

**MAUI REDEVELOPMENT AGENCY
REGULAR MEETING
APRIL 22, 2016**

APPROVED 07-08-2016

A. CALL TO ORDER

The regular meeting of the Maui Redevelopment Agency (Agency) was called to order by Mr. Don Fujimoto, Vice-Chair, at approximately 1:03 p.m., Friday, April 22, 2016, in the Planning Conference Room, First Floor, Kalana Pakui Building, 250 South High Street, Island of Maui.

A quorum of the Agency was present. (See Record of Attendance).

Mr. Don Fujimoto: Call the meeting of Maui Redevelopment Agency to order. Present today is Frank De Rego, Jonathan Starr, Carol Ball, and our new member, Ashley Lindsey. I guess no public, so no public testimony. Close public testimony.

B. PUBLIC TESTIMONY - At the discretion of the Chair, public testimony may also be taken when each agenda item is discussed, except for contested cases under Chapter 91, HRS. Individuals who cannot be present when the agenda item is discussed may testify at the beginning of the meeting instead and will not be allowed to testify again when the agenda item is discussed unless new or additional information will be offered. Maximum time limits of at least three minutes may be established on individual testimony by the Agency. More information on oral and written testimony can be found below.

C. INTRODUCTION OF NEW MEMBER - ASHLEY LINDSEY

Mr. Fujimoto: Did you want to say something a little about yourself or you don't have to? That's fine. We'll learn about you throughout the session.

D. ELECTION OF CHAIR AND VICE-CHAIR FOR THE 2016-2017 BOARD YEAR

Mr. Fujimoto: Moving on to Item D, election of Chair and Vice-Chair for 2016-2017 board year. Any --. Open for nominations for the position of Chair.

Ms. Carol Ball: Mr. Chairman, I'd like to nominate Don Fujimoto for the position of Chair.

Mr. Fujimoto: Any other nominations? Close nominations for position of Chair.

Mr. Frank De Rego Jr.: I move to close nominations for Chair.

Mr. Fujimoto: Are there any other nominations? All in favor? Aye. Opposed? I guess motion carries. Thank you for your confidence. I'm going to lean on you guys a lot. I need a lot of help. Yeah, anyway, nominations are open for the position of Vice-Chair. Anybody? Frank?

Mr. De Rego Jr.: I nominate Carol Ball.

Mr. Fujimoto: Any other nominations? If not, nominations are closed. All in favor? Opposed? Congratulations. Thank you.

Ms. Ball: Thank you. I'm here to help. I'm here to help you Don.

Mr. Fujimoto: Thank you very much.

**After nominations were duly taken, the following were elected –
Don Fujimoto for Chairperson and Carol Ball for Vice-Chairperson -- for
the 2016-2017 board year.**

E. NEW BUSINESS

- 1. Orientation Workshop (Erin Wade & Corp Counsel)**
 - a. Rules and Responsibilities**
 - b. Meeting Schedule**
 - c. HRS 53**
 - d. Wailuku Redevelopment Plan**
 - e. Wailuku Redevelopment Area Zoning and Development Code**
 - f. Wailuku Redevelopment Area Design Guidelines**
 - g. Overview of Board Status**
 - h. Sunshine Law**
 - i. Ethics**

Mr. Fujimoto: Okay, moving on to New Business, the orientation workshop. Erin and Mike? I don't know. Okay.

Ms. Erin Wade: Okay, I will be going through relatively briefly the substantive MRA orientation and then Ashley maybe I'll meet with you individually to go through what the deeper intent of the each of the document is. But for the record we'll go through the orientation, what is the MRA, what is the purpose of all of the documents, and then I have a larger update presentation.

Alright, so the MRA was created with the Hawaii Revised Statutes, Urban Renewal . . . (inaudible. Mechanical problems with the microphone) . . . Can you hear me now, is that better? Okay. It does require a redevelopment plan, and that the actions of the redevelopment agency follow what is prescribed in the redevelopment plan. So the history of our -- and by the way MRA is the only redevelopment agency in the State right now that's authorized under HRS 53.

The creation of the MRA took place in 1964, believe it or not, and then in 1980 was codified into by ordinance. In 1989, it was formerly included under Boards and Commissions, and it's bounced back and forth between Planning Department and Office of Economic Development in the past. In 2000, the Wailuku Redevelopment Plan was finally adopted. So once that plan was adopted that actually gave the agency authorization to move forward on projects.

These are the boundaries of the redevelopment area. Essentially there's two. There's two areas. The larger area, people often refer to uptown is here. And then the secondary area, in Happy Valley, is here, which was added later.

The HRS 53 does require a documentation of slum and blight conditions to be designated as a redevelopment area. So we go through a process of about every 10 years to document property by property what the conditions are. Some of the triggers for slum and blight, and one of these will classify a property as slum and blight: dilapidation and deterioration, unsanitary or unsafe conditions, high density, ineffective street layouts, diversity of ownership meaning you can't really assemble large properties to do an effective redevelopment project, improper subdivision or obsolete platting, and existence of conditions that endanger life or property.

Mr. De Rego Jr: When was the last time . . . (inaudible) . . . ?

Ms. Wade: 2012. So these were some of the conditions we documented actually in 2008. We did one, we did a 2008 documentation and then the follow up in 2012 we found improvement. So the, the number of slum and blight properties is reduced -- is reducing slowly but it's not completely going away. These were some of the other conditions. On the left, so you can see the pre-condition and on the right is the post condition. The bottom right is the lao Plaza Project as of this morning, so that's moving forward nicely right now.

So we are, and you folks are strategically with the public properties making repairs and reducing slum and blight. Again these were some of the conditions found in the 2012 update. So some areas are getting worse, the one that's boarded up has happened in the last couple of years actually. But, many of these are moving forward right now too. This, Lloyd Sodetani's property has an application for redevelopment. This property is in escrow right now. This is scheduled for re-paving in May, so we are making strategic gains on slum and blight conditions in accordance with the redevelopment plan.

Mr. Jonathan Starr: . . . (inaudible) . . .

Ms. Wade: Yeah.

Mr. Starr: . . . (inaudible) . . . Wailuku Main Street used to tell one of the things it had done

with was get the slum and blight . . . (inaudible) . . . and that there were benefits from having slum and blight in the MRA area. I never really understood that.

Ms. Wade: The thing that being designated as the area of slum and blight does is it makes the community eligible for Federal funds that it wouldn't otherwise be eligible for, specifically CDBG and HUD funding. So if it's in areas where there's residential or could be residential, it could be HUD funding. CDBG can fund any kind of infrastructure, roadways, and even building facade improvements under slum and blight regulations. So that is the advantage. The County has never used that as a tool though. Not to say they wouldn't because we do - . I, I have continued to update the documentation just so that we're ready should there be an intent to apply for something.

Mr. De Rego, Jr: Can I ask a different question? So it doesn't affect the possible EDA funding as well or --?

Ms. Wade: It certainly could, but EDA because we qualify as a rural community isn't going to ask for it. CDBG will ask for the documentation, but EDA won't.

Mr. De Rego, Jr: Okay.

Ms. Wade: It helps the case though. I mean, it would always help the case. Yeah, Carol?

Ms. Ball: Would this have to be . . . (inaudible) . . . in that case is it ongoing, you add to it, or can you can add to it and then realize . . . (inaudible) . . .

Ms. Wade: So the parcels never change. Let me just go back. Oh no. Let me go back here. Well that was cool. We don't -- I don't know what I did or why it says that, Leilani. It's showing up on my screen. Oh wait. Ta-da. Okay. So all of the parcels within this area are the parcels that I evaluate that were originally evaluated and will continue to be evaluated unless, unless we ask to expand the boundary of the redevelopment these will always be the focus. And some improve and some don't. There are some that will never improve unless they get consolidated. There's dozens of properties in here that don't meet standard size requirements, that don't have road access that would normally be required. All of Maluhia right now, because it's a substandard road as the County defines it, are considered slum and blight conditions. So even though there may very well be a beautiful building on it, for the Federal government's requirement, it's considered slum and blight conditions because of inadequate roadway or utility access. Which complicates development too...as we know. That's why you folks have to give variance periodically.

Okay, jumping back down to the redevelopment plan. Okay, so in the redevelopment plan it provides the authority to do studies; to take on projects like the lao Plaza Project we're doing now; to acquire property; to execute contracts; adopt, amend, and appeal rules; appoint a manager and deputy; borrow and issue bonds and invest. And I don't know if you

can see the distinction. There's two. There's kind of gray text, and a white text. The gray text are things that the MRA has done and actively is doing, the white text are things we haven't done, the MRA has not done as a Board to date.

