't serve just the rural areas, but I can definitely look into that and see if they would support part of it because of the remote areas.

COUNCILMEMBER LEE: Okay. All right. Thank you, Madam Chair. Thank you, Brad.

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

COUNCILMEMBER KING: Thank you, Chair. Aloha, Brad. Good to see you and, wow, it looks like there's so much activity overhead. My...I have the same question as Member Lee, but I also wanted to ask you, you know when you were going over your Budget you said, you know, it's the most expensive of this year, but apparently...it looks like it was cheaper the first year, but then it got more expensive every year after that. So can you explain?

MR. VENTURA: Okay. Yeah, so the...sorry, the first year of the five-year contract is with the current aircraft, so that's the cheapest year. But the first year with the new aircraft, which is year two, is the most expensive for the BK 117 because we have to buy all the new equipment for that aircraft. So in the five-year contract, year one is the cheapest,

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year two is the most expensive of the BK, the twin engine aircraft, and then year three, four, and five are cheaper, but get progressively more expensive.

COUNCILMEMBER KING: Okay. I thought it was my recollection, but it looked like it was going up every year in four and five too but again, I don't have it in front of me. So it's the same company for all five years, but just a different aircraft for the last four years. So we're looking at *(audio interference)*

MR. VENTURA: Correct. Yes.

COUNCILMEMBER KING: So what you were talking about needing the one year to build the new aircraft, the first year we're using the old aircraft, and . . .*(inaudible)*. . .on the current program?

MR. VENTURA: Correct.

COUNCILMEMBER KING: Okay. Yeah, I'll have to go back and look at that presentation. It looked to me like every year it was going to be more expensive. Maybe I'm just remembering it wrong. Okay. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. I think what...so there's two columns, there's the hourly rate and then the monthly rate, and I think that that's what Deputy Chief may have been referring to. Because in the first year of the double engine . . .*(timer sounds)*. . . helicopter, it's 157,000, and then the monthly rate goes down after that. But the hourly rate, you're correct, does increase each year.

COUNCILMEMBER KING: Okay. That was what I was wondering why, but I guess that's cost of living increase.

MR. VENTURA: Correct.

COUNCILMEMBER KING: Thank you. Thanks for that explanation.

CHAIR RAWLINS-FERNANDEZ: You're welcome. I think he said the first year it's because of all the extra equipment that we would need to buy in that...be corrected? Okay. I see Member Sinenci with his hand up, followed by Member Molina, and then Member Kama.

COUNCILMEMBER SINENCI: . . .*(inaudible)*. . . Aloha, Deputy Chair *[sic]* Ventura. So just clarification, we...the County is purchasing the new helicopter?

MR. VENTURA: So this would...we would continue to do this the same way we're doing business now, which is a contract with the helicopter owner. The County does not own the helicopter, we just contract it out.

COUNCILMEMBER SINENCI: Oh, okay. And so...and that would be our annual cost of the contract then...so the current vehicle, we don't own as well?

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MR. VENTURA: Correct.

COUNCILMEMBER SINENCI: Or contract the vehicle out.

MR. VENTURA: Correct.

COUNCILMEMBER SINENCI: All right. Thank you. Thank you for that. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Molina, followed by Pro Tem Kama, and then Member Johnson.

COUNCILMEMBER MOLINA: Mahalo, Madam Chair. Good afternoon, Chief. In your presentation, you mentioned 845 rescue calls. You know, does the County ever pursue reimbursement, especially for those who were negligent which caused, you know, our fire personnel to...rescue personnel to go out there and, you know, have their lives in danger, as well as the cost to the County?

MR. VENTURA: Yeah, great question. It's definitely a topic of conversation. It comes up a lot. The, our department currently doesn't have what I understand to be authority or a mechanism to actually bill people for this type of work. Additionally, from what I've learned in going through this process, the FAA would require us to have different requirements for our aircraft if we were going to be charging people for services that an aircraft provides, that I would have to ask Don Shearer to answer in more detail if you have more questions about that, but it is a concern for us and, you know, we've talked about a variety of reasons to charge and not to charge. Ultimately, you know, it's a decision that we all have to make here. But there's the idea that people, if they're going to be charged, will delay their call to 911. But at the same time, you know, there is a lot of search and rescue fees that are added on and tacked on to a variety of outdoor activities in the rest of the nation, like a hunting license would include a surcharge for search and rescue if we were lost. So it could be something like that that we're able to put a surcharge on something if we choose to.

COUNCILMEMBER MOLINA: Okay. Thank you, Chief. And I ask that because if we're going to be looking at a more advanced aircraft, looking for ways to see how we can offset our cost. So...and now the last question, you know, with the hourly and monthly cost for the operation, you mentioned that, I think it was 865,000, and the number of calls was, you know, around the 845 number. So based on these numbers, are you saying that each average response cost is just over 1,000? If I could just get some clarification on that?

MR. VENTURA: So I'd have to do a little bit more math for you on that than just going off the top of my head. But this is...the numbers that I gave you were a decade of calls. So it'd be...it's going to be more than that for the overall program. And that was just rescues. We'd have to also factor in the cost per fire to figure out what the breakdown of that annual cost is for the aircraft. So you have the annual cost to have the aircraft

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available, which is \$865,000, and then the hourly rate for airtime. So we'd have to do some math and break it down per year for you if you'd like. I can do that.

COUNCILMEMBER MOLINA: Okay, yeah. That would be helpful. Okay. So...all right. Thank you very much for your responses, Chief. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. All right. I'm just going to give everyone a heads up now that *Akakū* was flashing, but it seems to be stable, so we won't take a recess and we'll just keep going. But if there are any other tech issues, we may need to call a recess. But looks good right now, so we'll holomua.

COUNCILMEMBER KAMA: Okay.

CHAIR RAWLINS-FERNANDEZ: Pro Tem Kama, followed by Member Johnson.

COUNCILMEMBER KAMA: Thank you, Chair. Thank you for being here, Chief. Real couple questions [*sic*]. So my understanding is that we want to be able to meet the industry standards of having a twin engine helicopter, so we're talking about renting pretty much, right? So are we only renting one helicopter or a series of them? And how many do we actually have that are twin engines?

