

**MAUI REDEVELOPMENT AGENCY  
REGULAR MEETING  
APRIL 24, 2019**

**A. CALL TO ORDER**

The regular meeting of the Maui Redevelopment Agency (Agency) was called to order by Mr. Frank De Rego, Jr., Chair, at approximately 1:18 p.m., Wednesday, April 24, 2019 in the Planning Department Conference Room, First Floor, Kalana Pakui Building, 250 South High Street, Wailuku, Island of Maui.

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

**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.**

Mr. Frank De Rego, Jr.: Okay, let's call the meeting to order. First thing on the agenda is public testimony. Anybody would like to testify? Anyone signed up? I guess there's nobody signed up. So for this section, without objection, we'll close public testimony.

Mr. Keone Ball: No objections.

**C. ELECTION OF OFFICERS FOR 2019-2020 BOARD YEAR**

- 1. Chairperson**
- 2. Vice- Chairperson**

Mr. De Rego, Jr.: Okay, next, elections of officers for 2019-2020 board year. We'll take nominations for Chair.

Ms. Gwen Hiraga: Chair, I move to -- that we consider Frank De Rego, Jr. to continue as Chairperson of the MRA.

Mr. Ball: I will second that.

Mr. De Rego, Jr.: Okay, all in favor say aye? Oh, other nominations? Other nominations? Any other nominations? Okay, all in favor say aye. Okay.

**It was moved by Ms. Gwen Hiraga, seconded by Mr. Keone Ball, then unanimously**

**VOTED: Mr. Frank De Rego, Jr. as Chair for the 2019-2020 Board Year.**  
*(Assenting: K. Ball, G. Hiraga, A. Lindsey)*

*(Excused: J. Ridao)*

Mr. De Rego, Jr.: For nominations for Vice-Chair?

Ms. Hiraga: I nominate Ashley Lindsey to continue as Vice-Chair of the MRA.

Mr. Ball: I will second that.

Mr. De Rego, Jr.: You accept? Okay. Any other nominations? All in favor say aye? Okay. And Ashley is Vice-Chairperson. You get to be this next year.

**It was moved by Ms. Gwen Hiraga, seconded by Mr. Keone Ball, then unanimously**

**VOTED: Ms. Ashley Lindsey as Vice-Chair for the 2019-2020 Board Year.**  
*(Assenting: K. Ball, G. Hiraga, A. Lindsey)*  
*(Excused: J. Ridao)*

#### **D. NEW BUSINESS**

1. **Annual Board Orientation**
  - A. **Roles and Responsibilities – Chapter 701, Rules of Practice and Procedure for the Maui Redevelopment Agency**
  - B. **The Sunshine Law**
  - C. **Ethics**
  - D. **County Planning Documents and [Wailuku Redevelopment Plan](#) – status on tasks in the plans**
  - E. **Wailuku Redevelopment Area Zoning and Development Code**
  - F. **Wailuku Redevelopment Area Design Guidelines**

Mr. De Rego, Jr.: Let's see, new business. As we usually do at the beginning of a new board year, we usually have our annual board orientation, so we're going to ask Erin to continue this portion of the meeting. Okay, so we'll --. This is Mike Hopper from Corporation Counsel. He's going to be giving us a presentation.

Mr. Michael Hopper: Hi, I'm Michael Hopper. I think I know all of you. And I am the Corporation Counsel assigned to the MRA so I'll be attending your meetings, or if not me, someone else from our office, to provide you legal advice on the various issues that you're going to see. And so questions dealing with your rules and other applicable laws I can, or someone else can be there, to answer those questions for you at the meetings.

This is training that we do every year based on a couple of issues: the Sunshine Law and Ethics. The Sunshine Law as I think all of you have dealt with before because you've either been other boards or commissions, or have been on this board. The Sunshine Law is very

long and complicated and you're not expected to get everything you need to know from just this presentation. But what I'm trying or going to try to give you is a good basic overview so that, you know, you can move forward sort of knowing what's expected of you as volunteer commission members, or in this, agency members.

One of the purposes of having me or another corporation counsel at the meetings is so that you can ask questions on sunshine law and others while you're here. And so you not expected to, again, memorize everything in this presentation. I can answer questions if you like, but again, this is to give you a good basic overview. Many of you have seen a similar, the same or similar presentations before so this may be a refresher. But I think it's important to go over this from time to time because it's a very important law and does have specific prohibitions and requirements of you as board members both at the meetings and outside of meetings.

The general policy and intent of the sunshine law is to make sure that whatever the MRA does, the public has the ability to know what actions it may be taking, what it will be discussing at its meetings beforehand, and to make sure that the public knows what actions you take at the meetings, what's discussed, and essentially to make sure all of that of that is open to the public.

The law will be as, in legal terms, strictly construed against closed meetings, and absent a specific statutory exception, board business cannot be discussed in secret, so outside of a meeting.

Meetings are required to be open. So what is required? Every meeting must be opened to the public. The public is allowed to attend your meetings. All interested persons shall have an opportunity to submit data, views, or arguments in writing on any agenda item. That's essentially public testimony. Public testimony can be oral or it can be written testimony as well. So you're required to take written testimony on any agenda item. And the Agency can make reasonable time limits on oral testimony. As the Chair often does, we have a three minute time limit which is similar to Council. That's acceptable. It should just be announced at the beginning of your meeting, and obviously applied equally to all the testifiers. So you can't tell somebody they get extra time because you like what they're, what they're testifying on or you think it's relevant, for example.

Meetings must be open. An agenda must be posted with all items for discussion. That has to be made available to the public at least six days prior to the meeting. It has to be posted online electronically. And that needs to lists all items that the MRA is going to discuss at its meetings. And once the agenda is posted no items can be added unless a two-thirds vote of all the members to which the Agency is entitled take a vote to change the agenda. And no matter how many votes you get the item added cannot be of reasonably major importance and affect a significant number of people. Because in my view that is a pretty broad statement. We generally advise you not to add agenda items after the agenda is posted. It's almost always feasible to just say we want to discuss this at our next meeting. So though

there is this power, I would caution against using it because someone, I think, can argue later on that what you added was a reasonably major importance and could affect a significant number of people. That to me is a pretty amorphous standard such that I just recommend in most cases to add things to the next agenda rather than discussing, rather than amending your agenda to add your idea. The whole idea there is a public could be reviewing your agendas and determining whether or not they want to attend the meeting based on what's on the agenda. And they may decide not to attend, and when you add that as an agenda item without public notice, someone could say, hey, I would have been there and testified if I had known about that in advance, so I'd caution against that.

The definition of a meeting is as you see here, and it involves items that are considered board business. And the definition of board business is important. It's a matter over which the board has or is likely have supervision, control, jurisdiction, or advisory power. And all actions must be taken at a meeting and a motion approved by the majority of the members to which board -- I use board as a general term, but the MRA is a board under the sunshine law -- the board is entitled. So you need three votes since you're entitled to five members to take any action.

The sunshine law has some restrictions outside of the meetings as well. More than two members of a board cannot gather to discuss board business. That, that, again, that's why board business is important. So more than two of you -- so three of you could not get together outside of a meeting and discuss board business. I suppose you could go to lunch and discuss, you know, non-board business. That's not, that's not a problem. If you're making small talk, discussing sports or other issues that are not board business, that's fine. But anything that, that would be likely to come before you or that you know is within the jurisdiction of the MRA, more than two of you cannot discuss.