There's a handful of redevelopments, or studies of the redevelopment area. If you go to the County's website under Boards and Commissions, Maui Redevelopment Agency, all these studies are listed, and we actively used these, these studies now for your decision making. You hear me refer to them in the staff reports quite a bit too.

One of the most valuable ones we did recently was the Market Based Plan, I think, and I'm not going to get into everything that it recommended here, but this is one that I read through probably once a month because it was so valuable to the direction that we're trying to take Wailuku. So I'd recommend, you know, keeping that sort of front of mind.

And then this is kind of the direction that we're moving forward with. Right now, I'm going to switch to my second presentation for that. Sorry, we got a brand new lap top, so, great because it actually loads the power point, but not so great because it's got Microsoft 8 which is slightly foreign to me. I can probably take any questions while --. You know what, I think there's a portion of this I still wanted to do...before we jump into the other stuff.

Ms. Ball: That plan, is that public knowledge?

Ms. Wade: The Market Based Plan? Yes, so that's on the Wailuku Redevelopment website which is part of the County's website. And then...I kind of handed out -- I always have copies so I take it to the Council Members and stuff because there's a front portion which is just a four page executive summary. It's really easily digestible and it kind of gives you the snippets of the meaty recommendations which is really helpful.

Just quickly in terms of the other documents that are important to refer to that...assists your decision making. The Zoning and Development Code was adopted in 2002. It is what provides the Administrative Rules for the Agency, and it, it essentially operates as the Zoning Code for Wailuku Town. It addresses uses, setback and development standards, and parking. And then there's some additional special uses in there like sidewalk sales, vending, that kind of thing that's addressed. Okay. And so when an application comes in this is what I use to review the project.

And then there's also design guidelines. The purpose --. They were adopted in 2016, 2006. They define the character. They provide architectural and site design guidelines. It has a really nice section that shows what to do and what not to do. And then it also does provide a catalog of buildings and landmarks which we have been using to assist in sort of counseling development projects. Which ones are probably going to be compliant with SHPD for changing and removing, and which ones are going to really need to focus on restoration. Yes?

Mr. Starr: Are we looking at some updates to that?

Ms. Wade: The design guidelines? Yes, so when...last month I brought you some changes for signs and for sidewalk sales to the design guidelines, and there will --. So because we've started that, this would be a good time to add others. So if you folks would like to become familiar with that and let me know if you have specific requests for the design guideline update.

Mr. De Rego, Jr.: Okay, so if we're going to try to do something like was suggested in some of the materials . . . (inaudible) . . . district, would that be in the development guidelines or would that be in the Zoning and Redevelopment Code?

Ms. Wade: Okay. I might want to talk with Mike about that before our next meeting, Frank, if you wanted to suggest that as an agenda item. Because I think there's more to it than just this design. There's probably a funding and a requirement. So some of it would be in zoning, and some of it would probably be -- it would probably be 50-50.

Mr. De Rego, Jr.: Okay.

Mr. Fujimoto: I have a question.

Ms. Wade: Alright. Oh, you have a question?

Mr. Fujimoto: Yeah. Are we subject to show me the water? Or can we grant variances for it?

Ms. Wade: We have never done that. It's never -- but we've never had a project that required it.

Mr. Fujimoto: Yeah, but, you know, in terms of like perhaps we start doing residential units that aren't affordable.

Ms. Wade: Right, right.

Mr. Fujimoto: Or is that something --

Ms. Wade: I can find that out. I will find that out before next meeting.

Mr. Starr: Wouldn't it require an actual subdivision . . . (inaudible) . . . ?

Ms. Wade: Subdivision?

Mr. Fujimoto: Yeah, it's usually a condition of subdivision.

Mr. Starr: It's . . . (inaudible) . . .

Mr. De Rego, Jr.: . . . (inaudible) . . .

Mr. Fujimoto: Yeah.

Mr. Starr: Not that the larger property is going to be subdivided. I forget how many lots.

Ms. Wade: Okay. Now I'd like to play a little game to keep it fresh and exciting. We had a photographer come the first Friday in March, and all day long he hung out in Wailuku and took photos for the update of the website. So this game is called where and -- where and who in Wailuku, okay. And it's mostly to familiarize with because businesses do come and go in Wailuku so the question is where's this?

Mr. De Rego, Jr.: That's the 808 Café.

Ms. Wade: 808 on Main.

Mr. De Rego, Jr.: That's Peter . . . (inaudible) . . .

Ms. Wade: Yes it is. What about this? Request Music. Oh darn, it will come to me. Don knows this one.

Mr. Fujimoto: . . . (inaudible) . . .

Ms. Wade: It's Rua. Yeah. It was packed. Native Intelligence.

Mr. De Rego, Jr.: Oh yeah, that's what's his name . . . (inaudible) . . .

Ms. Wade: Sabado. This is Phil Sabado's studio. This is such a serene amazing space. This is MAPA. Yes, Church and Vineyard, it's Swan Interiors. That's Amanda. And the who, and what's been amazing for us as we've been working on the redevelopment project is meeting the people in Wailuku and understanding their stories. These guys met, fell in love, got married, open businesses right next to each other. Travis has a hair salon, and Walker has an acupuncture studio. He's like he's one of the people that brings in more international traffic than anybody else to Wailuku. It's interesting to know their businesses and who's coming. And people make appointments years in advance to see Walker because he's so -- he trained in China and is very skilled in what he does. But, just amazing people, exciting to have them, and to have an opportunity like this for them in Wailuku is pretty neat.

Mr. De Rego, Jr.: Now off what street is that again?

Ms. Wade: This is on Market, on South Market, on...yeah, the block between Main and Wells. Bo brings in the second most traffic to Wailuku in terms of travelers, which is again very interesting. But people come from all over the world to get tattooed by Bo. He's really expert in the traditional Hawaiian tattoo style, the genealogical tattoo. And so he's very highly sought after which is pretty cool. Shantal owns Simply Soul. Warren, who many of you know him from the baseball stadium, right, he does the maintenance at the baseball stadium, but he, like, holds court on Market Street from 7:00 a.m. to 9:00 a.m. pretty much every day.

This was the night of First Friday and of course I put it in here because Leilani recognizes the person on the far right. Oh, you can't see from there. It's Suzie. She's one of our department employees who lives right across the street, you know. But this is kind of the neat little...pictures. This picture actually was one that got sent to Hana Hou Magazine as a...as an idea for a story, and Hana Hou has picked it up. So it's pretty, pretty neat to see that kind of a thing. Wendell at Tri Paddle. These ladies are down here. I think they're related to Vince . . . (inaudible) . . . but – yeah, waiting for First Friday, but just like the faces and the stories behind the people really make Wailuku town what it is. And you can't -- until, you know, planning for the town for us had to go so much deeper than just looking at land use models. It really had to go as deep as understanding the individuals...and why they're here. I love this one. None of these are staged by the way. This was all just walking around, finding people, doing what they do in Wailuku. He was literally just standing there appreciating this mural which was pretty incredible. These girls were walking home from school that day. Just a regular daily scene.

I went through this presentation with my department as a --. When they saw the...the article in the paper, there was an interest in what's happening in Wailuku, so I did the quiz with them and many people just didn't know all of the little things that are happening in and around Wailuku and how together they do really make up this incredible network of businesses.

So just as you folks know this has been the plan that we've sort have been tweaking and refining and trying to see if we can make work. It's gotten now down to the point where we're defining what will happen in each space, and what the purpose behind those things are. But I think for us as a group, what we have learned is this is not going to solve everything. That this is a piece of a bigger puzzle, and there's lots of elements to it. And learned this too at International Downtown Association (IDA) where there's sort of three tiers of elements. And the first are sort of the low hanging fruit which we've been working on an ongoing basis and we're going to get more into. And then there's a little bit deeper level, you know, economic development questions. And then there's really the big tough projects that takes some forethought and planning that we are starting on now, but will take some work.

So clean and safe is moving forward. We will share with you the selection process in a little bit, but it's been very effective. We did lots of research this last year on how to improve clean and safe. We went around to different towns, and experienced how they kept their communities clean and safe. We've been investigating additional ways to manage parking, and the RFP that we're, we're doing jointly with Public Works is for the operation and management of a parking, public parking system, and it would include Wailuku and Lahaina. And so that's --. We have the proposals for that. We'll make the selection next week. The selection committee for that includes David Goode and Mark Walker and Ron Kawahara.