MR. VENTURA: That's a good question. So the way we set up the contract is that we...our primary aircraft would be a twin engine aircraft. If that was down for maintenance or any type of work that needs to be done on the aircraft, a second aircraft would be provided for us, but it would be a single-engine Hughes 500 aircraft. We discussed them doing maintenance at night, so that we wouldn't have to...our operations wouldn't have to be impacted. We also discussed, actually, how many hours a year the aircraft is down for maintenance so that we could time the specific changes and repairs so that wouldn't impact our peak times for calls and service.

COUNCILMEMBER KAMA: And is there a weight restriction difference between the single and the double engine helicopters?

MR. VENTURA: Yeah, so...

MR. SHEARER: . . .(*inaudible*). . .

MR. VENTURA: So our current aircraft has a total payload of about 1,200 pounds, and then the new aircraft is 2,650 pounds.

COUNCILMEMBER KAMA: Okay. Okay. And so in terms of how many...how many people would actually go out on a call, is that based upon the type of call? Or is this automatically...I saw you have seats for nine people--is that right?--in the twin engine. So would nine people go out automatically, or would it depend upon what the particular need was?

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MR. VENTURA: Yeah, certainly the type of call and the information we gather before we leave is going to determine how many personnel we put on the aircraft. The...if it was a large structure fire in Lānaʻi, we would fill the aircraft with personnel, and then we would put them on the ground in Lānaʻi, and put them on backup apparatus to fight a fire. If it was an ocean rescue, we would identify how many victims there are if...as best we could, and then generally you'd go with three personnel because there's usually four or five on the rescue company. So what we'll do is we'll split up our personnel and we'll assist Ocean Safety with our boat or ski response, and we'll put two to three personnel in the aircraft too so we can you know, basically arrive at the scene with multiple resources.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Tem Kama. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Good afternoon, Deputy Chief. I have just a quick question for you. Kind of a long...so I wrote it out. Will the Fire Department be in charge of where and when the aircraft will be deployed? Is it only for immediate rescues or emergencies? Because if other departments, say, for example, Police or Water or somebody else requests, can they help with costs, could you bill our other departments so that we could split the cost so it wouldn't just be on you? That's my question.

MR. VENTURA: Certainly. So the aircraft is solely available to our Department from basically sun up to sun down. A pilot is available at all those hours as well. If the pilot were to get ill or sick, they have to replace the pilot within a couple of hours. If the aircraft was to be down for maintenance or any type of issue, they have to replace the aircraft within a couple of hours as well. So I think it's one hour right now. So those...that's basically at our beck and call. It will be deployed upon our request through our battalion chiefs usually or the incident commander on scene. We do work with other County departments, and we don't always...you know, we'll do stuff to support Police once in a while and we've never...we do have a mechanism to create a demand and have them pay us back for the hours if we see that as necessary. But we can definitely...if that's something that we'd want to see moving forward, we can definitely do that. Generally speaking, it's just us to help the Police, we work obviously with Ocean Safety, who's in our own Department, to clear beaches, DLNR when there's shark sightings, those sorts of things. But that...well, we do have sole control over the aircraft.

COUNCILMEMBER JOHNSON: Okay. So if I follow up on that question, if the DLNR calls you, you don't charge them?

MR. VENTURA: Right now, no.

COUNCILMEMBER JOHNSON: I see. Okay. Thank you, Chair. Thank you, Deputy Chief. I have no further questions.

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

VICE-CHAIR PALTIN: Thank you, Chair. Thank you...are you the Acting Chief or still the Deputy?

MR. VENTURA: Chief Thyne retires in two hours.

VICE-CHAIR PALTIN: Oh, I see.

MR. VENTURA: But I...

VICE-CHAIR PALTIN: Two more hours. . . .*(laughter)*. . . I just was wondering...I had a few questions, Mister...for Mr. Shearer. Is your crew, or are you familiar with this BK 117 helicopter? You've driven it before? Or would you need more training, as well as the Fire Department crew?

MR. SHEARER: Yes. So the answer is no, I'm not familiar with it. I've done the research. We've identified ten helicopters that we've developed a curve on and we graphed it out, and this is the helicopter that turned out to be the most capable when you take into account the expense required, the performance needed, and all the...and the hoist operation. So that was the aircraft that stood out. Part of the requirements for the contract is that a pilot has to have 50 hours in make and model before he can become the pilot in command, unless we go through the factory training, and then we only need 25 hours. So we would be going through the factory training, and then my company would have to in turn pay for the additional hours before we can meet the contract requirements to show up and go to work for the Fire Department. The good news with that, though, is after talking to the manufacturer, they told me that the type of pilots that we have, including myself, the time required to get competent and capable in the aircraft is only three to five hours. So we would have to spend another 20 hours just to get the seat of the pants feel of the aircraft. But the good news with that is that would provide the County and the Department with about 60 hours of flight training for their guys to bring their crew up to the level of competency to actually maneuver the aircraft with the hoist and with the pilot. So there's quite a process involved in hoisting operations compared to what we've been doing. In the past, we have...we as pilots have been able to just look out the left side of the helicopter, position the victim or the rescue mat or the water drop with our own visual sensory and our ability to fly the helicopter. So now we've become a crew that we really can't see directly below, we can get pretty close when looking out, so we're relying on the hoist operator to call us one foot forward, two feet left, hold what you got, hold what you got, come down one foot. So there's quite a disciplined approach required, and the crewmembers become very vital and essential to one another. So we're trying to identify who those people would be within the Department that would be qualified as hoist operators. We're trying to get three per shift, so that's nine guys. So we were hoping to train maybe 15 guys within those 60 hours that we would have to get, you know, to bring us all up to speed. That's if I only bring three guys in for this aircraft. But to answer your question, we don't know what we're doing with the BK, but we can learn very quickly.

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VICE-CHAIR PALTIN: And would the County be the sole user of it, or would you be able to, during off hours when not available, use it for other operations?

MR. SHEARER: No, we have to be completely dedicated to meet the requirements now with the FAA, it has to be a minimum 90 days exclusive use contract and --

VICE-CHAIR PALTIN: Okay.

MR. SHEARER: -- that's where we would be. So it would be strictly at the dispatch of the Department.

VICE-CHAIR PALTIN: Would it be able to use also the Billy Pugh net with the hoist mechanism still?

MR. SHEARER: Yes. Uh-huh. Yeah. We'd be using the Billy Pugh, we'd be using the Stokes litter basket, we'd be using the victim harness, the screener harness. There's a...much different apparatuses that we use depending on the scenario.