There's also no serial communications allowed. So there is an exception that allows two board members to discuss, to discuss board business outside of a meeting as long as you don't make a commitment to vote a certain way on the item, or try to convince the other person to vote a certain way on the item. That's two people. What you cannot do is have those two people talk and then those two people go talk to other board members and talk about the same thing. Once you've discussed board business with one board member, you cannot discuss that same board business with other board members. A good rule of thumb, just don't discuss board business outside of a meeting. It's very simple. We'd rather not try to get into these arguments is there's an issue, so that's the easiest way to avoid that. And this applies equally to social media or electronically through e-mail, so you can't discuss board business by phone, fax, e-mail or Facebook so keep that in mind. That can be tricky obviously.

Social gatherings, again, avoid discussing board business with other board members. Discussions with -- or board business with non-board members, generally the sunshine law does not apply to that. So you can discuss board business with members of the public or county staff, for example. The only problem there is if you've got a contested case item.

For example, someone needs a permit from you or an MRA variance or something, you should not discuss that item with them or anyone else outside of a meeting. The issue there is you're supposed to have evidentiary hearing and only consider evidence in the record, and if you have that discussion outside of the meeting, the rest of the board and the applicant are not informed of what information is getting to you, so that's important as well.

Your meetings may be held by telephone or video conference. That means that members can participate by telephone or video conference. The problem is though that there needs to be an agenda posted at your location if you're off-site, and members of the public need to be allowed to come to that site and publically testify. So you can't, you know, you can't be at your house unless you're going to post an agenda there and let members of the public come to your house to attend there. So that can get complicated. You can have testimony and things by video conference or phone conference like the Council does. But this kind of deals with if you wanted to participate in a meeting without physically being there. There's specific requirements for that.

There's such a thing as a permitted investigative group. Two or more members, but less than a quorum, can have a meeting outside of this meeting. The scope of the investigation has to be defined at a meeting of the board. All findings and recommendations must be presented at the entire board, at a meeting, and deliberation and decision making can occur at a subsequent meeting. So it means it takes a minimum of three meetings for action. This allows you, if you've got a real detailed item such as let's say you wanted to rewrite some of your rules or something like that, you could create a temporary investigative group to go off separately. You don't need to post agendas. You can have discussions outside of the meeting to come up with a proposal for the full group, and then present it to the full group. It's something, maybe there's a lot of detail involved in it and you don't want to spend long meetings doing that. The challenge is that it takes a while because when you present it back to the members you can't take action that day. You have to wait for another meeting and so that can be slow. In addition, this isn't necessarily very valuable with this board because it has to be more than but less than a quorum. But three is a quorum for you so it means two, and that interaction is already allowed anyway. So again this, I think, this is of more value to maybe larger, larger groups and can be valuable to discuss outside of the meeting, but it can slow things. So before forming a group like this I think you would want to have a discussion. I think this came up within the last year on a couple of issues too, so I think it's important to, to understand there's restrictions involved in that. Sure.

Ms. Wade: So could I ask as an example we have the project advisory committee for the Wailuku Civic Complex, and the board appointed two members from the MRA to sit on that project advisory committee. Would then --? So that wouldn't need to be posted as a separate meeting. There's only two members of the MRA, and then there's a handful of other representatives from the community and the public that are participating on that as well.

Mr. Hopper: The two members, that's a permitted interaction as long as they're not making commitments to vote a certain way on items before the MRA. Two members can attend, but

no more than two. That's why this says, "two or more, but less than a quorum." And then the --. I don't think I actually have it posted, but one of the permitted interaction is two members can discuss board business outside of a meeting as long as it's not more than two. And the two member exception is for no matter how big the board is. So it could be nine member board, it's still two members can get together outside. So if those members are on that, then that's not a problem. But again they can't be committing to vote a certain way on items that would be before here or soliciting to commit the votes that way. You also maybe want to look at the issue of whether that's a separate board. But that is not a board. As I understand it it's required by any law to, to, to be there. But in any case, two members generally can, can do something like that. But if a third member shows up or those two members discuss with a third member, then that could be a problem. So you would want to, want to be very careful with that. Yes?

Ms. Hiraga: Could you please go back to previous slide? Yeah, permitted investigative group.

Mr. Hopper: Yes?

Ms. Hiraga: So following up on what Erin just asked, so we do have two members serving on that advisory committee and bullet point number two is that findings and recommendations must be presented to the entire board.

Mr. Hopper: Yeah, I don't think what that is is an actual temporary investigative group that was formed, right?

Mr. De Rego, Jr.: Because we would have to vote on it as a group.

Mr. Hopper: I mean, it's a way that --. It's something you could do if you wanted to make it a bit more formal and have those members be assigned to participate on that, on that board and report back to the group. It's an option. It's certainly an option.

Ms. Hiraga: Yeah, I just wanted clarification, you know, in terms of -- but it has to actually be established.

Mr. De Rego, Jr.: By the board.

Mr. Hopper: And this is in the case of a temporary investigative group. And the main purpose of this is that the group will go outside of the sunshine law, have meetings, and report back to you. And you'll eventually take action on what they recommended for you. And if that's, if that's what we're doing here that maybe doing this would be a way to make that a bit more clear and direct that those members have that authority. Otherwise it's just two members happening to attend something else and discussing board business outside of the meeting. But they have really no authority to act on behalf of the MRA or take positions on behalf of the MRA. It's also less than a quorum so they couldn't do that anyway because you would

need that. But...but, yeah, to an extent that's an issue, doing this would be one way for that, that ongoing, those ongoing meetings to be more formalized. Also if the issue is that you would like to have more frequent updates on what's going on at those meetings, then that is something that you could do as well.

Mr. Ball: I have kind of a follow up on that. So members, not that they would, but they should probably not attend those meetings as citizens. But they probably shouldn't be testifying at those meetings and that? I mean, it's kind of a gray area.

Mr. Hopper: It depends on, it depends on how many. If there's two, that's okay. But once you get more than two of, of the, the agency members in a room together, and board business is being discussed, the OIP has a pretty restrictive view of that. So they would say once you get three members which is actually a quorum of you guys, and you're in a room and that board business is being discussed, they would say that's a meeting and you need to post an agenda for that.

Mr. Ball: Okay.

Mr. Hopper: So it shouldn't ever be more than two. You guys are a little more restricted because you've got five members. There's something for a nine member groups, up to a quorum can actually go to those types of meetings and report back to the, to the full group. So the County Council, for example, could do that. So up to four of them can go to like a community association meeting to find out what's going on, and they do have to report back to the full council on that item. Planning -- I think the Metropolitan Planning Organization has done that because there's a lot of interesting seminars and things, and from time to time, they will have more than two members of the technical advisory committee or the policy board attend those and report back to the full, full group. So it's an option. Previously they said once you get more than two in a room, that's a meeting and you've got to post an agenda and allow public testimony. And Council members have real issues with that because they wanted to go to community association meetings to be involved in the community and were told if there's more than two of you go, it's essentially considered a Council meeting and you had to post an agenda. And that got, that got a little more flexible with the ability to report back to, to -- and having up to four members. But for you, it's not necessarily relevant because you're got a quorum of three members anyway.

Yeah, I would avoid having any more than two members. And again, it doesn't necessarily make a lot of sense to me. To me, the sunshine law deals with discussing board business not necessarily being in a room and hearing someone else talk about it. But that's the view that the OIP has sort have taken, and that's been codified a bit by the legislature in the -- in allowing up to a quorum to go to those, to attend those things.