But, and this is the important thing to note, and you folks might get asked this from Council Members because of the existing budget item, the \$1.5 million request for satellite parking. So when we had our parking management study done, it determined areas of parking -- different areas within the community and then parking deficits. These blocks were defined as comfortable walking zones essentially. So you could park anywhere in these zones and feel comfortable walking to any place within the zone. So you don't necessarily have to provide onsite parking because that's unrealistic in this district, but you do need to accommodate parking, adequate parking. So, we already knew this, but the central area has 200 approximately parking stall deficit, and we're chipping away at that with Lao Plaza, with the re-stripping plan we're going to gain another 15 stalls. But still more parking has to be built, and that's what the project is for. But then there's a huge deficit in the government center area. Most of us that work in government come during the day, we park once, and we stay all day long, and then we leave at night. So can there be parking be provided outside of a downtown center to service long term parkers? Not the customer, the customer still wants to park at a front door of their business whenever that's possible. But those of us that are employed in the district could park longer. So we're looking at ways to do satellite parking that could potentially be serviced by a shuttle service. So that's what the \$1.5 million is for. And this map doesn't exist in this form in the parking management study. It's broken down a whole lot more thoroughly in the parking management which is also available on the website. But I'm going to print this as a one page to send up to Council with a brief narrative about, you know, the deficit, and then different areas we could use for satellite parking.

Mr. De Rego, Jr.: And then the breakdown of what the \$1.5 million is for?

Ms. Wade: Well, at this point we have to look at a series of alternatives so there's about 10 different properties that we're looking at as acquiring or leasing to make into surface parking. Or existing County property that could be modified in way to, to allow additional parking that's not in the redevelopment area. We can't use the \$7.4 million for that because the \$7.4 says it all has to get used on the Wailuku municipal lot site which is why the additional request. So I did explain that at Council yesterday.

Programming and events –

Mr. De Rego, Jr.: Can I ask you another question? In terms of those kinds of projects...then they go -- who manages that? I mean, it's out of our jurisdiction so who goes to that in terms of project management and getting the acquisitions and all that kinds of stuff?

Ms. Wade: So when I have fair market value prices from Real Property or the properties that are feasible, I'll probably bring it to you folks first, and say here's, here's what are alternatives are. Does this work for servicing and then Guy Hiranaka at the County is who we would work with to do either lease or acquisition. And then probably Public Works to develop the parking and DOT to run a shuttle. So that's why it's being put into the Department of Management. The funds would be put into Department of Management. But I would sort of be the coordinator, but there would be a series of different projects that would happen.

First Fridays been ongoing for almost 10 years now, and we're looking to refresh it in some ways. We tried a Pau Hana Picnic which has not gone well. We're going to try something else, I hope. This is in partnership with Wailuku Community Association to see if could we do evening events during the week. It hasn't been great, but we'll try something else. Eat the Street has offered to partner with us from Kakaako so that might be a cool alternative. And then Mele Murals has approached us about doing both a pop up mural project and then maybe a longer term mural project. So those would be -- we could host those even as events to bring interest and excitement.

We're working on anchor tenant recruitment program and the two properties that we've been really focused on are the two at the corner of Main and Market. Both of these have the highest level of visibility and the greatest bang for our buck in terms of recruiting a bold and interesting tenant to the district. So Dave worked on renderings to illustrate what it might look like if they are converted into restaurants. How could the space be used and what renovations might be need, that kind of thing, so we've been using that to talk to the property owners and to different various tenants that might be interested. He's so talented. I just can't believe what he can do.

We've been focusing on street scape and accessibility. We had a great workshop earlier this week about improving multi modal circulation and walking in Wailuku. You folks, most of you saw this during the wrap up of the International Downtown Association, but these are the -- this slide is available to you folks through, too, in the Dropbox folder I left you all for resources so we can go over it again later.

This is one of the things that I sort of tasked Kelly McHugh with which has been -- we know in Wailuku there are places that are precious as they are. For their history, for the story that they have and they shouldn't probably be messed with. But then there are other places where there are opportunities for a little of fun and creativity, so we're trying to identify, hey,

what would those little...what would those spaces be in Wailuku where you could do something a little bit different, a little maybe edgier and would be palatable and acceptable to the community. And then, what...and then what is it used for.

Mr. De Rego, Jr.: Well, we did that little walk about and there's all these nooks and crannies.

Ms. Wade: Yes.

Mr. De Rego, Jr.: But part of the challenge is who holds the lease to those places. So how do you get over that burden?

Ms. Wade: Right. Yeah. And that's where actually groups like Mele Murals can come in. I mean, they're, they're well...I shouldn't say they're well funded because that's not the case. No arts organization ever is well funded. But they do have a program for developing funding, and then partnering with property owners to do some improvements. And there are others. I mean, the Hui Noeau was the one that paid for the majority of the mural at the corner of Main and Market, so if we find different organization -- if we find these spaces because frankly arts organizations come all the time and ask, hey, you know, we have this project that we want to do, do you have a space? And we've never gone through and made a list of places that we might be fine with. You know, and then their project is happening in four weeks of course and so getting the approvals takes much longer than that and we end up turning away a bunch of probably pretty neat projects, so that's one of the things that we're trying to do.

The recruitment and retention is going to become a bigger issue for the redevelopment agency as construction starts happening. As the pressure of construction to the district affects people's ability to get to the businesses, we're going to have to be very focused on how to make sure that the word is getting out that Wailuku is still open for business, that there are great tenants here.

One of the things that Sandy McGuinness from Nutrition and Physical Activity Coalition has offered us is to partner to create a web application for the historic sites in Wailuku and a walking -- it's a walking route app basically. So that if I was to decide at my lunch break, I feel like taking a two mile walk at lunch, I could say, you know, make my two mile walk and then determine if I wanted it be through the historic district, or if I wanted to grab food, and it would print a route for me. They recently did this in Lanai with Kepa Maly. You might have seen the article. I think it was --.

Mr. De Rego, Jr.: . . . (inaudible) . . .

Ms. Wade: It is. It is Mike McDougal. So we met with Mike.

Mr. De Rego, Jr.: . . . (inaudible) . . .

Ms. Wade: Awesome. It is a really cool app. I was very impressed. So Sandy McGuiness, Sissy Lake from the Maui Historical Society, and the guys that are creating the app, we talked about how to kind of put it together and where to get some money for that. But this is the way visitors are experiencing now where they want to go. They're making their determinations based on these kinds of tools, so this might be a nice tool for us to consider for recruitment and retention.

And then the Wells Park Master Plan has been funded, and the, the Planning Department staff who's also working on Wailuku has been assigned to facilitate some of the conversations regarding this. So Dave and I are helping Parks with this. But more of the urban park experience is what's anticipated for some sections of Wells. A lot of the active recreation will probably stay in one form or another but it would get rearranged to create spaces that allow for just hanging out and shooting marbles and that kind of a thing.

Another concept for that has been to do, make it sort of fitness focused and a wellness park, so this might be one of the things that we test to see if people are interested in having something like this. These are actually really cool if you've ever seen them where you, you get on the facility and then it creates and stores power. It's actually a battery, so it saves the energy that you create by sitting on the machines. And then they have it in this park so it lights up the perimeter actually of this facility. And then at night too it stores the power and uses it to light some of the buildings which is kind of neat.

So anyway these are pieces of the puzzle that we're trying to now, you know, continue to move forward to reach the bigger picture. For the events facility itself, the parking and events, the RFP is now going to be switching -- and I'll talk to you about this in a second -- it's going to be switching to a design contract, so we no longer have to do the RFP. We just have to select the design consultants through the qualified bidders process. So that's going to save us a couple of months time. And then they'll do the design permitting and the environmental assessment. And then we have to plan out, coming up here, construction, traffic management, the multi-modal plan, the feasibility study. I'll just keep calling it the community hub 'cause it's easier to describe it as that's the community facility that would be on the site. If there's additional property acquisition and then because there will be -- you know, things have sort of stayed the same for a really long time, and now, you know, we're going to start making some strategic changes in a relatively -- what's going to appear to be a relatively rapid period because it hasn't happened for so long, that communication is going to be key. So I may be asking you folks for some assistance in terms of our public information officer to continue to get the word out on that.

So these are the next steps. Are there any questions on that? Okay. That's basically the orientation for, for my side. Mike, are you, are you ready to do yours? Okay. Did you want to take a break Mr. Chair while Mike sets up?

Mr. Fujimoto: Sure, we'll take a break.