VICE-CHAIR PALTIN: Okay --

MR. SHEARER: So, yeah...

VICE-CHAIR PALTIN: -- thank you. I did have some questions for Mr. Ventura. Would this be a different certification class for pay for those operators that then became proficient with the hoist?

MR. VENTURA: So we talked about that in conversations here. And our rescue personnel at this point, it doesn't seem that it would...per CBA, would change any requirements that we have. We'd also discuss instead of having a rescue personnel if we could employ a hoist operator, but we don't want the program to be too expensive. We want to train, within their limits, our personnel to do the work so that it can be the most efficient program.

VICE-CHAIR PALTIN: Okay. And I guess my last question was I was looking through the strategic plan for 2021, 2025. It looks to me that I would say this aligns with initiative five, or did you have a specific initiative and a goal in mind that this aligns with?

MR. VENTURA: Yeah. That...to me, that kind of fits with our physical resources for Department as well as operations. The capabilities, they both fall into both of those categories. So I can definitely agree with you there.

VICE-CHAIR PALTIN: Okay. Cool, cool. Thank you very much. That concludes my questions.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay, Members, any other questions? Okay. I see...you both had your hands up like simultaneously, but

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Member Molina still has his hand up, so we'll go with Member Molina, followed by Member Sinenci.

COUNCILMEMBER MOLINA: Oh, thank you very much. Just one question, Madam Chair, for the Department and the gentleman from Windward Aviation. Is this the same BK 117 that's engineered by Messerschmitt and Kawasaki?

MR. SHEARER: Yes.

COUNCILMEMBER MOLINA: Yeah. Yeah, I was reading...I happened to look at Flying Magazine, and they give it a very high rating. It mentioned that it possesses relatively high stability and maneuverability and the ability to perform at a steeper push than any other helicopter in its class. So this definitely has all, I guess, the proverbial bells and whistles and something that's really state of the art if you will, yeah?

MR. SHEARER: Right. It's actually been developed one step further than what you've read. You read on the BK 117 B2 --

COUNCILMEMBER MOLINA: Uh-huh.

MR. SHEARER: -- and they take a B2 and they throw those old engines away, and they do a complete conversion with new engines that are actually 850 horsepower each. And then it becomes a D2, and that's where we're at. The BK 117 850 D2 is the most complete, you know, conversion now. That's what they're making.

COUNCILMEMBER MOLINA: Wow, those things are the real deal, yeah? Okay. Well, thank you. Thank you for that information. Thank you, Madam Chair.

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

COUNCILMEMBER SINENCI: Aloha, Chair. Yeah, just for Mr. Shearer. So how much does the BK 117 cost? I'm online, I mean, it looks like they go from a million three? Or is this one actually suited more for rescue?

MR. SHEARER: Yeah, you're looking at the BK 117 B2 when you see one for 1.3.

COUNCILMEMBER SINENCI: Okay.

MR. SHEARER: So it costs \$1 million just to do the conversion to the engines. And then with everything else, we're going to spend \$3 million on the helicopter, and then we're going to spend another \$2.5 million on the hanger to support it. And that doesn't even get us into all the specialized tools, the training of the mechanics. We have to hire a outside mechanic that has a minimum of two years' experience maintaining the D2 that would come with our staff and be a...become a new employee within my company. In addition to that, we all have to go through the training. So all of my mechanics will go through the training, the pilots would go through the training, and then there's a number of specialized tools. We don't even have a way to move the helicopter in and

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out of the hanger. So that thing is called the chopper, so that costs \$25,000. So by the time we're done, we will have, you know, almost, you know, five and a half, almost \$6 million and we will not have made one penny yet from the County. So --

COUNCILMEMBER SINENCI: . . .*(inaudible)*. . .

MR. SHEARER: -- it's kind of a...this is kind of a scary moment for us, but I've been trying to do this since 2004, that's kind of when the industry started to shift. And after becoming 62 years old, and flying for the County since 1985, I am just...I'm so just concerned that we've done so many things with the single engine helicopter without anyone getting a scratch on them. And it's just time to move into what the rest of the world's doing, you know. A guy like me is very concerned after all, after my whole career, and it's just because I've gotten older and wiser.

COUNCILMEMBER SINENCI: Yeah, and for us in East Maui, like we said in the last couple months, we did lose about four...a couple hikers that were washed out to sea and a swimmer that was washed out to sea. So having this type of vehicle would definitely help with the rescue efforts. It does say that the BK is a eurocopter. So would you be purchasing out of country?

MR. SHEARER: Yeah. Yes. It's purchased from a company called Airworks in New Zealand.

COUNCILMEMBER SINENCI: New Zealand.

MR. SHEARER: They're the company that has the approvals to convert the B2 to the D2.

COUNCILMEMBER SINENCI: Okay, thank you. And my last question, does it come in black?

MR. SHEARER: Well, the...in the contract, we wrote that we'd be in the Fire Department colors.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Any last questions? Member Paltin.

VICE-CHAIR PALTIN: Thank you. Sorry, I just thought of one other...I just was wondering, what is the estimated lifespan of one of these types of helicopters?

MR. SHEARER: Well, you know, if we just take Air 1 for example. Air 1, believe it or not, is a 1979 helicopter, and there's 104 items on our helicopter currently that either have to be thrown away or overhauled when they get to the end of their service life. So a helicopter will go forever if you just maintain it within the standards of the manufacturer. I don't know the actual number of how many life-limited components are on the BK, but it's probably very similar, maybe even little bit more because there's a dual hydraulic system and everything else that we have on our current

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aircraft. So, there's probably 150 items that once we...see, one of the beauties of converting to the D2 is they take a B2 and they strip it down to bare metal, and they remove every wire in the aircraft. So we're starting off with a new...an aircraft that has had the entire wire harness changed, every hose, nipple, fitting and wire harness is new, the air frame has gone through nondestructive testing, and everything is zero time--the blades, the rotor head, the mast, the transmissions. And we also are spending extra money to have nothing be changed within the first four years. There's also calendar items, and there's items that come due at the end of a certain time frame. So we have to have a minimum of four years on all the calendar items, and then if we exceed the hourly, then we'll have to change parts when we get there. But yeah. So helicopters can last quite a long time.

VICE-CHAIR PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. I'm seeing no hands. Okay. I will invite Deputy Chief Ventura for any closing remarks, and then I'll ask the Members for a deferral of this item.