Board may assign members less than a quorum to be present, discuss or negotiate any position that the board has formally adopted in a meeting. And a member, in general, should not represent a board unless formal authority has been given at a meeting. I think that's

common sense. It's a five member agency, and you take action by votes. So, you know, you can say I'm a member of the MRA but you can't represent a position of the MRA without a vote to take that position.

This is an exception that has come in the last few years. Previously if you lost quorum or didn't have a quorum for a meeting, you had to cancel the meeting immediately. There's an exception though that allows you take public testimony and hear a presentation at that meeting. So basically if the meeting is cancelled due to a lack of quorum or technical difficulties, the members present may receive testimony and presentations. Members may question the testifiers and presenters, but no deliberation or decision making is allowed at the meeting, and record must be created and presented to the absent board members at the next meeting. So the next time you have a quorum, you need to have a presentation ready for those that were not in attendance; basically for the full board announcing what happened, essentially what happened at the last meeting. And there can't be deliberation or decision making on that item until that happens. So what this can end up doing is actually delaying the meeting. So if you have a meeting and you, you still have the testimony or still have a presentation because you have a lack quorum, it's not until the next meeting you have quorum and essentially a record of that is provided to all the members that you can take action or even discuss the items. So a lot of times even if you have a lack of quorum and the ability to do this, you may decide we're just going to wait till the next meeting to discuss this. We'll cancel the meeting anyway. Where this can be useful is if you've got maybe people visiting from off island who are there to give a presentation and are only able to be there that day or something, you can take the testimony and have a record of it. It's very restrictive though. You can't deliberate on that. You can ask questions, but you can't deliberate, and so there's obviously potentially a fine line there. So that's why there's some caution there. But it's better than having to just cancel the meeting and, and -- in all situations.

Mr. De Rego, Jr.: Good. Okay, theoretically couldn't you actually have the report and schedule the item also for the same meeting as long as it's noticed six days before? In other words, you don't have to wait till a record to be created at the next meeting, present it, and then wait until the next meeting to deliberate it. You actually could put that, report it, and then also on the agenda which is notified, also put on the agenda that the report to be deliberated as well. I wouldn't see anything against that.

Mr. Hopper: Well, I mean, generally you don't know there's going to be a lack of quorum in advance, that's one thing. And then the other item is that it's --. I don't know how you would create a record that quickly. Normally what we do is have the meeting recorded and the minutes transcribed and that's generally your record. I mean, you can look at what the actual record is, but you know, it's generally something that's got to be, got to be presented to those, those members. Doing that at the same meeting, I'm not sure --. I'd check the law again. But doing it at the same meeting may be problematic there, you know.

And this was sort of what I was talking about earlier, less than a quorum may attend informational meetings. Members may participate in discussions. No commitment relating



to a vote on the matter may be made or sought. And the attending members must report their attendance on the matters presented and discussed that relate to board business at the next meeting. Again, this is going to be for two of you if you attend other meetings. And so it gives some leeway there. But again only two members can attend. Once a third member attends a meeting on board business then that's considered an MRA meeting and you've got to post an agenda.

There's such a thing called executive meetings or executive sessions. There's a meetings that are closed to the public. To go into one of these meetings, the vote requires a two-thirds affirmative vote of the members present. And the purpose of the executive meeting needs to be announced in open session. One example of the reasons that you can call an executive meeting is to consult with the board's attorney so to get legal advice from myself or the board's attorney. There's other exceptions as well. This essentially maybe be seen before in other boards. In executive session, it allows you to consult with your attorney or discuss other matters by closing the meeting to the public. As you would imagine, these are pretty strictly construed exceptions, and most typically used to discuss matters, legal matters with attorneys on other boards.

If there's a violation of the sunshine law, a variety of things can happen. A decision might be voided by a court so a vote you take might be negated. An injunction could be issued to prevent further actions taken on an item that you voted on. Members can be found guilty of a misdemeanor for an intentional violation of the sunshine law. So there's actually criminal penalties if the, if there's a finding of an intentional violation. And members might, may be removed from the board for violations of the sunshine law.

I'm going to move onto Ethics and give sort of a general presentation on the Code of Ethics. Are there any remaining questions on the sunshine law? Okay, the Code of Ethics is found in the Maui County Charter, Article 10. There are prohibitions in the Charter, 10-4, accepting gifts or money, engaging in any business transaction or activity, or have a financial interest that is in compatible with the proper discharge of the members' duties, or may impair a member's independence of judgment and the performance of official duty. You can also not fail to disclose a financial interest or vote on a matter affected by such interest.

Members must disclose a conflict or potential conflict on the record before voting. One example would be an employer-employee relationship. It's a financial interest that must be disclosed. You must do so prior to any commission, or in this case, Agency decision. Again, you fill out financial disclosure forms so I think a lot of this is on the record already. The basic idea is that if you have any conflict that would tend to impair your objectivity in voting, most particularly but not exclusively a financial interest, you should disclose that prior to the meeting and consider whether or not you believe you can objectively vote. If you have doubt, you should decide whether to proceed or not, abstain from voting, or request a deferral and seek an advisory opinion on the specific issue from the Board of Ethics. There is a County board that is dedicated to these issues. And 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, the member shall not be held liable for violating the County Charter. So if there is doubt, we may ask you. You can bring up the issue with myself, I can help advise you on it. And if there's doubt after that, one way to sort of resolve that is to ask for a Board of Ethics opinion. The board is required to give an opinion within a certain period of time -- I believe it's 45-days -- and if you act in accordance with that opinion, you can't be held liable for violation of the Code of Ethics. So I think a lot of this is common sense. If an applicant or other person is you believe attempting to influence you by giving you a gift or other benefit, don't take it. And if you believe that you have a financial interest or other interest that you want to disclose, maybe a family member or something like that that's involved in an application, the best way to proceed is to disclose it. Even if you think there's no way that this can affect your way to vote, disclose it and let everybody know that this is, this is an item. And you can even ask if there's any objection to you voting on the item. That happens all the time. For example, Land Use Commission, there's members there that are attorneys and deal with County or State or other matters, and they always disclose at the beginning of their meetings if they, you know, what their potential conflicts are and get the consent of the applicants in that case moving forward. So that's a good way to move forward.

Decisions and challenges and penalties. A complaint may be filed by someone who believes the decision a member made was affected by the member's financial relationship, and for failure to follow the ethics code, members may be fined or removed from the MRA. Similar to the sunshine law penalties.

That's all I have on those issues. If there's any questions, I can help answer them. If not, thank you and I will allow Erin to proceed.

Mr. De Rego, Jr.: Thank you.

Ms. Wade: The timing for this topic came up perfectly because there has been a lot of questions at the County Council as the budget process proceeds about what is the MRA, and what does it do, and I wanted to make sure, in addition to this being something that we try to do annually as an informational piece, that you folks had all the right information about what the organization is, and what it does, and how it came about. So typically in April we see it as a time to sort of begin again. Usually we get a new board or commission member in April. This year happened to be we had the resignation of a board member so Jo Ann Ridao filled that position and it an incomplete term so she's allowed to basically re-up and renew her position on the board. So she is our, she is our, quote, new member, even though she's not entirely new.

So background on how did the redevelopment agency start and why are we doing this activity in the first place? The Hawaii Revised Statutes has a chapter in it, Chapter 53, called the Urban Renewal Law, and this was adopted by the State in the 60's. And if you've done any urban planning research you know that this was a trend during that time. Urban renewal was kind of a movement for all downtowns that were experiencing vacancies due to urban sprawl essentially. Due to folks moving out of downtown, urban cores, and into the suburbs. So

the solution to this, nationwide, was something called urban renewal.