(The Maui Redevelopment Agency recessed at 1:42 p.m. and reconvened at 1:44 p.m.)

Mr. Michael Hopper: Is this -- okay. I'm Michael Hopper. I'm, as you know, your Deputy Corporation Counsel, which is basically the attorney assigned to you as the Agency. So I can give you legal advice while at the meeting, and if there's pending issues, I can take a look at them in between meetings. One of the things we're going to talk to you about today, which is part of the orientation for every board and commission in the County is the sunshine law, which is in Hawaii Revised Statutes Chapter 92. Many of you are familiar with this. If not --. If you are, it helps to have a refresher, and if not, this is important because some of it -- it's not really intuitive. They're basically a set of rules that you kind of have to learn and keep in mind while you're sitting on this board.

Basically the sunshine law is State wide opening meetings law, and it says that when certain boards and commissions -- and this is included as one of those board and commissions -- when certain boards are subject to the sunshine law, they have certain public meeting requirements. The general purpose is that they want the board to be doing all of its business in public, meaning that meetings are open to the public, the public is allowed to attend, the public has to be allowed to testify on any items that you're going to discuss, and you have to have minutes of your meetings made available. Essentially it's to make sure the Board's business doesn't get done in secret and that it's open to the public and people know what's going on, and what you'll be considering, and when you'll be considering it.

So you're required to have open meetings. Well, what's the requirement? Every meeting, as I've said, is open to the public. All interested persons have an opportunity to submit data, views or arguments in writing on any agenda item. You're required to allow written testimony if someone wants to file written testimony on an item, and to allow oral testimony at your meetings. The board can put reasonable time limits on board testimony. If you're familiar with Maui County Council meetings, it's usually three minutes, but time limits are allowed. You just want to be consistent with each, with each testifier. It helps if you've got 50 testifiers. Sometimes it's not practical to allow the testifiers to talk as long as they would like so sometimes boards do put limits. They should -- you should generally announce the limits at the beginning of the testimony for the item that you would like to have the limit imposed upon.

Also, you're required to post an agenda. It has to be posted six days prior to your, your scheduled meeting. It's filed with the County Clerk. You had your agenda for today's meeting here, which you all got. That's an example of an agenda. The reason that you are required to, as a board, have that agenda filed is the sunshine law. And the agenda has to

state all of the items that you will be discussing and potentially taking action on. And even if you're not taking action on an item it needs to be on your agenda. And...once posted, no agenda -- no items may be added unless there was a two-thirds vote of all members to which the Agency is entitled. And even if that happens, the item can't be added -- the item added cannot be of reasonably major importance and affect a significant number of people. That's to me is kind of a very broad standard, so we generally advise rather adding agenda items that you propose to have items placed on the next agenda. It's very hard to know if the item is a reasonably major importance, or affect a significant number of people. Most of the items on your agenda someone could probably argue meet that requirements so we generally advise not adding items on the agenda. And the two-thirds vote of all members to which the Agency is entitled, that's not the members that are there. It's to which the Agency is entitled. So you have five members, so you would need, at least -- I don't know, I'm not quite sure if three or five is quite there. But you need to have basically 66% of your members take the vote. So even if you only have three people it has to be unanimous. Yeah, you're probably looking at four. So you'd be in an awkward situation of not being able to amend your agenda if you had bare quorum. Which I don't think I've ever had, but that would be an interesting situation to be in. Generally it's not good idea to add items on your agenda unless you really have an emergency. And even in that case, if it's an item of major importance to a significant number of people, then, then you actually cannot do it as a matter of law.

What is a meeting? There's actually a definition in the law. It means the convening of a Board to make or deliberate on a decision upon a matter over which the Board has or is likely to have supervision, control, jurisdiction or advisory power. And all actions of the MRA must be taken by motion, approved by three or five members. You have five members, that's the majority of your members to which you are entitled. If you have three members present, you still need a vote of three, so it has to be unanimous. If you have five members present, you still need a vote of three. So, so that's the rule there. Some people can get tripped up thinking we only need two out of three, but as, as those of you who have sat on similar boards know, you actually need a majority up to which the Board is entitled. If they're nine member Boards, they need five votes whether they have five people there or nine people there. So the same rules applies to you.

Another issue is that with the sunshine law, there's the meeting issue. And there's also a requirement that more than two members of a board, cannot gather to discuss board business. And there's no serial communication, so, two of you can get together and discuss board business. You're not allowed to make a commitment to vote, or seek a commitment to vote a certain way. So two of you can do that. What you can't do is discuss an issue and then go right to the next person and discuss the same issue with them. They want to avoid serial communications and that is something that the OIP has given an opinion on. Now if two of you do that, that's fine. If more than two of you, you cannot discuss board business at all; if it's more than two of you. That includes, as a note, by phone, fax, e-mail, or social media such as Facebook. It's not just in person communications, so you'd want to avoid

discussing board business over social media or e-mail or anything like that.

For social gatherings and things like that, you can avoid discussing board business. Remember, there's not an issue what board business is. Not everything under the sun is within the jurisdiction of the MRA. So you can discuss other business that's unrelated to MRA business. You know, use, use common sense and I'd say use discretion. You probably shouldn't discuss the item if it's close to what you'd be dealing with in board business if you've got more than two members present. Discussing non-business with non-board members, generally the sunshine law doesn't apply. So if you're talking with someone else who's not on the board, that's generally not a problem. But keep in mind, occasionally the MRA is going to have a final decision making authority over certain, either permits or approvals, and in that case you should avoid discussing that matter outside the, of the actual meeting because you may be making a final decision on a variance or something like that. And if that's the case, all of those discussions should take place here so that the party who's seeking that permit, everybody here has access to the same evidence. That's not a sunshine law issue, but it's a good tip to keep in mind.

And it is possible to have meetings held by telephone or video conference. There are specific requirements for that, and we ever need to look into that, we can. County Council allows testimony remotely. There are certain requirements to that, though. They're relatively strict. If you lose audio or video, it can require stopping the meeting, so that is something to keep in mind.

Mr. Fujimoto: Mike?

Mr. Hopper: Yeah?

Mr. Fujimoto: Does the two or more rules applies to just us or to any board and commission?

Mr. Hopper: It's a State wide law so –

Mr. Fujimoto: I thought it was, like, no more than the majority of the board.

Mr. Hopper: There's other rules that deal with...with less than a quorum, and I'll be getting to those. Discussions -- discussing board business in general unless you fall under an exception. I actually wrote in some exceptions to do what you're talking about which is to attend the meeting. It's less than quorum and you have to report back to the full group at the end of it. It's considered as an exception to the general rule. This is the general rule, though, that if there's more than two of you, you can't discuss board business. And again that deals with discussing board business, so that's -- so it's got to be a board business type of a situation where it's MRA business. I'll get to that exception and that's good question.

Less than quorum can attend certain types of meetings -- and I'll describe those -- but there also are limitations on that. Meaning that you have to have less than quorum and you have to report back to the full body at your next meeting.

One thing, one exception to the sunshine law is it allows, it's something called a permitted investigative group. It allows two or more, but less than quorum, so that's one to two members in your case, to do certain things. It allows you to investigate certain items. And whatever that investigation is it has to be outlined by the board. So the board -- in this case the Agency -- would have a meeting. It would say, I'm going to assign this member and this member to do a certain task. Sometimes it's commonly used to rewrite rules because that takes a lot of detailed oriented review of the rules. So if they wanted assign Jonathan and Carol or something to rewrite a section of the rules, they could say, we want you to write this section of the rules, and they could get together. They can even meet with other people outside of the other board members. But they couldn't meet with other board members. And they can go through the rules and come back to the Agency with a proposal.

So what has to happen was scope of the investigation and the authority defined at a meeting of a board. All of the findings and recommendations must be presented to the entire board at another meeting, a separate meeting. And then deliberation and decision making can occur at a subsequent meeting to that meeting. So it means it takes a minimum of three meetings to take action on something like that. But it does help if, if you don't think you want to have a whole meeting spent going over the details of a set of rules or something like that. Then they can be -- the members can be given a relatively broad authority to investigate the matter and report back. And as long as they don't...as long as they don't deal with other members during their investigation it's a pretty broad level of authority that they can be given.

Mr. Starr: We did, did one of those for the special governance committee, and we, we ended the . . . (inaudible) . . . yesterday and reported back to the committee at large but it can't act until the next meeting next week.