MR. VENTURA: Thank you. Again, thank you all for just hearing us out this year, or this...today for this coming year. We just...I didn't want to blindside you folks come March. To me, this is a really conversation worthy item, and so I wanted everybody to be aware of it so that if there's any questions or any concerns when we do move forward with our FY'23 budget, that we could answer them for both you and the public that we all serve. So, thank you for taking the time today. I didn't have a clue how long this would be, and Mr. Ueoka's waiting to talk so I'll leave the floor to him. . . .(laughter). . .

CHAIR RAWLINS-FERNANDEZ: . . .(laughter). . . Mahalo, Deputy Fire Chief, soon to be Acting Chief in less than two hours. Okay, Members. So we will defer this item and that way the Fire Chief will be able to give us any updates. If you need to the item will be in Committee, okay? Any objections to deferring BFED-44?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay, wonderful. Mahalo, Members.

ACTION: DEFER pending further discussion.

CHAIR RAWLINS-FERNANDEZ: All right. And mahalo, Deputy Fire Chief --

MR. VENTURA: Mahalo.

CHAIR RAWLINS-FERNANDEZ: -- and Mr. Shearer for joining us for today's meeting.

MR. SHEARER: Thank you.

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CHAIR RAWLINS-FERNANDEZ: All right it – aloha. *(audio interference)* Akakū is flickering again. So we'll...we'll take our afternoon break early, we'll do 15 minutes. Member Molina, I saw your hand up. Did you have a question before we take our break?

COUNCILMEMBER MOLINA: Oh, no. I was just waving goodbye. . . .*(laughter)*. . .

CHAIR RAWLINS-FERNANDEZ: . . .*(laughter)*. . . You so hospitable. Oh, now everyone's waving. Okay, so let's see, 2:40. So we'll come back at 2:55, I guess, yeah? All right.

COUNCILMEMBER KING: And that can serve as our mid-afternoon break as well?

CHAIR RAWLINS-FERNANDEZ: Yeah, yeah. We're taking our afternoon break early. Okay. All right. It's 2:40, and we will return at 2:55. The Budget, Finance, and Economic Development Committee is now in recess. . . .*(gavel)*. . .

RECESS: 2:40 p.m.

RECONVENE: 2:56 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . The Budget, Finance, and Economic Development Committee, please return to order. It's 2:56 on June 30th.

**ITEM 41: ACQUISITION OF PROPERTY IDENTIFIED AS TAX MAP
KEY NOS. (2) 4-6-011:011 AND (2) 4-6-011:028, LAHAINA,
MAUI, HAWAII (MISC)**

CHAIR RAWLINS-FERNANDEZ: And we have our second and last agenda item, BFED-41, Acquisition of Property Identified as two Tax Map keys on your agenda in Lāhainā, Maui, Hawai'i. Okay. We have with us for this item Budget Director Yoshimura, Director of Finance Scott Teruya, and Planning Director Michele *(audio interference)* Who would like to start us off with an opening comment?

MS. YOSHIMURA: Chair.

CHAIR RAWLINS-FERNANDEZ: Budget Director Yoshimura.

MS. YOSHIMURA: . . .*(laughter)*. . . I don't know if I know how to do this, but...okay. So what we have before you folks is a resolution to acquire the parcel at 266 Dickenson Street. So we do have it in the Budget under the Affordable Housing Fund. This...to give you more details on the actual acquisition, I saw Scott just popped up, so I will defer to him.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director, for opening comments. Aloha, Finance Director Scott Teruya. Mahalo for joining us.

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MR. TERUYA: Aloha, good afternoon, Chair and Members. Thank you, Budget Director, for handing it off. I guess on behalf of Mayor Victorino, the Finance Department has been negotiating the acquisition of this parcel, I believe since July of 2020, with the intent to use it for affordable housing project. We...since then we've further negotiated the price to a point where the Mayor had agreed to a price with the seller, or the agent. I believe it is 650,000, if I'm not incorrect. And since then we have done an appraisal to do our own due diligence, et cetera. And based on its existing zoning, there was a price. There was also a price based on a potential zoning change, which at this point, Mayor is not entertaining unless it's necessary to do so to increase the amount of affordable housing units that can be done. So...but at this time, the Mayor is supportive of just doing what it's zoned for unless this Council and other people feel that we should be going in for a zoning change. But at this time, we're looking at the acquisition just on its existing zoning, Chair. I guess...I believe the Director...Budget Director did say that the funds would be coming from the Affordable Housing Fund, if I was not mistaken. But at this time, the last agreement of price of 650 was back in November of 2020, and it's just been going through the chain to get to this position before the Council. So that's all I have for opening comments. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Teruya. And Planning Director McLean?

MS. MCLEAN: Aloha, Chair and Committee Members. Thank you. There is some development that could occur on the parcels under the existing entitlements if the County were to develop them. And because it's (*audio interference*) land, there would be an EA or EIS trigger. An SMA permit would also be needed. We haven't had really detailed discussions with the Administration over the options, but there is some development potential under the existing designations, although the EI [*sic*], EA process and the SMA process would need to be carried out regardless. The...when the current owner went...applied for a change in zoning, that was to A-2 Apartment, and they had a plan for eight units, which was a bit more than the current entitlements would allow. So it may be that because the EA and SMA processes are required, it wouldn't be all that much more effort to do a 2.97 or a 201-H project to get a little more density than the current entitlements allow. But eight units is probably about as much density as the site would handle. Together the two parcels are about 10,594 square feet, so it's not a huge piece of land. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director McLean. Okay. And Members, I have posted in the chat the link to the appraisal for this property in case anyone didn't review it. I'll now open up the floor to the Members. Please raise your hand if you have any questions. Chair Lee.

COUNCILMEMBER LEE: Okay. Did I miss the part of why we were buying this parcel? Okay, Michele Yoshimura.

CHAIR RAWLINS-FERNANDEZ: Director Yoshimura.

MS. YOSHIMURA: Okay. Chair Lee, so the parcel came to our attention, and I don't know how much I can get into it. Scott...Director Teruya, might be able to give you more

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information on that question. Or we did request to go into Executive Session to talk about the details of why this parcel is now before us. So if the Chair...Chair Rawlins-Fernandez would like to opt into that option, then we can have further discussion. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Yoshimura. Members, I have prepared executive session if it's something that the Committee would like to exercise. But for now, if you have any questions for open session, we...I'll take those questions. And if Members would like to close session after that to hear the answer to Chair Lee's question, we can proceed after the questions for open session. Any other questions for open session? Member Paltin.