In the State of Hawaii, they identified the creation of a five member agency and this law establishes the powers and duties, and it requires the development of a redevelopment plan. So, it allowed the powers and duties of the agency subject to the fact that their whole purpose is executing a redevelopment plan, and it has to be adopted by the County Council.

So in 1964 by Resolution 54, the MRA was created. In 1990 by Ordinance No. 1019 it was codified by ordinance. In 1989, Ordinance 1859 formally included it as a board and commission. And then in 2000, the resolution adopted the redevelopment plan. So there were plans prior to 2000. The one that we currently are operating under is the Wailuku Redevelopment Plan. Previous plans have kind of been partially executed and completed, and now this is the current plan, the 2000 plan.

Prior to 2000, the redevelopment area boundaries were designated, and that is 68 acres within Wailuku town. It's bounded by High Street on the mauka side, and Nani Street below the former O'oka's on the makai side. And then it goes from Wells to Mokuhaul Road essentially. So there's two sub-areas. The one area, sub-area one, which is often referred to as uptown is the one right around the Market Street core area. And then the lower one which is sub-area two, typically referred to as the Happy Valley sub-area is the one that kind of divides right there at the river and goes to Mokuhaul Road.

So when urban renewal was identified it was required to document conditions of slum and blight. And I get asked quite a bit when this comes up, what are conditions of slum and blight that needs to be documented? So this is a list. It does include dilapidated, deteriorated, aged or obsolescence buildings; unsanitary or unsafe conditions; high density of population or overcrowding; defective or inadequate street layouts; diversity of ownership. And that's essentially meaning the lots -- and many, many, many small lot in a very compacted area can lead to slum to blight conditions. Improper subdivision or obsolete . . . (inaudible) . . . and existence of conditions which endanger life or property. So in order to be determined a redevelopment area, some of these conditions have to be perpetuating in kind of a chronic way within a neighborhood.

And then it's -- the obligation of the redevelopment authority or agency to document those conditions. So over time as time goes by, those need to be updated every 10 years. We recently update in 2012 the documentation of infrastructure conditions and building obsolescence. So this was some of those. Since 2012, improvements have been made. The top one is the Maui Land Broker, and the bottom one is the building in Happy Valley, so there's progress happening. But then there's issues that continue to perpetuate in Wailuku, and could be, and would be categorized as slum and blight conditions.

This is typical though of small downtowns, and urban renewal really took effect, as I've said, in the 60's. And initial steps were made which is exactly what happened in Wailuku where properties were acquired at the Wailuku municipal parking lot and demolished for the purpose

of building a parking lot. So Step 1 happened under urban renewal in Wailuku, and that was very typical in small towns across the country.

What happened in the second wave often was very delayed, depending on the size of the downtown areas. Most of the large downtowns, New York City, San Francisco, immediately moved forward with additional construction and renovations. The smaller downtowns, and these are some right after graduated at UH, I worked in these very small, very historic downtown areas all dealing with the same issues that we're dealing with today where they completed an initial urban renewal project but then never moved to the development stage. So there was demolition and no new construction happened.

So in 2000, the Wailuku Redevelopment Plan which many former chairs have referred to as the Bible, the Redevelopment Plan Bible, identifies a series of activities that the redevelopment agency is responsible to complete. And in your packets I e-mailed out an update to where we are with those tasks.

So first I'll talk about the authority of the redevelopment agency. What it says in the plan is that it's to prepare redevelopment plans and studies; undertake urban renewal projects; acquire properties; make and execute contracts for professional services; adopt, amend and repeal rules; appoint a manager and deputy manager; and borrow, issue bonds and invest. So there is a disconnect, though, between being able to accomplish these tasks -- being assigned these tasks and being able to accomplish them. And the disconnect comes in with money. So the agency itself has been authorized to do these things, but not provided a direct financial means of doing that. So today the redevelopment agency is a board of the Department of Management. The funds that are utilized to complete the redevelopment projects are under the Department of Management in what we call the redevelopment program. So it's not actually the agency's money. It is under Department of Management funds. So in order to actually to take on the authority to do these things, the agency would need to take a step to become quasi-independent like the Metropolitan Planning Organization. That would be the next.

Mr. De Rego, Jr.: So there would have to be some enabling legislation in order for that to occur, is that correct?

Ms. Wade: Correct. It's not something the agency can do on its own. Did you want to follow up Sandy?

Mr. Sandy Baz: The enabling legislation is HRS 53 allows for the creation of redevelopment corporation. It's really that, that next step . . . (inaudible) . . . needs to happen for us to be able to perpetuate this actual development and, and assessment management. . . (inaudible) . . .

Ms. Wade: Okay. So that might be something that you are getting asked because it has this question isn't simply defined. But if you're getting asked by folks in the community, the

answer is the redevelopment agency itself doesn't have any money. It's in the Department of Management.

As I said the plan is the guiding document and it's really easy maybe to look at it --. I keep holding up the Code. That's not the Plan. This is the Plan. The matrix that I provided for you that's colored shows you the tasks that are -- where we are basically and the completion of that plan. And you'll see we're mostly complete. Your board has authorized and directed the completion of most the tasks. But they fall under the categories of Land Use (LU), Vehicular and Pedestrian Circulation (VPC), Urban Design and Beautification (UDB), Infrastructure and Market Development (IMD).

So the remaining tasks include Land Use-3 which is to redevelop the municipal parking lot. VPC-6, develop additional parking at the municipal parking lot. VPC-4, improve the crosswalk at Main and Church. UDB-3, expand Market Street design. UDB-4, underground utilities. And then Market Development is ongoing. But as you're familiar the majority of the tasks that are yet to be complete are part of the Wailuku Civic Complex Project, sort of the one that will hopefully get us over the hurdle of completing the redevelopment plan and then moving on to what is the next generation of redevelopment looks like for Wailuku, working on a new plan.

There are number of redevelopment studies done. This is actually only some of them, but we do have a comprehensive list on the website. There was a number of recommendations made in the Wailuku Market Based Plan about how to organize the MRA and how to move into sort of the development corporation model. That was updated again in 2014, so that might be something that we want to revisit.

I think I'm not going to go through all of these. I'm sorry. Let's skip to MRA's role. So in addition to executing the plan, the Zoning Code, which I was continuing to hold up, the redevelopment agency has its own Zoning and Development Code which is authorized by Admin Rules. It provides the uses allowed in all of the districts. It provides development standards, parking standards. It also has definitions for sort of the unique types of business this allowed in MRA. Businesses on sidewalk is allowed actually in the redevelopment area, so there's some specific information about that and what's necessary to do those things. There's a process by which a development application is reviewed and that is all outlined in the Zoning and Development Code.

And then there's also Design Guidelines that were adopted in 2006. The intention for these was to protect the community's character, to establish architectural and site design guidelines. It does something nice. It shows examples of right and wrong in a graphic form which I think has been really helpful for applicants. And then it also provides sort of an inventory of the buildings and landmarks in Wailuku that can be used for a basis to identify character. And then it also includes recommendations for preserving historic buildings.

I wanted to mention financing.

Mr. De Rego, Jr.: Just a question about the zoning section. So the Planning Department, I think, has been involved in a process of looking at the Zoning Code at this particular time. True, not true?

Ms. Wade: So the Planning Department has done an audit of Chapter 19.

Mr. De Rego, Jr.: Right.