Mr. Hopper: Yeah, it was used, it's been used --. Like I said, I . . . (inaudible) . . . Molokai Planning Commission in re-writing rules, and I ended up working closely with the chair and vice-chair in that case, and I know that it was used for the Maui Island Plan for writing certain subsections of that, so it has been used before.

Mr. De Rego Jr.: Cost of Government uses it a lot simply because it deals with different subjects and then they have to come up with a report every year . . . (inaudible) . . .

Mr. Hopper: Yeah. It, it's a bit restrictive, but I think once the, the scope is outlined it actually gives a fair amount of freedom to conduct the group between the time that the authority is given and the reporting back happens which can be nice in cases where there's a lot, again, detailed oriented findings to be made.

So it's also true that the MRA may assign one to two members, but less than a quorum, to present, discuss, or negotiate any position that the MRA has formally adopted at a meeting. Members should not generally represent the MRA unless they've been given authority at a meeting. You can go to things as an individual, but you can't really say you've taken a position that's on behalf of the board unless the board agreed to it. So sometimes it helps to authorize if there's been a letter that's going to be out, sent out, something like that, for the board to authorize at a meeting. So I would generally keep that in mind.

There's also an exception that I think came in the law dealing with cases like where a consultant from the mainland or from Oahu comes in, and maybe you have a lack of quorum or a problem like that, the members present may receive testimony and presentations. They may ask questions of the testifiers and presenters. There can't be any deliberations or decision making at that meeting. And before action actually is taken by the full board or by a quorum of the board, a record must be created and presented to the absent board members at the next meeting. This means, let's say you only have two members and you have a consultant coming in from the mainland, you don't have to cancel the meeting. It used to be you had to cancel the meeting. It allows you -- it allows the two members to have the presentation and to ask questions, but you can't deliberate or take action. Before the MRA can take any action even with a quorum present, there has to be a record of that meeting created with certain requirements. They essentially mirror the minutes. And that has to be given back to the full group before action is taken. Now while this could work in cases where there's -- like I said, if someone's on travel, sometimes it might be easier to just wait until the next meeting because you are required to basically minutes at that next meeting before action is taken. Normally you don't need your minutes or that record to be created before you take action because obviously if the members were there for the full item they don't need the minutes to be given. So that can actually end up slowing you down if for whatever reason the minutes can't be prepared in that amount of time. So I would generally recommend if it's, if it's either a local consultant or the presentation is by the department and you lack quorum, it may be easier to cancel the meeting and at the next meeting have the same presentation be, be made to a quorum of members.

Again, it's always an option, but I picture this as potentially creating a problem if the minutes can't be done within the, the -- before the next meeting. It could actually slow things down. I haven't seen, actually seen this at a meeting before, but it is something that's possible, and was put in relatively recently by the Legislature. It used to be, and many you know, it used to be if you lacked quorum you just had to cancel the meeting and send everybody home. And, you know, that can be -- you've got public testifiers, you can take testimony and things like that, and that can assist in taking action. Oh not in taking action, but that can assist in moving the item along.

Now the -- I this is what, I think, Don was talking about, attendance in other meetings, less

than a quorum. So up to two, may attend informational meetings or presentations on matters relating to board business, including a meeting of another board or the County Council. Members may participate in discussions. However, no commitment relating to a vote on the matter may be made or sought. And the attending members may report their attendance and the matters presented and discussed that relate to board business. So this is, this is the exception created; if you have more than a quorum, you generally need to post an agenda and allow for a time for public testimony on the item, so that would be complicated if you've got two boards together. But if you've got less than a quorum it allows these interactions. So this is something again that the, that the State Legislature put in relatively recently that allows that type of action. But you still have to have less than a quorum of members.

For, for this versus the investigative group, it's essentially the same, a similar rule as far as the number of members. This is, this is a little different. It's only to attend the meeting involving board business. So it's -- they're a bit different items, and this is a little bit less of a scope of authority the way I read them anyway.

Mr. De Rego, Jr.: Can I ask you a question?

Mr. Hopper: Uh-huh.

Mr. De Rego, Jr.: So based on that, theoretically if we have an item coming up before the Council, let's say our...our next installment for our budget, and we wanted to find out what's going on, only two of us could attend that meeting?

Mr. Hopper: That's correct. Yeah, the OIP looked at this, the County Council -- I think that was such in a case of some members wanting to go to various community association meetings and only being able to have two of them there. It used to be only two. With the Council they've got, they've got nine members so they can have less than quorum, so they could have up to four in those cases. They were, before, though, they were limited to two because that's the other permitted interaction case where you can have two members but no more than two discuss board business. I don't -- I don't necessarily see eye to eye with the legislature on that one based on the intent. I don't think sitting at a meeting, watching is the same thing as discussing, but they were, they were actually very, I think, very conservative on this and said, well, if you're together you may be discussing board business so we're a little concerned about that. And so that's where that kind of came from.

Mr. De Rego, Jr.: So theoretically if we were going to act or take a position on the matter we'd probably delegate somebody to go to the meeting, and maybe have two people there to testify or something like that --

Mr. Hopper: That would be -- that's permissible and probably the best thing you can do. You would authorize two members to, to go and testify. The two members can go and

testify on the board's position, or on the Agency's position, and then they can come back and report back to the Agency, I testified, this is what happened, and, and you can do that.

Mr. De Rego, Jr.: Okay.

Mr. Hopper: I think I covered this. Yeah. An, an exception to the sunshine law, you can have closed meeting, which are called executive meetings, or otherwise known as executive session for various purposes. All purposes are in HRS 92-4 and 92-5. I won't go over all of them. A vote is required of two-thirds of the members present. So not the members to which the board is entitled, but two-thirds of the members present. To take action you still need a majority of the members to which they're entitled. So if you only have three you still need three. If you have four, you would need, you would need three out of four so. But, you know, the math changes as the numbers go up. But the -- and the purpose of the meeting has to be announced in open session prior to going to executive session. One example and probably the most commonly used is to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities and liabilities. So I can consult with you in private session for the purpose of giving you legal advice on your agenda items. It's got to be on an agenda item, and it's got to be for the purpose of legal advice. It's not going to be for deliberation on an item just because you don't want to talk about it in public. It has to be the purpose of legal advice or for another one of the purposes under the law. There are several purposes. Again, I'm not going to go over all of them, but the only time I've actually ever used them in a meeting is for giving legal advice, so that's the most common I believe. Yes?

Mr. Starr: It's two-thirds of the members present not the members the board may have?

Mr. Hopper: For executive session, it's members present. For adding agenda items it's to which the board is entitled.

Mr. Starr: If the . . . (inaudible) . . . purpose of the executive session to be announced in open session, is that part of the statute?

Mr. Hopper: It either is or it's an OIP requirement that they, that they looked at. I think, I think it's in the statute. If you allow me --

Mr. Starr: Because the AG is not, is not enforcing that. In fact . . . (inaudible) . . . last week at the Water Commission . . . (inaudible) . . .

Mr. Hopper: Let me --. We generally do that. Let me take a look at the actual section here.

Mr. Starr: . . . (inaudible) . . .

Mr. Hopper: I would say so. Well, here's the, here's the HRS 92-4, the reason for holding

such a meeting shall be publically announced and the vote of each member on the question of holding a meeting closed to the public shall be recorded and entered into the minutes of the meeting. It says the reason for holding such a meeting shall be publically announced. And, I mean, in the cases where I've been involved it's normally this language, verbatim, to consult with the, you know --. And it has to be related to an agenda item, so you can't deal with non agenda items in executive session. You can't -- I can't give you legal advice on items unless they're on the agenda so, so that's another issue as well.

Mr. De Rego, Jr.: And you to keep separate minutes, correct?

Mr. Hopper: Yeah. Separate minutes are kept in the event that someone challenges the executive session and says it should have been in open session. The OIP want the minutes to be made available so that a judge can take a look at them, in camera, they call it. Basically, in private, and the judge can determine whether or not it was proper, or if there are certain sections that should have been in open session. So they have the option. They can redact the parts that are, they feel were correctly in executive session. And if a board member talks about something that the judge believes was not covered by the executive session exception, he can say I'm going to release this portion and make it public.

And there's several remedies for sunshine law violations. A decision of the agency might be voided, meaning undone. There can be an injunction issued by a court, so the court can order a certain action, like they can order the board to take certain action. Members may be found guilty of a misdemeanor. This is for intentional violations only, and I don't know if it's ever actually been prosecuted in the history of the sunshine law. But technically an intentional violation of a sunshine law is a criminal penalty. Any members may be removed from the, from the Agency if there's a, if there's a violation found.