VICE-CHAIR PALTIN: Thank you, Chair. I guess my question was, is the reason that it would need a EA or EIS because if the Government is expending money to build a structure. And if it weren't us, the Government, building a structure, then it wouldn't need the EA EIS, only the SMA permit or exemption?

MS. MCLEAN: Two of the triggers for an EA or EIS, as you said, is use of State or County lands or State or County funds. So even if the County were to acquire it, if a private developer developed it, it would still be the use of County lands. Additionally, it's in the Lāhainā National Historical Landmark District.

VICE-CHAIR PALTIN: And it wouldn't be the case if we turned it over to Habitat or Na Hale as the other properties that we did? If we turn around, would it still be Government lands?

MS. MCLEAN: If it were sold to those entities, I imagine it wouldn't be considered Government lands. But it's still in the Lāhainā National Historic Landmark District.

VICE-CHAIR PALTIN: So it would still need a EA or EIS?

MS. MCLEAN: I believe so, because of that historic district designation.

VICE-CHAIR PALTIN: And do we know if there's any archaeological study or anything?

MS. MCLEAN: I don't know. I could look at the...I have it up here, the report that was done for the change in zoning. Yeah, the current owner who went...applied for the change in zoning did also do an EA. So I'm scrolling through the report right now to see what it says about any archaeological surveys and SHPD input. I don't want to waste your time while I'm scrolling through this. I can jump back in a little later if you'd like.

VICE-CHAIR PALTIN: I think Mr. Teruya might know.

CHAIR RAWLINS-FERNANDEZ: Director Teruya.

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MR. TERUYA: Thank you, Chair. And thank you, Councilmember Paltin, for that question. In anticipation of you asking that question, I already did run it past Janet Six. And in her response to me that she...her initial findings was there is no cultural significance.

VICE-CHAIR PALTIN: Okay. Thank you. Thanks for anticipating my needs. I like it when that happens.

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

COUNCILMEMBER MOLINA: Okay. Thank you, Madam Chair. I just have two questions, one for Administration, Mr. Teruya, and one for Director McLean. What is the sense of urgency for purchasing this property, at least from the Administration's perspective. I mean, is it a case of where we've been given a deadline to say yay or nay, or are there other reasons? And the second question for Director McLean, I would like to ask is you mentioned up to eight units can be built based on the size of the property. So I assume there would be adequate parking, assuming two parking stalls per unit, meaning there are eight. So anyway, whoever would like to go first.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. And then this...so this is the property on Dickenson that we had in PSLU that we went and did a site visit in 2019. And when we go into executive session, we'll go into the details --

COUNCILMEMBER MOLINA: Oh.

CHAIR RAWLINS-FERNANDEZ: -- of what brought us to today.

COUNCILMEMBER MOLINA: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: But for your second question --

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: -- Director Teruya or Director McLean.

MS. MCLEAN: I can answer the second question that yes, for the...the eight-unit plan did include adequate onsite parking.

COUNCILMEMBER MOLINA: Okay. Thank you.

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

COUNCILMEMBER KING: Chair, so I'm not sure who...it's hard to know what to ask though because we haven't gotten the information in executive session so I think these are pretty safe questions, but I'm assuming...so since we're looking at this for affordable housing, are you talking about, like, for eight separate housing units or one, like, condo type of...or apartment building with eight units?

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MS. MCLEAN: I...in terms of an eight-unit development, just commenting on what the current owner contemplated was a single building with four units downstairs and four units upstairs, if I recall correctly.

COUNCILMEMBER KING: Okay. So like an apartment building then.

MS. MCLEAN: Yes.

COUNCILMEMBER KING: How much...how much land is it on?

MS. MCLEAN: 10,594 square feet, the two parcels together.

COUNCILMEMBER KING: Oh, okay. So are we...are we looking at purchasing this parcel and putting out an RFP for a developer to build on it, affordable? And if so, what AMI ratings are you looking at?

VICE-CHAIR PALTIN: Oh, Chair, point of information.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: I don't think...so the current owner's plan had to...we would have to change zoning in order to fit that type of density. And it was three stories, I believe. His plan was for, like, more affordable ones on the bottom with, like, a third story, like, the...

COUNCILMEMBER KING: Yeah I'm just...Member Paltin, I'm trying to ask about the County's plans, the Department's plans.

VICE-CHAIR PALTIN: We couldn't build a eight story...eight unit one without changing the zoning. So it...as it is, we couldn't build eight units.

COUNCILMEMBER KING: Right, but they're...well, let me...can I finish asking my question to the Department?

CHAIR RAWLINS-FERNANDEZ: Director McLean.

COUNCILMEMBER KING: So Director...so as far as your intent, are...is the intent to work towards an affordable housing project and put out an RFP on this project? Or, I mean, to kind of figure out the parameters and put out an RFP, or just to put out an RFP and see what kind of proposals come in?

MS. MCLEAN: I can't answer that question. I would defer to Director Teruya or Director Yoshimura. I don't know.

COUNCILMEMBER KING: Okay. Director Teruya, can you answer that?

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MR. TERUYA: Yeah. When I spoke to the Mayor, the Mayor intent was to look at the...purchasing it for what it is currently zoned for. I think when we go out and do our further due diligence, if the Council would like to move forward with it, we'd need to find out what is the resistance or acceptance of the change in zoning. Because I believe the community plan, as Director McLean had mentioned, was apartment. So if there is a need for a change in zoning and there's support for it, then yes, we would look at it. But Mayor had looked at it for what its existing zoning is for initially.

COUNCILMEMBER KING: Okay.

MR. TERUYA: For a two-unit multifamily duplex.

COUNCILMEMBER KING: Eight...I'm sorry, how many units?

MR. TERUYA: A two-family duplex.

COUNCILMEMBER KING: A two-family duplex. So basically just one building with two sides, two families total. Okay. So that's what the Mayor's looking at for 650,000?

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KING: Okay. And would this be a project where the County would continue to own the property and then just have the buildings built on it, or are they trying to sell it...resell it to a developer?

CHAIR RAWLINS-FERNANDEZ: Member King, so the reso. that we have before us is for the acquisition of the property and that's what the funds would be used for.

COUNCILMEMBER KING: Right. I'm just asking if they're planning to resell or, you know, if it would stay in County possession...that the intent would stay in County possession?