Ms. Wade: In the Maui County Code which is the Zoning Code. This exists as part of the MRA's administrative rules. So today, this isn't part of Chapter 19, Zoning. This is part of your admin rules. But the recommendation in the audit that was performed is to pull this in with Chapter 19. And it does allow for the expedited process. If you read this, I mean, I think you will be surprised if you haven't gone through in detail, it does require an expedited review. So once a complete application is received you only have 45-days to turn, the Department only has 45-days to turn the application around which is very unique. That doesn't exist other than in the 201H project. So the time clock --

Mr. Ball: They . . . (inaudible) . . . and it's approved? Is that how does that work?

Ms. Wade: It is. Yeah, correct.

Mr. De Rego, Jr.: So I'm asking this question because there was some discussion at some point of actually making our zoning document, pulling as you said, pulling that in and doing an analysis of that and trying to make it conform in some way, shape or form, or standardized what's going on.

Ms. Wade: Exactly. And part of the issue now too is when you go to our definition section it's, I would say, on the light side not everything is well defined in here and we often end up referring back to the zoning code for intent because it was supposed to be a part of that. So cleaner and easier, if it's part of Chapter 19. The ultimate question will be will the Redevelopment Agency continue to be the reviewer of the permits or will that go to Planning Commission? And that will be something that, I'm sure Planning Department will bring for a dialogue.

Mr. Ball: I have a question.

Mr. De Rego, Jr.: Yeah, go ahead.

Mr. Ball: So on that review process, right, we're the reviewing body for those?

Ms. Wade: Correct. Yeah.

Mr. Ball: So 35-days is pretty quick, I mean, especially if something big comes across, right.

Are we prepared for that sort of thing or --?

Ms. Wade: So I should say it's not the agency responsibility to process in 45-days. It's the Department. So the Department receives the application. I will tell you nine times out of 10 it's incomplete when it come in. You know, so there's a number of things that have to -- there's a lot of back and forth with staff to make sure that the application is complete. Once it's received, it has to be posted on an agenda of the MRA within 45-days. It doesn't necessarily mean the MRA has to take action in that amount of time. But due to the work load of Planning Department, that doesn't always and can't always happen once the application is deemed complete. So if there's a selection of which project goes first, it wouldn't be the redevelopment agency's projects.

Mr. Ball: You said it has to posted in 45-days, but you have 35-days for the approval.

Ms. Wade: No, I'm sorry. It's 45 is the number. Yeah.

Mr. Ball: Not 35.

Ms. Wade: Right.

Mr. Ball: 45. Did I make that up?

Ms. Wade: You kind of did.

Mr. Ball: You got to use that now. . . (inaudible) . . .

Ms. Wade: You're so right. That's how mis-information starts, right?

Mr. Ball: Right from me. I don't spread rumors, I start them.

Mr. De Rego, Jr.: So can I come full circle to what I'm trying to get to at end of this?

Ms. Wade: Yes.

Mr. De Rego, Jr.: At some certain points in our discussions, we were looking at using a part of our budget to get involved in that process with the Planning Department. Where are we with at that? What stage is that now? What are we looking forward to within the next year or the next two years in terms of completing that process and seeing something at the other end of the tunnel here?

Ms. Wade: So I'll have to check with Planning Department where they are. I know they hired a firm. They went out to bid and hired, but they haven't started. And I don't know what exactly the scope of work is for the work that they're completing. And they did not get fully funded to rewrite the Zoning Code, which is what they had asked for. They asked for full

funding for the rewrite. They only got partial funding. So I'll have to go back and see what is their scope for this first phase of rewrite and find out if they meant for this to be included in it or not. The funding that we were going to use was to basically to continue the minor amendments that you folks had started working to complete those, develop the graphics necessary, take it through the process. And then whatever the amended package of this was would go to and with the full zoning update and get incorporated probably with additional changes, you know, so that it's more consistent with the full code.

Mr. De Rego, Jr.: Thank you. Any other questions on that before we go on? Okay, thank you. Continue.

Ms. Wade: Okay, if you were interested and I know one of the things that has come up regularly has been about funding and the project funding. And what you folks have seen in terms of the perma and financing has been typical of what you would see if we were using tax increment financing which is what many downtown development agencies use. We do not use that. What that would require is funding would be taken essentially from tax collection and put into a fund dedicated to redevelopment in Wailuku. So I wanted to show you a graphic that you sort of under of the mechanism and only to say we're actually not using it, but it does show the rationale for why the perma is designed the way it is. And it's very typical for redevelopment specifically.

So this is a graphics I just literally pulled off the internet, but it was referred to me by Dave Freudenberger who did our study. So essentially if you look at this image and the gray, the single level gray building is what exists today. So if that is what exists prior to establishing a new tax district, then the way tax increment works is when additional development happens which is represented in the red, that additional construction value is assessed and taxed. And those additional taxes are put into a separate fund that can be used for more development. So looking at it in a chart, it looks like this where if you're starting your base - - AV is assessed value. If you look at throughout a district, you set a point in time where you establish the district, and that's right at the edge of the assessed value line, where the dollar sign is. So that is the existing tax capture. What you do --. And so that's what goes into the general fund today assuming this was Wailuku which it's not, but this that -- the blue represents every penny from Wailuku town that goes into the general fund today, and that continues throughout the duration of any project or bonds that are issued. So there is no less money going into the general fund. The increased value of development is captured and that's shown in that triangle form and dedicated to the repayment of any debt that is taken on to inspire new investment in the area. So like for the parking structure, as an example, if we were to bond, issue bonds for the \$40 million of the phase one of the project, the additional investment that happens in the district then is what is represented in this triangular form showing there's additional new value. And then ultimately at the end once the bond is paid off, 100% of the new values goes back to the general fund. So when we continue to say this is an economic development project and we're growing the pie, this is sort of what that looks like where, yes, indeed some of that funding needs to be dedicated specifically for debt service at the beginning. But ultimately and this isn't necessarily at the end of the bond in



ours, it's already at year 12 where we're putting more money into the general fund than we're using for debt service in our projections. So I wanted to provide you a graphic illustration of what that looks like. I'm happy to take any questions on that because it's not exactly...intuitive.

Mr. Ball: Give an example.

Ms. Wade: Okay, so...I'm going to think of -- let's use Kakaako because it's so easy in terms of the front of mind for everyone. So if there was a tax increment district there. And we all know it all used to be low warehouses, Fisher Hawaii, basically essentially all through Kakaako, that type of construction. And you said, okay, City and County of Honolulu we're going to, we're going to identify exactly what amount of tax is captured in that area today. And then from every day moving forward any new investment we're going to use to fund improvements to Ala Moana Park if that's the project that they had put in their plan. So let's say that's the project they put in their plan to fund. So all the new investment that's coming in, the additional tax capture is getting dedicated towards Ala Moana Park up to the amount that funds their project, okay. Once that project is done, they go back and everything goes back into the general fund. That could be an example of how it could be used. Or Sandy could do better.

Mr. Baz: So practical terms . . . (inaudible) . . .you own a building that's valued at \$100,000, you paid \$600 in taxes. As the, as the value increases once you create this tax increment financing district, as the value increases say your building now is worth \$200,000 because of the reinvestment in that area or you've actually built, you know, addition onto your structure, right. Maybe you built a second floor now for \$200,000, so now your taxes are \$1,200, right. So that extra \$600 would go back to this, to pay back off of the improvements that theoretically made that, enhanced that area. So, yeah, it's just an example of what the impact it has to owners of that area.

Mr. Baz: And then theoretically once it's paid off, then all of it goes to the general fund, right? Yes.