So my next step is Ethics. I can try to answer any sunshine law questions you have. Again, this is a general presentation. I didn't go over every single section of the law, and part of the reason, and in fact one of the major reason why I or another deputy is generally assigned to your meetings is to be available for questions on the sunshine law or to raise issues of compliance if they come up. Okay, I can proceed to Ethics.

The Code of Ethics is found in the Maui County Charter, Article 10, and it does apply to all of you as, as members of the Maui Redevelopment Agency. There's prohibitions on accepting gifts or money. There's Board of Ethics opinions that do allow accepting gifts of aloha is what they call them in the opinion which may be generally nominal gifts of thank you and things like that. But there's actually no, there's no de minimis exception or anything like that. So if you believe you're being given a gift to influence your vote or because you're on the board, then it's generally good practice to reject that gift.

The members are also forbidden from engaging in any business transaction or activity, or have a financial interest that is incompatible with the proper discharge of the member's

duties, or that may impair a member's independence of judgment and the performance of official duty. And a member cannot fail to disclose a financial interest or vote on a matter affected by such interest.

You have a rule of conflict of interest, 12-701-23. This is in your Rules of Practice and Procedure. If a member has a conflict they must make a full disclosure of the conflict and refrain from participating in discussions or voting on the matter. Members must disclose the conflict or potential conflict on the record. As an example, an employer employee relationship is a financial interest that must be disclosed, so you must do so prior to any commission discussion. That's if your employer -- if you're an employee or an employer potentially of an applicant that should raise your red flag. Now there's a 2004 Board of Ethics opinion that's determined that employer employee relationship doesn't automatically disqualify a commissioner from voting. However, a member needs to review the circumstances and decide whether to proceed, abstain from voting, or request a deferral from the item and seek an advisory opinion on the specific issue from the Board of Ethics. In advance if you see a potential conflict coming up please raise it. Let me know or let Erin know. It's better doing that in advance than right at the meeting especially if you only have three members and you're one of the three. If you can't vote on the item, that's going to maybe force a deferral or no action on the item. And, and these issues aren't all cut and dry so if a member, the member can ask the Board of Ethics for an opinion. There's actually a County board as you may know whose job it is to issue opinions on requests like this. And in the Charter it states *"If a member obtains an advisory opinion from the Board of Ethics and acts accordingly or acts in accordance with the opinions of the Board"* -- so there's standing opinions that the board has -- *"the member shall not be held liable for violating the County Charter."* So it's kind of like a safe haven if you've got a question as to whether you can vote on an item. It's something that can be requested. The board has to give an opinion within 45 days of the request as well.

There's potential penalties. A complaint might be filed by someone who believes that a decision a member made was affected by the member's financial relationship. So someone may think, oh, this person has a financial relationship and they're considering this item, they shouldn't, I'm going to file a complaint with the Board of Ethics. And if someone's found that they did violate the ethical requirements, they can be fined or removed from the commission, or in this case, the Agency.

And that's all I have for Ethics. Like the sunshine law, it's, there's a lot of different circumstances and don't hesitate to ask me or Erin if you need advice on the matter. So that concludes my presentations on the two items that I have.

F. DIRECTOR'S REPORT

1. Updates

a. County Budget Review Progress

Mr. Fujimoto: Thanks. Moving on, Director's Report update. Erin?

Ms. Wade: So the first is on the FY17 budget. And this is before the County Council right now. The MRA essentially has two items. One is under the Planning Department which is meant to be the MRA operating budget. That is at \$183,500 in the County Council's budget. I haven't heard any concerns about that amount, so that's what we're expecting from them. The other is the \$1.5 million for the parking, satellite parking.

Mr. Starr: The satellite parking, was that from the Mayor's, in the Mayor's budget or is that added into the Council budget?

Ms. Wade: The \$1.5 was from the Mayor's budget.

Mr. Starr: Okay, and it looks like, it looks like they're supportive of that?

Ms. Wade: The questions that I got yesterday -- yesterday was the Department of Management -- well, it was all of the CIP. . . (inaudible) . . . \$1.5 is under the Capital Improvement Budget, so all departments defended their projects.

The questions included how many parking stalls would we be looking to develop. My answer was ultimately we want to cover the government's, the government center's deficit which is the over 200, and the center city deficit, so approximately a total of, once we're done with all of our parking projects, have a total of at least 400 additional parking stalls in and around Wailuku. But that we know, for the purpose of construction, we're going to have to find 210 stalls which is what's in the Wailuku municipal lot right now. So that was from...Council Member Carroll. He asked that questions and they were satisfied with that as an answer. They asked what the total number of stalls would be in the new facility, and we said that we're publishing, we're requesting that the design consultant achieve no less than 300 stalls at that site, and it could be more. In fact, we expect it to be more, but we wanted to...we didn't want it to be so high that we would have to make design sacrifices we didn't want to make. We wanted to give the opportunity to provide a better product, so we kept it kind of low.

Mr. Starr: With the satellite parking, it's my understanding that this may likely be a mix of some that are temporary on rented parcel, and some that are...longer term or permanent.

Ms. Wade: Exactly.

Mr. Starr: . . . (inaudible) . . .

Ms. Wade: That was exactly the question Council Cochran asked. She said, do you expect this to be temporary or temporary permanent, and my response was that we expect them all to be developed now as temporary, and that during construction of the facility, though, we would want to monitor sort of the increase and decrease in activity level in Wailuku to determine how much may be needed long term. So what we develop, we'll create these arrangements, we'll develop a temporary parking. Some of it -- and some it is going to work better than others, which we're, you know, we're not going to know 100% until we put it into play. And she was satisfied with that. I did say that we would expect to come back to them for their approval, or their authorization, to either permanently acquire or build a permanent facilities at sites that we would keep long term.

Mr. De Rego, Jr.: So on the priority list, there's a background to this. There's all this discussion about the TAT, and the rejection by about 15.5 million because the Mayor's budget actually has, I think, about \$13 million assuming there was going to be a raise in the TAT. And now there's even discussion from what I hear in conference that they're even thinking of trying to reduce the TAT that the County receives. So it would not only be losing \$13 million from the Mayor's budget, but it might be even more than that if the legislature decides to cut the TAT from its current level. Do we have a sense of where this lies in terms of our priority if they're going to be cutting between \$13 million or more from the County budget?

Ms. Wade: You mean our priority or Council's priority?

Mr. De Rego, Jr.: Council's priority in terms of how they're looking at CIP projects.

Ms. Wade: Well I can say there were several projects that the Council did not seem happy with yesterday. The Council Member Hokama has said he intends because --. I don't know if you're familiar with the process but essentially what happens is three budget gets created. The Mayor provides a budget, then the Budget Chair provides the revised budget. And he's at the point where he's cutting \$46 million is his, his anticipation. And then the Council goes back and they put some things back in that were key projects, or new projects, you know, based on their priorities. So we're still in phase one where they're currently reviewing the Mayor's budget.

The Budget Chair we've been speaking with and meeting with regularly, but -- and was made aware of this project in advance so he actually didn't have very many questions for us because he knew. What he did ask for us to develop was a map that shows the potential sites where parking could be created. Budget Director Sandi Baz interrupted and said, you know, point of clarification we can't really make that public at this point because, you know, some property owners might be surprised to see their property on the list. You know that hasn't been vetted yet. And he said, okay, submit it and we'll make it a confidential information, but it wouldn't be part of any document that would get published for the budget. So that was acceptable to the attorney who's Jeff Ueoka, yesterday. So that's, that's the

staff action that has to take place now, along with a little more narrative. He did want to see the inclusion of transit or a circulator route that wasn't described in the budget item. So he wanted to see that described and then that was the end.

Mr. Starr: The satellite parking monies, is that in Public Work or is that in Planning?

Ms. Wade: It's in Management.

Mr. Starr: It's in Management. And the MRA, \$180 . . . (inaudible) . . .

Ms. Wade: \$183,500 is in Planning still.

Mr. Starr: What would the opportunity to testify . . . (inaudible) . . . ?

Ms. Wade: Probably when Budget Chair releases his draft. The last time I testified as like just an individual citizen was when that happened, and it's really effective to testify by going -- because his revised budget will all be numbered by item and then to just say, you know, I'm going to be addressing #925 and 2,060, and what the purpose of what you'd like to see is. And the Council Members will flip through and they'll make notes right on that. So for me that's the best time to be able to do it, you know. Because they'll start to catalog what they'll put back in basically at that point if it got cut.

Mr. Starr: Is there a calendar for that?