CHAIR RAWLINS-FERNANDEZ: Director Teruya.

MR. TERUYA: I haven't had that discussion with the Mayor yet. The...for sure, I think one of the questions would be is to put out an RFP for somebody to build something, whether would give...I'm not sure if Director Yoshimura would have scenarios, but we haven't crossed that bridge yet.

COUNCILMEMBER KING: Okay, but...okay. So that...325 per unit. All right. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. And so the funding is for the acquisition of the land only.

COUNCILMEMBER KING: Right, that's --

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

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COUNCILMEMBER KING: -- the land cost would be 325 per unit if it was a two unit one building . . .(inaudible). . .

CHAIR RAWLINS-FERNANDEZ: Oh, okay. You're not including the construction of the...

COUNCILMEMBER KING: No. I was just saying just for the land cost would be just 325 per...if we built the duplex. That each side...that would be 325 per family just for that one.

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

COUNCILMEMBER KAMA: Thank you, Chair. So what we're talking about in terms of the cost is only for the purchase of that property and nothing else. And we haven't determined what's going to go on that property or what's going to happen to that property?

CHAIR RAWLINS-FERNANDEZ: Director Teruya or Director Yoshimura.

MS. YOSHIMURA: Councilmember Kama, could you repeat your question?

COUNCILMEMBER KAMA: I asked that what we're talking about today is only for the purchase of the property, and we haven't yet determined what's going to go onto that property because the discussion today is only for the purchase; is that correct?

MS. YOSHIMURA: Chair. So today's discussion is about the acquisition of the property, and then we will have further discussions with you as to how...if there will be...what type of disposal of the property, if we grant it to somebody or we...what the use of it will be following the acquisition.

COUNCILMEMBER KAMA: Yes. Thank you.

MS. YOSHIMURA: Thank you.

COUNCILMEMBER KAMA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Mahalo, Pro Tem Kama. We have the funding allocated in the Affordable Housing Fund, so it would need to follow the requirements of the Affordable Housing Fund. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. I'm looking at the document you shared in the chat. My...are there several lots on here? That seems like there's couple other properties that's listed in this document. Is that correct, 5385 Lower Honoapi'ilani Road, those supposed to be in here as well, or are these other properties?

CHAIR RAWLINS-FERNANDEZ: Director Teruya.

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MR. TERUYA: Thank you, Chair. Thank you for that question, Member Sinenci. There's two parcels, parcel 11 and parcel 28. I believe the primary parcel is about 8,500, 9,000 square feet, thereabouts, which has, I believe, a D-1 zoning. And parcel 28, the very sliver skinny piece that fronts Honoapi'ilani Highway that has residential zoning. The parcels are contiguous and therefore, it's basically one parcel.

COUNCILMEMBER SINENCI: Oh, okay. All right. That was just my clarification (*audio interference*) Okay. And then the intent is for housing, I guess, because we're using it for...okay, thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. It sounds like the Members would like to go into executive session. We do have Mr. Ueoka that's on the line as well, but I'm thinking perhaps we go into executive session, we get some of those questions that some of the Members asked answered, and then when we return back to open session, if there are any follow ups for any of the...anyone in the Administration or Mr. Ueoka, we can proceed that way. Any objections to that plan?

COUNCILMEMBER SINENCI: No objections.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Paltin.

VICE-CHAIR PALTIN: Oh, I just was wondering if it would be appropriate to hear any opening comments from Mr. Ueoka before we go into executive session.

CHAIR RAWLINS-FERNANDEZ: Would you like to hear opening comments from Mr. Ueoka?

VICE-CHAIR PALTIN: If he has some.

CHAIR RAWLINS-FERNANDEZ: Sure. Okay. Mr. Ueoka...Members, are there any objections to designating Mr. Jeff Ueoka as a resource personnel under Council Rule 18(A)?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay. Mr. Ueoka, do you have any opening remarks?

MR. UEOKA: Thank you, Chair. I hope you guys approve the purchase. Listening to Member Paltin, my understanding was the Mayor's offer was...the price he offered to my clients was based on the current zoning. And I think it's...but I could be wrong, you guys can check with your experts, of course, but I thought it's...you could build two duplexes on the property based on the size and the current zoning, but I could be mistaken. My client's plan was to get the change in zoning and build...well, you guys will go into what his plans were and how that happened, but his plan was to build an eight-unit apartment building on the property. The Mayor, when he made the offer with the price, was basing his price off of essentially the current zoning, so that was the understanding. So other than that, I hope you guys support it. I will hang around to see if you have any questions. Thank you very much for your time.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ueoka. Member Paltin.

VICE-CHAIR PALTIN: Thank you. In the appraisal, it says the valuation as is based on current zoning is 581,000; and with the change zoning, it's 646,000. And I guess I just am not used to governments being able to pay above the appraisal value in...when we were working with...for Honolulu purchase. And so just...I don't know if you have the answer to that question or how the dollar amount came to be 650,000. Was that before the appraisal was done?

CHAIR RAWLINS-FERNANDEZ: Member Paltin, perhaps letting Mr. Ueoka know what page of the document you're looking at.

VICE-CHAIR PALTIN: Page 3 of the item in Granicus.

MR. UEOKA: Chair, to be honest, I've never actually reviewed the appraisal. The offer was made to us, and we accepted. My understanding was if the change in zoning occurred, it was an even higher value, but I could be mistaken. That was just my rough understanding. We never conducted an appraisal, we accepted the offer and had negotiations with the Mayor on various value added items that my client did do on this property. That was the understanding. We were given a number, my client looked at it, accepted it. So sorry, Member Paltin, we never actually went through the appraisal or anything.

VICE-CHAIR PALTIN: Okay. All right. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ueoka. Mahalo, Member Paltin. And we can ask that question of the Administration when we go into executive session as well. Okay. Any other questions for Mr. Ueoka before we go into executive session? And I believe he'll hang on the line for after executive session if Members wanted to ask any other questions. Correct, Mr. Ueoka?

MR. UEOKA: Yes, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Seeing no other hands, the Chair will entertain a motion to convene an executive session in accordance with Section 92-5(a)(3), HRS, to deliberate concerning the authority of persons designated by the County, the Council, or the Committee to conduct labor negotiations or to negotiate the acquisition of public property, or during the conduct of such negotiations. And Section 92-5(a)(4), HRS, to consult with the board's attorneys on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities. Is there a motion?