Ms. Ashley Lindsey: If you did not improve your property and you just did a small warehouse in Kakaako, how would that affect your taxes?

Mr. Baz: If your assessed values goes up because of improvements in there, then --

Ms. Lindsey: It goes back.

Mr. Baz: Yeah, it goes back, basically. But we're not doing a tax increment financing district here.

Ms. Wade: Right. But the reason I showed it is when you look at the performa because that's been a lot of the question is why is it showing added value on this that's not directly and

specific to the project? It's showing added value and revenue generated throughout the redevelopment area and this is the reason why. Even though we don't have a specific, it all goes into the general fund anyway. But this is the economic theory essentially.

Mr. De Rego, Jr.: Just getting back to Vice-Chair Lindsey's question. Actually once there's any kind of improvements, surrounding properties are going to experience increase in value even if they don't improve their properties, is that true?

Ms. Wade: That's typically true, yes. And then the reverse is true typically when you use this tool in saying this project, whatever the project is, the project needs to move forward or the properties will likely decline in value, that we're seeing enough slum and blight, enough dilapidation, enough lack of infrastructure problems that the districts is losing value or is in at risk of costing the municipality more money in form of social services, policing, crime reduction, those types of things.

Mr. Ball: Can I follow up to that? Do we know how --? Will this project affect residential property value? I mean, not directly I guess, but.

Ms. Wade: Good question and this came up at Council the other day too, and it would probably. As any project improves a neighborhood as you know it just sort of, it's like dropping a stone in a pool and there will be ripple effect in terms of enhance value, so it likely would.

Mr. Baz: So the County uses what's called a mass appraisal system and so we don't really look at the individual value, any changes of that value of the parcel when we're looking at the total aspect of it. But we do look at sales in the area, and that will then have an effect on the value. If there's more sales now all of sudden because, you know, there's more sales, then the sales are higher, then yes, that could then increase, in general, the appraisal or the value of the --.

Mr. Ball: Okay, so it's still based on sold units.

Mr. Baz: Basically.

Mr. De Rego, Jr.: Yeah.

Mr. Baz: And it won't change the way we assess the properties and assess the values.

Mr. Ball: You won't say this thing is cleared now so we're going to assess these.

Mr. Baz: Right.

Mr. Ball: Based on sales.

Mr. Baz: Based on sales, yes. If there is an effect in it, that their residential property taxes - well, actually all the property taxes wouldn't really be affected for a couple of years. We about 18 months to two years behind.

Mr. Ball: Okay.

Mr. De Rego, Jr.: Okay, thank you. Continue.

Ms. Wade: I just, you know, in terms of financing tools, I think those of you that have come to a couple of the conferences with us have heard the sort lists of potential financing tools that other downtown organizations use. In addition to the general fund dedication which is the sole tool. Well, we now have a grant. We have the National Endowment of the Arts Grant as well. But also in addition to tax increment which is really not on the table in terms of an option for us, but ultimately long-term special assessment. We don't use a special assessment which is an additional tax until you have healthy district. You can't do that until basically your properties are valued and making revenue which we're not there yet. But, you know, in some future time the goal is you want to get to the point where you can create a special assessment district and things like clean and safe, and that type of thing are locally supported and not necessarily regionally supported.

Grants and CDBG funds are often used in redevelopment areas. A lot of downtown organizations once they have become that quasi autonomous organization utilize capital campaigns and fundraising. If you've seen the buy-a-brick kind of an idea at other downtown projects that would be an example. And then parking revenue is often another example of how to pay for a downtown improvements.

Mr. Ball: A question on that. How much was the art grant, and was that specific for something? Now we're looking at -- I'm sure we looked at it, but is it State fund or Federal fund?

Ms. Wade: So the art specifically is a \$75,000 grant to create a public art pilot project in Wailuku town. And we started that with the Pangea Seed project this January. And then that's going to be ongoing throughout the construction process. But that's specific to art. And then we're starting to look at CDBG fund as a possibility. We did apply to the Economic Development Administration for funding and were denied based on our County of Maui demographic's income is too high, and our unemployment rate is too low. So we weren't -- basically we weren't hitting their number one qualifier of you're not in a bad enough situation is how they were saying it. Where the reality is they have the autonomy to be able to look at it in just our neighborhood, just the Wailuku neighborhood which would certainly qualify, more than qualify, but they chose not to look at it that way. And we think that might have--.

Mr. De Rego, Jr.: I think the comment was they were looking at regional effects and not just local effects. Correct?

Ms. Wade: Right. But they do have some discretion on that so the direction from the Mayor's Office has been to go back and reapply and maybe, and lists some of our reps from the State to see if they can assist us.

Mr. De Rego, Jr.: I think my other comment on that is they're not looking at the quality of the jobs in terms of income, you know. A lot of families are holding two or three jobs, and that kind of artificially inflates the low, the low --

Ms. Wade: The medium income.

Mr. De Rego, Jr.: Yeah medium income and the low unemployment rate that we have. I mean, yeah, they're not digging deeper in analyzing the median income and unemployment rates. But that's just the comment I have.

Ms. Wade: Yeah, I agree. So those are the basics when it comes to what is the MRA, what are your sort of enabling, what's your enabling legislation and guiding documents. But I'm happy to answer any other general questions you have.

Mr. Ball: I've gotten good response from that art project by the way too.

Ms. Wade: Great.

Mr. Ball: Just from people that are visiting that are friends of mine and go, oh, that's cool. There's people that don't know about it, and then you kind of talk about it, and then they're like, oh wow, and they'll walk around or whatever.

Ms. Wade: Oh, excellent.

Mr. Ball: It's been received well from people I know.

Ms. Wade: It's definitely one of the most fun projects we've gotten to work on.

Mr. De Rego, Jr.: It's a smile on one's face.

Ms. Wade: Yes.

Mr. De Rego, Jr.: Is that it?

Ms. Wade: That's it for the presentation.

Mr. De Rego, Jr.: Okay. Good. Thank you. Very well done, both of you. Thanks Mike, and thanks Erin. We'll let you get back over here before I continue. You poor thing you're going back and forth.

**2. Report on the Department of Management hosted Community Question and Answer session on April 4, 2019 in the County Council Chambers.**

Mr. De Rego, Jr.: Okay, so let's go onto report on the Department of Management hosted community question and answer session on April 4, 2019.

Ms. Wade: Sure. Thank you Chair. I did a summary. Basically I took --. Well I should say, Tiffany Lida helped us out and was our scribe at the meeting that night, and basically stood up at the front and wrote down any comments that came in from the podium. So you have the comments and then you have the Department's response in summary form. Obviously this is not a verbatim minutes of the meeting, but in summary of what was responded.

For your information, there were 57 folks that signed in at the meeting. Not all of them testified, but that's how many we had signed in. The meeting took about two hours, I think. About two hours where we took questions and answered. Is there anything you wanted to say about it Sandy?

Mr. Baz: I think from what I perceived the community, it was well received by the community. Even the community that's been vocally opposed to the project appreciated the opportunity to talk directly to the Department, the staff, ask questions and get answers most of the time. As other venues, they've discussed it, they didn't have that interaction capability. And so, you know, generally like even in this group you don't have the interaction capability. That's the challenge. So it's not set up to be that way. So it was appreciated. A lot of questions got answered. A lot of misinformation got cleared up. And I think there's more, more work that we need to do. Mayor Victorino committed to another meeting probably end of next month. We'll get together again and present, you know, what basically take this information that we received, and in discussions that we have internally, and present those back to the community and get some more feedback. We do want to make this as open dialogue as possible and to continue that. Kind of where we're at right now.