Ms. Wade: Yeah. So they're supposed to have their requested revision -- all the Council Members are supposed to have their requested revisions to the Budget Chair by the end of day, today. He will be developing and finalizing, this week --

Mr. De Rego, Jr.: . . . (inaudible) . . .

Ms. Wade: Seriously. Yes. So he probably has it.

Mr. De Rego, Jr.: I was there this morning.

Ms. Wade: Okay. Yeah. And then I think the following week it will be coming out, so I'll get you the date as soon as I have it, when he's expected to release his budget.

Mr. De Rego, Jr.: He said Monday.

Ms. Wade: Oh he did.

Mr. De Rego, Jr.: He's going to work over the weekend. Yeah, that's what he said at the meeting today.

Ms. Wade: Okay. So getting a copy of that is not always the easiest, but I'll figure that out this afternoon and see how to get you folks all copies of his revised budget.

Mr. Starr: Has anyone talked with Council Member Victorino. I don't know if . . . (inaudible) . . .

Ms. Wade: I spoke with him when I was up there for the MRA's money, and he, you know, he just said he's very supportive. The projects he's monitoring very closely are First Friday and Clean and Safe. Those are the two projects he would really like to see go...better smoothly. So he wanted to know the status of our Clean and Safe contract, and he would like -- he would really like to see some changes made to First Friday. So if you go to testify those might be things to expect as questions from him, you know, what the MRA is going to do for those two things.

Mr. Starr: What changes is he looking for for First Friday?

Ms. Wade: First Friday he would like to see become a closed event because of, you know, the relatively complicated first amendment issues we've had recently in the event space. He would like to see it more closely managed, and new vendors, new energy, new -- a lot new changes, so --. Actually we did meet on this with Mayor and Council Member Victorino and we're expecting an opinion from Corp Counsel to -- if the first amendment issues continue to require the closure of the event. So it would be barricaded and you would enter by getting a pass basically.

Mr. Starr: There's not been any issues of . . . (inaudible) . . . the end of last year, right?

Ms. Wade: That's right. The group has not shown up again.

Mr. Starr: . . .(inaudible) . . .

Ms. Wade: I've still seen them in front of Whole Foods, so -- talking to the cars. I mean, I don't know. But, yeah, apparently they're still here. They were, and Police have numerous videos of it. There were very aggressive moments with some of them so that, that's the position that Police felt they felt comfortable saying, yeah, we feel we can request the closure of the event, and Corp Counsel was going to say, you know, if you're going to spend our money on this event, we want it to be a safe event. But the event coordinators do not want to close it unless they're required to do so. So that's sort of where we're at with that.

Mr. Fujimoto: Okay, moving on.

b. Tenant Improvement Revolving Loan Program

Ms. Wade: (b), tenant improvement revolving loan program. Okay, this has been a month long saga to try and develop a fund that we can loan to perspective tenants for building code improvements was the goal. We contacted the --. Well, I've talked with Mayor's Office for about...a long time actually, since August on this. And we have a program that we developed. I gave you folks the text for the program that we wanted to use and what would be eligible expenses that could be covered. When it came time to put it in the budget Mayor's Office was concerned that this would be 100% County funds being given to private sector; private sector for profit businesses basically. So they said, why don't you go see if you can find some grant monies to put in the pool of funds that we could just match because then it's not the County's monies that's being put at risk. So I called Economic Development Administration, Gail. Gail said absolutely we can make a revolving loan fund monies available, but we don't trust the County to manage that. And I said that's good because we don't want to manage it. Can we, you know, partner with a non-profit? She said, yes. They have a handful of non-profits that they would like us to partner with. They're willing to offer us a 80/20 match so up to 2 million to seed the pot, and then we would have to match that with 400,000. They will offer us as little as one million, but no less than one million. So no matter what we're in the position to ask for 200,000.

The issue with this is getting the match because it didn't make -- I mean, this whole conversation happened since...March basically. Because the other reason we're eligible for the 80/20 match is because of the anticipated loss of employment from HC&S and Makena Resort. So otherwise the match, our match requirement would be higher. So we're in a really good position. It's a good time to ask for this money, but pulling the, pulling it together at this stage of the budget process is complicated. It's almost easier for us to, in my opinion, wait until this budget cycle completes for the review of the FY17. Then go back for a budget amendment with our \$7.4 million because that money is waiting there and dedicated already. And while everybody else is asking for money, it's not the time to ask for us to ask this, I think. We should kind of let the conversation clear and they get their thoughts on something you know. And also bring, have the opportunity to bring the County Council into the fold on what the MRA's been up to. You know, they'll be getting our annual report at the beginning of May, and so they'll see that, and then following -- that will be good timing for the budget cycle.

Mr. Starr: Are, are the -- is it subsidized rates or term?

Ms. Wade: The loans with the Economic Development Administration is a 1.5% loan, and the terms are based on the improvements that it funds, so based on the life span of the improvements. So if it's a structural improvement, you can get as long as a 30 year term. If it's more of an equipment or something like that, it might be a five year term.

Mr. Starr: So it would be a 30 year term of 1%.

Ms. Wade: Right.

Mr. Starr: Which is great.

Ms. Wade: Yeah. Yeah, the terms are really, really good.

Mr. De Rego, Jr.: So how does the non-profit recoup its administrative cost?

Ms. Wade: Basically -- well, that's all built into the funds. So when we select a non-profit to partner with, they will give us what their percentage of admin cost would be, and they would take it out of the total fund. Yeah, so that -- so I guess to be really clear, that doesn't mean that we'd have a \$2,400,000 fund. It means that we have something, you know, that minus the admin costs. Yeah.

Mr. Starr: Are the loans collateralized by the borrower?

Ms. Wade: Yes. So that's the other piece of it is their underwriting has to occur for the loan just like if you were going to take a loan out of a bank. And that's part of the reason EDA said they didn't want the County doing it, and they do have partners within the State that they'd like to work with. So, we're -- I've already been in touch with one of them who's excited to work with us, so there's an opportunity to pull that together. It's not, it's not nearly as fast. I mean, it's part of being in the County; nothing as fast as you would hope it would be. But I would think by the end of the summer we could get it pulled together.

Mr. Starr: So it would be hard for a tenant to do.

Ms. Wade: It wouldn't necessarily because --

Mr. Starr: Collateralized it with the . . . (inaudible) . . .

Ms. Wade: Yes. Yeah.

Mr. Starr: Where the property owners can collateralized . . . (inaudible) . . .

Ms. Wade: Yes. And either -- we've written it so that either could be eligible. Either the property owner or the tenant could be eligible for the improvement fund. So that's that.

Mr. Fujimoto: Okay. One more.

Ms. Wade: Is there one more?

Mr. Fujimoto: Yeah, consultant selection.

Ms. Wade: Oh, shoot, I thought I put Clean and Safe on here. I guess I didn't. Oh, yes we did, we skipped it, up here. I'm sorry, do you mind if we go back Chair?

Mr. Fujimoto: Sure.

2. Acceptance of review committee's recommendation for consultant selection for Clean & Safe program. (Action will be taken)

Ms. Wade: Okay. Just to inform you the selection committee meet yesterday for the Clean and Safe vendors. The committee consisted of one of your members, Jonathan Starr; Theo Morrison from the Lahaina Restoration Commission because she manages the Clean and Safe Program herself in Lahaina so I wanted her to sort of be a part of reviewing the proposals; and Megan Kanekoa who owns and operates the Wailuku Coffee Company because we wanted a merchant with a vested interest in the program being involved. They selected Ho'omaikai Services which is Lawrence Kauha'aha'a's program so that's a \$175,000 contract that I'll be working on with Mike to get encumbered before the end of this fiscal year. And they'll start up as of July 1st then with the program.

Mr. Fujimoto: So is there any action on our part?

Ms. Wade: There's -- if you -- I meant to say so, I guess, it doesn't...it doesn't have to be but I did write that action would be taken so I'll present that. So that is the selection of the -- that is the advisement of the committee if you folks would like to approve the selection you may do so now.

Ms. Ball: I move that we approve the selection.

Mr. De Rego, Jr.: Second.

Mr. Fujimoto: All favor? I'm sorry, discussion.

Mr. Starr: Yeah, one -- one of the compelling criteria for the selection was that the hours for the safe side of it extended past --

Ms. Wade: Three.

Mr. Starr: Past 3:00 p.m. and into the evening. Where there was another vendor that ended at 3:00 p.m., and then there was a third vendor that was way, way higher in price, so it seems like it's getting a good package of deliverables approved and . . . (inaudible) . . . doing an excellent job...previous, previous work here and in Lahaina.