COUNCILMEMBER LEE: So moved.

CHAIR RAWLINS-FERNANDEZ: Moved by Council Chair Lee, seconded by Member Sugimura. Any discussion, Members? Okay, I'll call for the question. All those in favor, please raise your hand and say aye.

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COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay, I see unanimous. Okay, 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: APPROVE; RECESS open meeting and CONVENE executive meeting.

CHAIR RAWLINS-FERNANDEZ: You'll see an invitation from...from BlueJeans at 3:02 in your inbox. Does everyone see your link for executive session? It'll have come from BlueJeans. Okay, I see Member Sinenci with a thumbs up. Anyone else need help? It should have come...it should be around 3:02 p.m. today, you see it? Okay, Member Paltin, good. Okay, Member Johnson. Member Kama, Member King, and I think Council Chair Lee already went. Okay. Member Sugimura did you find it? Oh, okay, and I assume she found it. Member Molina. Okay, very good. Okay. It's--I want to make sure I say this correctly. Okay, at this time the Chair would like to call for a 15-minute recess. This meeting of the Budget, Finance, and Economic Development Committee--all right. It's 3:23 on June 30th. We'll go into Executive Session and recess our open session meeting and reconvene in closed session. All right. The Budget, Finance, and Economic Development Committee is now in recess. . . .*(gavel)*. .

RECESS: 3:24 p.m.

RECONVENE: 4:13 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . The Budget, Finance, and Economic Development Committee please return to order. It is 4:13 on June 30th, and we just adjourned our executive session on BFED-41. Members, I'll open the floor for any follow-up questions in open session. Member Sinenci, did you have a question that you would like to ask in open session? Followed by Member King.

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COUNCILMEMBER SINENCI: Thank you, Chair. Yes, question again for Director McLean. So the current County zoning on the property is D-1, two-family duplex district; and R-2, residential district. So what could possibly, at the current zoning, be built on the property?

MS. MCLEAN: The R-2 parcel, the tiny one, could theoretically be developed with one house and one ohana. The larger parcel that's zoned D-1 could be developed with one duplex, which would be two units. The duplex district also allows the uses of the residential districts, which means it could be developed with one house and two ohanas, which is three units rather than two in duplex, although those ohana units would be restricted in size. And the building height in the duplex district is 35 feet.

COUNCILMEMBER SINENCI: Is there anything since the...it does say urban state land use, urban district, but you mentioned that it's in the historic district. Does that also put any restrictions on any building?

MS. MCLEAN: No, there are not design standards for the national historical landmark district. But because development would likely need an SMA major permit, it would go to the Urban Design Review Board before it would go to the Planning Commission.

COUNCILMEMBER SINENCI: Okay, great. Thank you, Director. Thank you, Chair.

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

COUNCILMEMBER KING: Thank you, Chair. So...this question is for Jeff Ueoka, if you can unmute your video.

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka, are you on?

COUNCILMEMBER KING: Yeah, he's there. Hi.

CHAIR RAWLINS-FERNANDEZ: Go ahead.

COUNCILMEMBER KING: So I just wanted to find out from you if...is your client pretty much...pretty much done with the develop...like there's not...was there a negotiation to try to understand what his needs would be to develop the way he originally wanted to? Is he just kind of done with that and just wants to get out of it and doesn't want to work towards that zoning change anymore?

MR. UEOKA: There were some bumps on the road in his development process and...

COUNCILMEMBER KING: Yeah, we discussed them, I just wanted to find out --

MR. UEOKA: Yeah.

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

MR. UEOKA: So you guys are aware of the bumps. And during all those hearings, he kind of heard the community where they didn't want an increased density. They weren't really interested in that eight-bedroom apartment or eight-unit apartment. They weren't interested in it not being, I'll use the term, you know, truly affordable housing. They...that's what the community wanted there, and he took that to heart. And he was looking for options, but him as just a regular guy with...he couldn't really develop it that way and make it pencil out. So we got into discussions with the County on maybe the County could purchase it and develop it, and get something the community needs out there because it's infill in Lāhainā, and from everything I understand, Lāhainā really needs more options for that type of housing. But that was his idea, Member King. He was...he's prepared to move on. He really wanted to do his project, but he's prepared to move on.

COUNCILMEMBER KING: Okay. All right. Well, thanks for that information. Appreciate it.

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

COUNCILMEMBER JOHNSON: Thank you, Chair. This question is also for Mr. Ueoka. Good to see you, Jeff. Aloha. So this is in regards to your client. And would he be willing to sell it to somebody else besides the County? Say, for example, a nonprofit.

MR. UEOKA: I'm sure he'd be open to that. It's...I think in a certain extent, he kind of likes the...I guess a nonprofit would work for him. He really liked the idea that the County was going to take it and do affordable housing on it. He's a Lāhainā community guy, so I think just depending on what the deal would be, Mr. Johnson. He...I don't think he cares necessarily who he sells it...he kind of just wants to see it being something good at this point.

COUNCILMEMBER JOHNSON: So that...his price wouldn't change, say, for example, if it was for a nonprofit like, you know, Habitat for Humanity or Na Hale O Maui, you know, people who build affordable homes if that's his intent. So...because I'm thinking if the County buys it, maybe we'll be looking for some nonprofit...I mean, why are we the middleman, you know what I'm saying. So if he's willing to have that price just transfer over to a nonprofit, what say you? That's all I'm asking.

MR. UEOKA: I believe the price...the price is important to him. He's a regular guy. He expended a lot going down this road, and he's trying to recover from this, so I don't think he cares who it goes to. It's kind of more the cause and also...yeah, that'll work. It might just extend time a little bit at this time, but I don't think he's opposed to it, I'll say. Thank you.

COUNCILMEMBER JOHNSON: Okay. All right. Fair enough. Thank you, Chair. I have no further questions.

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

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VICE-CHAIR PALTIN: Thank you. I'm not sure who the question is for, but if the studies that he had, the EA and all those traffic and whatnot is part of the package deal, would we not be able to use those even if we're not changing the zoning and going with the current zoning because it's a less dense? And then would we still need to do an EA and EIS because we're the new owners, or could we just go off of what he already has? If it was FONSI and we're proposing something less dense, would it still be a FONSI?

CHAIR RAWLINS-FERNANDEZ: Director McLean?