Mr. De Rego, Jr.: Yeah, I was remised. I'm sorry, we wanted to welcome the Department Director of Department of Management, Sandy Baz, to our meeting so that there's a record for our record. I have a question about that. I was not there. Unfortunately I had a conflict. I did gather from that meeting that the Mayor had committed to Phase 1A and 1B during that meeting. Is that correct or not?

Mr. Baz: Yes. So he did --. Make sure I'm on the record here. Yes, he did commit to Phase 1A and Phase 1B. Wants to take in more comments about Phase 2 definitely from the community and rethink that, you know, if needed, we might move forward exactly as planned, and it may take some modifications or other possibilities. Yeah, but he's definitely strong moving forward with 1A and 1B.

Mr. De Rego, Jr.: Thank you. Any other questions for Director Baz? Okay, thank you very much. Can we move on to the Department Update, the FY 20 budget?

## **E. DEPARTMENT UPDATE**

### **1. FY20 Budget**

Mr. Baz: So Mr. Chair, I'll provide that as well.

Mr. De Rego, Jr.: Okay, thank you.

Mr. Baz: So the Department of Management -- well, the Mayor presented his budget on March 25<sup>th</sup> to the County Council. They have, Economic Development and Budget Committee has been reviewing the budget, going out to the community, getting input. Last night they presented their first version, printed version of a -- a version that they've been working on and some of the impact of decisions that they've made so far or the discussions that they've had so far. Specifically to this program's budget, they did proposed to, and one member proposed to reduce the expansion, basically the additional funds that were requested for FY 20. Specifically operations was about \$360,000, and salaries was about \$60,000. The impact of that would be pretty significant to our continued operations. Not immediately, but during and towards the end of the fiscal year as far as it goes to the community outreach, the arts programs. You know, a portion of it was the zoning discussion, you know, and contracting for that Wailuku Redevelopment Zoning Plan that you have and talking about updating that. You know, so it would definitely have an impact on our operations if they did cut that. The salaries as well. When the fiscal 19 budget was developed the positions that were approved, the money that was approved was for certain type of positions. Once we went through reorganization and discussion with the Department of Personnel Services, those positions got classified at a different level and so we needed some additional funding to cover those. And so without that money we're not going to be able to cover salary. So this is something that's important. Erin's working on the response to present to Council tomorrow morning. I'll present it to Council tomorrow morning and hopefully get at least a portion of the funding back in the FY 20 budget so we can move forward with it. And it was just really one member that had proposed it, so we'll see how the votes go at the end. Yeah, that's the general update right now.

Mr. De Rego, Jr.: Yeah, you can ask him a question.

Ms. Wade: Because of the amendment that came in now does it take another member to vote or to make a motion to put it back or --?

Mr. Baz: Well so basically the process the way things are working, it's a little different this year than the past years. But the current process what we believe is that they're going to go through line by line, and this item is basically a prompt for them to discuss it. And then -- so they'll be discussing it, they'll make a motion, second, and approval. So if they get five votes to remove the funding, then it will be removed at that point. From watching this morning's

discussion that's kind of how they're going.

Mr. De Rego, Jr.: Okay, any questions about the budget?

Ms. Wade: I just kind of want to say for the record that this would affect most specifically the business mitigation program. That's the, that's the cushion in there is, you know, we've been working with the businesses to talk through how do we get them through this construction period. And, you know, a part of that is assistance with MEO and Wayne Wong. What's Wayne Wong?

Mr. De Rego, Jr.: SBDC. Small Business Development Center.

Ms. Wade: Yes. So we have a team of help, but some of them are going to need just some financial assistance as an impact to the business interruption. So that cushion in there was really for, for that.

Mr. De Rego, Jr.: So this is our budget basically. I'll say this on the record. I would encourage members if they would want to send in written testimony to support our budget by tomorrow, and I'd even consider testifying tomorrow morning if that would help.

Ms. Wade: Yes, so keep in mind what you just learned on the orientation that if you wanted to take, to testify as the Chair, the group would have to agree to what your statement was going to be. Or if any member was going to testify as a member, you would have to agree today on what that would or you can testify individually.

Mr. De Rego, Jr.: Okay.

Mr. Baz: Yeah, Mr. Chair, I'm going to excuse myself. I got to get to --

Mr. De Rego, Jr.: Yes. Thank you very much for your contribution.

Mr. Baz: Thank you for letting me indulge your meeting here.

Mr. De Rego, Jr.: No, no. Come back anytime. Mahalo. So any discussion on what I've just said or do we just --. Go ahead.

Ms. Hiraga: With regard to this fiscal 2020 budget, I don't recall us even looking at it, that was submitted to the Mayor and Council.

Mr. De Rego, Jr.: Yeah, I don't remember seeing it either.

Ms. Hiraga: So I'm not sure what was cut or where. You know, I have been watching or viewing a few of the meetings, and I did hear the proposed cut by a Council Member, but I wasn't quite sure what she was talking about because we've never seen that budget.

Mr. De Rego, Jr.: Thank you for bringing up that point.

Ms. Wade: And I will --. I'd like to respond.

Mr. De Rego, Jr.: Yes, go ahead.

Ms. Wade: In terms of budget estimates, typically Departments are asked to submit in November what our budget estimates were. With the transition in the Mayor, I think the last administration had put placeholder for an amount of money and we weren't asked until January for our budget to be submitted. And it didn't end up coming to the redevelopment agency based on, I guess, I guess it was just timing at that point because they already working on packaging what the numbers would be. So I'm happy to provide what we submitted to Mayor in terms of numbers -- and then what I submitted to Mayor got cut by about \$400,000 as well -- and then what went into the budget originally as the Mayor's proposal. I can get you both of those. And it does have a detailed analysis information about what each of those projects and funds would be for. And this operating budget, not CIP, so we have nothing in the CIP budget this year.

Mr. De Rego, Jr.: Would you like to have that information?

Ms. Hiraga: Yes Mr. Chair. Thank you Erin.

Mr. De Rego, Jr.: Could you send that to everybody?

Ms. Wade: Yes.

Mr. De Rego, Jr.: So at this point I don't think we're going to spend a lot of time trying to hammer out a position on this. But individual members are able once they get this information to send in testimony. I would just remind you they're in the midst of, this week, making actual decisions on the budget which is probably what they're going to be doing tomorrow. Correct?

Ms. Wade: Right.

Mr. De Rego, Jr.: Is making a decision on our budget.

Ms. Wade: Well, I don't know if they'll make a decision tomorrow or not.

Mr. De Rego, Jr.: Okay. There's a possibility of a decision being made.

Ms. Wade: Yes. Yes.

Mr. De Rego, Jr.: Another probability. So would you want to go on to construction mitigation



and program status?

## 2. Construction Mitigation programs status

Ms. Wade: Yeah, and you know, at this point, it's highly dependent on the funding unfortunately. So I think we will be proceeding with issuing the RFC for the shuttle service. That's something that the Council has expressed that they support, and in fact, support expanding, so we can proceed with the shuttle. But in terms of setting up the grant program, it's going to be really up to whether or not we're funded to do that or not.

Ms. Lindsey: Is there any other additional support that we . . . (inaudible) . . . ?

Ms. Wade: Good question. I don't know. Chair, do you have any suggestions?

Mr. De Rego, Jr.: See me on a one on one interaction on this, permitted interaction.