Ms. Wade: Yeah.

Mr. Fujimoto: Thank you. Any other...discussion? Call for the vote. All in favor? Opposed? None, motion passed.

It was moved by Ms. Carol Ball, seconded by Mr. Frank De Rego, Jr., then unanimously

VOTED: to approve the committee's selection of Ho'omaikai Services for the Clean and Safe Program

a. Consultant Selection for Parking and Events Facility

Ms. Wade: Thank you. Skipping back down to Item F1(c), consultant selection for parking and events. As explained briefly, we've opted not to go with the design build contract. That puts us in the simply design category, which means that no RFP is required. We just go out, we identify on the County's qualified bidders list...two or three consultants we think could do the job and then I used a scope that we've worked with Munekiyo & Hiraga to develop to say this is what we would like you to make a proposal to us on providing this kind of design product. They will get us an estimate, and then we open negotiations about what we would like to see from them. So because we don't have to do the formal RFP, it saves us a lot of time, hopefully. So we'll actually be done with the scoping this month. And then we'll be notifying -- I'm working with Don. Don is my go to person on this to identify qualified bidders and then inviting them to submit proposals. So that's going to be happening in May, the selection. And then I'll bring that to you folks as well for the final selection.

3. Budget (Attachment A)

Mr. Fujimoto: Okay, budget.

Ms. Wade: You received the attached budget...some --. I have actually -- I have something I was going to pass out, but essentially I had an additional \$45,000 of encumbrances moving through Planning right now in addition to what we have listed here. So this says our balance as of now is \$179,000, there's an additional \$45,000. We're still trying to get the payment for the stringing the lights. There's been vendor compliance issues because of the Hawaii compliance express requirements so you gotta really have your ducks in the row to get paid by the County, so that, the --

Mr. De Rego, Jr.: . . . (inaudible) . . .

Ms. Wade: Yes, exactly. Ho'omaikai, you know, we contracted them back in September for

15 weeks and then they continued to service far past the 15 weeks, so I did submit a request to pay for the additional 15 weeks that they've been servicing. So that's in there for the same amount as the original. Let me actually get the list.

I'm just trying to remember. Teens on Call still has this \$7,000 left in their contract for this year. They may or may not bill that form out, but we should be prepared to expend it if we need to. Sign Source, this is for the banner that's hung on the Iao Plaza. This is another vendor compliance issue unfortunately. ADC, this was for the model that Morgan Gerdel did for us. Again, compliance issue, but we're getting there. The trees, banners, and lights, that's the, that's the one that we're still trying to pay and Ho'omaikai. Public Arts Project, this was something we had discussed and then we never final, finalized in our discussion, to develop a public arts program. But if you would like me to move forward with encumbering that, I can do so. And then that's going to leave you with \$114,000 to which we can encumber all of the parking management RFP and a portion of the Clean and Safe for the complete expenditure fund.

Mr. Starr: The public arts project, how...how does that tie in with the Kelly McHugh project?

Ms. Wade: So that's Kelly. Kelly so far had -- came in as a vendor of less than \$1,000 for the facilitation of that meeting. But I wanted to sort of get our arms around the scope which she's going to provide us for what the public arts program would be before we encumber those monies. But I've been holding that amount to be able to do so in the event that you folks are ready to do that.

Mr. Starr: Do we need action if we're going to be able to encumber and proceed with the project that Kelly's trying to put together?

Ms. Wade: You don't actually have to vote on it. If you want to authorize me to move forward with that I can do so just based on having presented to you. The fact that would be the intention and I can work with her on the scope and get it moving...or, I can come back, you know, in May and present something more thorough.

Mr. Fujimoto: I think I would feel better if you came back.

Ms. Wade: Okay. Yeah.

Mr. Fujimoto: Before we make any decision.

Ms. Wade: Okay.

Mr. Starr: Is the second 15 weeks of Ho'omaikai going to take us through end of June?

Ms. Wade: Actually...no. It's only going to take us through the end of this month. But

because he's planning on building his project, you know, building, he's going to continue to function and just continue to service the neighborhood until the contract's in place.

Mr. Starr: Then does that means we should encumber another eight weeks?

Ms. Wade: I cannot do that without publishing an RFP because it will -- the total will exceed the \$25,000 threshold...so we're sort of that place. He's fine with it. You know, he's just, yeah, whatever works, if this is how it works. And he sees it as assisting him and setting up for, you know, the coming months, so he's okay with it. But if I see anything or an opportunity to continue, you know, the service officially, I'll let you know. I'll bring it back to you. I think that's it.

4. Open Application Report (Attachment B)

Mr. Fujimoto: Open applications report.

Ms. Wade: Yeah. Interestingly I told you folks about Lloyd Sodetani's project at the corner of Vineyard and Central last time. Since our last meeting the property has been sold. Suki Kuwada bought the property and the goal is still to make it a preschool, but now Suki has different ideas than Lloyd so we're trying to figure out how --. They're both very --. It was fun couple of meetings we had this week. But we're figuring out how to make that work. So the application that was originally submitted is going to be withdrawn. A new application is going to come in. So that's what's happening on that one.

Uptown is moving forward. Actually I think the approval letter went for that one already. I don't have that one.

These renovations, I'm unfortunately still waiting on --. This is the one on Vineyard Street, the Jaimes one. I'm still waiting for complete fees. I can't issue an approval. And I'm still waiting for materials response.

Mr. Starr: Is that the housing and office . . . (inaudible) . . . ?

Ms. Wade: No, that's the -- it's what everyone calls the blue tarp building across from Swan Interiors. It's just the renovations of that little old crack seed store. And then Hilton's awning got damaged in the last wind storm so they're going to be replacing the awning, and so that's an easy one. You'll see there are other planners now assigned to a lot of the permits in the MRA area and...which is good because they keep moving that way. So, that's the list.

G. NEXT MEETING DATE: May 27, 2016

H. ADJOURNMENT

Mr. Fujimoto: Okay, that's my list too.

Ms. Wade: Okay.

Mr. Fujimoto: Next meeting date is May 27th.

Mr. De Rego, Jr.: So is this where we suggest items . . . (inaudible) . . . ?

Mr. Fujimoto: Sure.

Mr. De Rego, Jr.: I would suggest that we take the creative district for discussion at our next meeting.

Ms. Wade: Okay. Will do.

Mr. Fujimoto: Anything else?

Mr. Starr: Have we done any action on the...codes and zoning that we were looking to –

Mr. Fujimoto: Amend?

Ms. Wade: Yeah. We can continue the discussion on the design guidelines that we started with the signs. Okay, so we'll bring that back. And then I'm supposed to report back to you on show me the water.

Mr. Fujimoto: Yeah.

Ms. Wade: Okay. I'll do that.

Mr. Fujimoto: And the -- what was the last thing we talked about --?

Ms. Wade: On the budget?

Mr. Fujimoto: Yeah.

Ms. Wade: Yeah, the contract for public arts.

Mr. Fujimoto: Yeah.

Ms. Wade: Yeah, so I'll do that as two separate items. One as the creative district, and one

as a public arts contract.

Mr. Starr: If Kelly's made progress . . . (inaudible) . . .

Ms. Wade: Yeah. Yeah she will. She was actually also at the meeting for the web app because she's worked with...both, both the -- they're doing one for Kahoolawe right now as well. They're doing a web app of the historic sites because you can't get there so it's kind of neat to have the web apps for it. So she was really familiar with that.

Mr. De Rego, Jr.: The one for Lanai is GIS activated. So as you past the site, you know, it creates the coordinates and it pops up with the, the descriptions of place that you're at.

Ms. Wade: Oh that's very cool. That's great. Okay.

Mr. Fujimoto: Motion to adjourn?

Mr. Hopper: . . . (inaudible) . . .

Mr. Fujimoto: Okay, meeting adjourned.

There being no further business brought forward to the Agency, the meeting was adjourned at approximately 2:43 p.m.

Respectfully submitted by,

LEILANI A. RAMORAN-QUEMADO
Secretary to Boards and Commissions II

RECORD OF ATTENDANCE:

Members Present:

Carol Ball, Vice-Chair
Frank De Rego, Jr.
Don Fujimoto, Chair
Ashley Lindsey
Jonathan Starr

Others:

Erin Wade, Small Town Planner
David Yamashita, Staff Planner, Long Range Division, Department of Planning
Michael Hopper, Deputy Corporation Counsel