MS. MCLEAN: I would have to look at the status of the EA document and the timeline on that because, yeah, maybe Mr. Ueoka is more familiar with the timeline. I could go back and look. So the final EA would probably have been accepted before the matter was considered by the Council. So the process would be he applied for a change in zoning and a SMA major at the same time. The Maui Planning Commission would have held the public hearing on both of those items and deferred action on the SMA major until the Council granted the change in zoning. So I think at that time, the Commission probably would have accepted the final EA. I would have to verify that. I don't think that acceptance would come after Council action. EAs are for a certain project, so it...if a different owner pursued that same project, that EA would apply. But I would have to confirm that the final EA was...that a FONSI was issued. And I can...pretty quickly.

VICE-CHAIR PALTIN: I guess just a follow up. You know, if it did have a FONSI and we are proposing something less dense, would that transfer over as well?

MS. MCLEAN: We would probably want to confirm that with the Office of Environmental Quality Control, but I would think so.

VICE-CHAIR PALTIN: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. And, again, like...so today, we're just discussing the acquisition of the property, and the discussion on what we do with that property will come at a later time. The Administration would need to come to Council to request either funds or a granting to another agency. So this won't be your only opportunity to ask questions about, you know, the future of that property. But for today, it's...we're going to be discussing the acquisition. Member Paltin, followed by Member King.

VICE-CHAIR PALTIN: Oh, based on what you just said, though, if we use Affordable Housings for the acquisition...Affordable Housing Fund for the acquisition, we can't just, like, put in a bus stop or something because it would have to be...what the funds were meant for is what would have to be the use, right?

CHAIR RAWLINS-FERNANDEZ: Absolutely. What I was saying is just...so we're kind of getting into the weeds a bit about, you know, whether a nonprofit would build on it,

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how high the building would be, if we can use, you know, the current owner's studies to further whatever construction we would want to see. So I'm just saying that all of those discussions, all of those questions, we can continue to discuss at another time when, you know, we have an idea of what we're going to be doing with that project. But like you said, Member Paltin, it is being purchased with...it would be purchased with Affordable Housing Funds, so it would need to be affordable housing. And it's 4:24...oh, 4:25, so I'd like to, you know, adjourn by 4:30. So Members, if we could all be mindful of each other's time. Member King, followed by Member Molina.

COUNCILMEMBER KING: Okay. Thank you, Chair. I actually had the same question as Member Paltin, but we're not making a decision today, we're just having a discussion? Or are you trying...

CHAIR RAWLINS-FERNANDEZ: . . .*(inaudible)*. . . acquisition.

COUNCILMEMBER KING: We're making a decision on the --

CHAIR RAWLINS-FERNANDEZ: We're . . .*(inaudible)*. . .

COUNCILMEMBER KING: -- acquisition, okay. Because that makes the...you know, the peripheral studies and EA relevant in the...if we're going to purchase it for 650, we want to be able to get more than...you know, the added value above the appraisal is important, I think. So you know, that...I think that's where that question is coming from is if the value...if the appraisal is 580 something, then why would we pay 650 would be because there was that added value. So we are...

CHAIR RAWLINS-FERNANDEZ: It's...

COUNCILMEMBER KING: We have ascertained that we would get all of those documents so we have that benefit.

CHAIR RAWLINS-FERNANDEZ: Right. Right. We also discussed the reason in executive session. So it's also for that reason.

COUNCILMEMBER KING: Right. But also, I think it's important to know --

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER KING: -- that the added value beyond the appraisal --

CHAIR RAWLINS-FERNANDEZ: And Director Teruya confirmed that in executive session, so we're okay, as well as Mr. Ueoka in open session. Okay. Member Molina.

COUNCILMEMBER MOLINA: Yeah, Madam Chair, no, no. I was just in agreement with you as far as what would...you know, should we decide to go through with this purchase, what we're going to put on there that's, you know, for another time. So I was actually raising my hand to ask you what your recommendation is.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. My recommendation is adoption of the resolution and filing of the miscellaneous communication. So the Chair will entertain a motion to recommend adoption of the proposed resolution entitled, "AUTHORIZING THE ACQUISITION OF REAL PROPERTY IDENTIFIED AS TAX MAP KEY NOS. (2) 4-6-011:011 AND (2) 4-6-011:028, SITUATED IN LAHAINA, MAUI, HAWAII, FOR AN AMOUNT NOT TO EXCEED \$650,000," incorporating any nonsubstantive revisions, and filing of the miscellaneous communication.

COUNCILMEMBER KAMA: So moved.

COUNCILMEMBER MOLINA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Pro Tem Kama, seconded by Member Molina. Any need for further discussion? Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair. Yeah, I can...I understand the discussion about the valuation as it's currently zoned. So I can support this with the wording...specific wording not to exceed 650,000. And just as a reminder for Members, we did put an additional seven point-some million into our Affordable Housing Fund, so...and with...other Members challenged us to make sure that we use these funds for more affordable housing. I can support that. Mahalo.

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

COUNCILMEMBER SUGIMURA: Thank you. I support this and I believe that it is in the Affordable Housing Fund for the use of...for the \$650,000, and appreciate this for all the reasons that were shared in executive session. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. All right. Seeing no other hands, I will call for the question. All those in favor of the motion on the floor, please raise your hand and say aye.

COUNCILMEMBERS: Raising their hands in support.

COUNCILMEMBER SUGIMURA: Aye.

COUNCILMEMBER LEE: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay, I...it's...any opposed? All right. Motion passes unanimously.

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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 **ADOPTION** of resolution and **FILING** of communication by C.R.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. And that brings us to the end of the agenda with two minutes to spare, good job. All right...

COUNCILMEMBER KING: Good timing.

CHAIR RAWLINS-FERNANDEZ: . . .*(laughter)*. . . Mahalo for all of your help, Members. This concludes today's Budget, Finance, and Economic Development Committee meeting. Please join us for our PSLU meeting tomorrow at 9:00, should be fun. It's 4:29 on June 30th, and the Budget, Finance, and Economic Development Committee is now adjourned. . . .*(gavel)*. . .

ADJOURN: 4:29 p.m.

APPROVED:



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

bfed:min:210630:cs

Transcribed by: Crystal Sakai

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CERTIFICATION

I, Crystal Sakai, hereby certify that pages 1 through 38 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 28th day of July 2021, in Wailuku, Hawai'i



Crystal Sakai