Ms. Wade: I mean, I would say if you know a Council Member --

Mr. De Rego, Jr.: -- Council Member, you want to call or talk to them. Go ahead.

Mr. Ball: The budget items, when we get the budget, will you be able to or will it say where they cut?

Ms. Wade: You know what I'll do is I'll take the spreadsheet that I submitted originally, and then I'll put a column of what Mayor put in and then I'll put a column of where Council cut so that you can see.

Ms. Hiraga: That will be real helpful.

Mr. De Rego, Jr.: Yeah, that will be very helpful.

Ms. Wade: So just so you know what we submit isn't general. It's like, we have to identify what's professional services, what is contracts and all of that. They didn't -- they don't cut that way. They just cut money in general.

Mr. Ball: Okay.

Ms. Wade: So, I mean, we can adjust that unless they're specific and say we really don't want to do that art anymore. You know, if they said something like that, then that is a proviso essentially that says we can't use it for those things. But, it's typically just removal of the funds and then we can reorganize within our priorities how that gets spent. Okay? So I'll just, I'll just do those columns real fast. But that will be helpful for Sandy as well, for his testimony tomorrow, anyway.

So anyway that's there the construction mitigation status is, is we're kind of -- the shuttle is going to go out this week. Oh, the other thing that we did this week was an employee survey, and Friday, to all Wailuku town employees. So we have County, State, Maui Medical, every Market Street business or downtown neighborhood business that signed up for email with us will get emailed a survey about where they're driving from, where they park now, where they'll park during construction, what their start and end times are during the day, where they'd be likely park, what would make the shuttle more desirable for them to ride, those types of things. So it's on Survey Monkey, and I'll send you folks a link. Actually if you want to test it out tonight since I'm sending you a bunch of stuff, you're welcome to go through it, and if you find anything confusing, please feel free to let me know. But that will give us a sense of what's our ridership going to be for the shuttle, is if there anything that we can do to improve that experience and then where people are going to park.

### **3. Schedule for plans review and bidding, estimated construction schedule**

Ms. Wade: And then finally the schedule for the 1A, 1B. 1A, I think I mentioned at the last meeting, we got comments back from Disability and Access -- DCAB -- Communications and Access Board. And that's essentially for handicap accessibility purposes. We got some comments back that have kind of caused us to make some significant changes I would say to the design of the lower section of Vineyard. So the side on the property owner's, not our side. On the lower section of Vineyard between Market and Church, instead of modifying that existing sidewalk now, the plans are getting redrawn to essentially leave that sidewalk in place and add on a sidewalk so it becomes a six-foot addition to that side of the sidewalk. Primarily and you know this from, if you've gone to Aria's, having to go up and in and get access to all of those, the DCAB's preference is that, we, to the extent possible leave those in place, and then just add a continuous ADA accessible sidewalk throughout. So that's the direction that that's getting drawn.

Alan Murata met last week with Public Works and again today. So I think we're getting very close. And then as soon as that's done, it goes to landscape, then it goes back to Planning for their final review and staff report, and then it will come to you. So my expectation is that by the end of next week we'll have the final, and then we'll be able to get it to Planning.

Mr. De Rego, Jr.: And that is for --? How long will it take them, and is this going to be wrapped by --?

Ms. Wade: May.

Mr. De Rego, Jr.: The May meeting.

Ms. Wade: Well, I will have to see how much modifications was made. I don't want to force Planning to commit to something if it was significantly modified from the previous version. They've already reviewed a version frankly, but, you know, there's going to be modifications now. But we'll hope that May 24<sup>th</sup> is reasonable.

The schedule for 2B.

Mr. De Rego, Jr.: 1B.

Ms. Wade: Oh, 1B. Yeah, we're, we're very close to actually going out to bid for that one. We wanted, though, to --. I mean we're weighing the amount of funding and the impact of a lack of mitigation would have in the neighborhood to know that we can --. I don't think we want to go in if you don't feel that the neighborhood is not going to be successful though the construction. So that's something that we've been evaluating and monitoring. But I think we're at the point where even with, with this and then we can maybe supplement with some grant funding that we'll be able to get it to a point where we can move forward.

Mr. De Rego, Jr.: So we're looking at some CDBG emailing?

Ms. Wade: And that can't go to mitigation. CDBG can only go to assets.

Mr. De Rego, Jr.: Okay.

Ms. Wade: But it could go for --. And that could allow us to make some tradeoffs.

Mr. De Rego, Jr.: Okay. No EDA money?

Ms. Wade: Well, we can, again, we can go back, and I think that's worth it. July is their application time, and we have some modifications that we can make for that and go back in. And then in terms of next phases beyond that, as Sandy said, the Mayor wants to take a look at the notes that I've provided you today from our meeting, provide some -- what his intention is, you know, for the project, and then we'll be reconvening the project advisory committee for Phase II to just analyze if there's anything additional. One of those is expected to be what if housing was included in the project in terms of, to illustrate what the feasibility is, what the costs would be of including that, to be able to have that for folks that have really --. That's been something that the public has continued to ask for. And we did study it preliminary but kind of dismissed it very early on because we couldn't, the numbers didn't work well. But we can take a more in-depth look with the advisory committee, and then make some recommendations.

Mr. Ball: For housing where?

Ms. Wade: At the Phase II site. So if it was ground floor, public market, and then upper. Because it's two floors. There's only -- it's only a three floor height limit there. So, there could be in theory two additional floors of residences or dwelling units there. But initially when looked at it, it was not cost effective.

Mr. Ball: Oh, yeah, I was just going to say that's going to increase the project cost.

Mr. De Rego, Jr.: Right, the project cost, huge, yeah.

Ms. Wade: It is not an affordable housing project product right there, unfortunately, is the reality. But we did dismiss it quickly I will say and didn't do much in terms of documentation because it was so expensive. I mean, the units were coming out at over \$800,000 a piece based on where we were. The design cost of putting it on top of a market and the occupancy separation and fire sprinkler, and it was, yeah, not, not an affordable product. So, but I think we need to show that, and the public has enough interest in seeing more affordable housing that we look at that and then we make real sure that that's if that it's not possible to confirm that if it's not possible to do affordable housing there, that we are able to document that. And then analyze what should be there.

Mr. De Rego, Jr.: Right. And not discount all of the information that was gathered previously to what's going down there.

Ms. Wade: Yes, exactly. So that's the other thing I think that is concluded. We're not going back and doing a whole another reWailuku. We're not opening it all back up again. We're just confirming information and getting some additional information and moving forward.

Mr. De Rego, Jr.: Okay, so I guess the answer to your question is if you know any Council Members you should pidgin hold them as soon as you can. Okay, so next regular meeting, May 24, 2019. Do I hear a motion to adjourn?

Mr. Ball: So move.

Mr. De Rego, Jr.: Second?

Ms. Hiraga: Second.

Mr. De Rego, Jr.: Okay. All in favor say, aye? Aye.

**F. NEXT REGULAR MEETING: May 24, 2019**

**G. ADJOURNMENT**

There being no further discussion brought before the Agency, the meeting was adjourned at 2:45 p.m.

Respectfully submitted by,

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

**RECORD OF ATTENDANCE**

**PRESENT:**

Keone Ball  
Frank De Rego, Jr., Chair  
Gwen Hiraga  
Ashley Lindsey, Vice-Chair

**EXCUSED:**

Jo-Ann Ridao

**OTHERS:**

Erin Wade, Small Town Planner  
Sandy Baz, Managing Director  
Michael Hopper, Deputy Corporation Counsel