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HCDA PUBLIC INFORMATION MEETING ON:
Proposed Administrative Rules for Kewalo Basin
Tuesday, May 29, 2007
6:00 p.m.
Ward Warehouse, Second Floor
Honolulu, Hawaii

TRANSCRIPT OF MEETING

TAKEN BEFORE:

Cassie Uyekubo, CSR 293

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APPEARANCES:

MEETING FACILITATOR:

DAWN NAOMI S. CHANG, ESQ.

Kuiwahu
Pauahi Tower, 27th Floor
1001 Bishop Street
Honolulu, Hawaii 96813

DANIEL DINELL, Executive Director
Hawaii Community Development Authority

GLENN OKIMOTO, Harbors Administrator
Department of Transportation

MEMBERS OF THE PUBLIC

1 PROCEEDINGS -- MAY 29, 2007

2 FACILITATOR CHANG: I appreciate that
3 all of you are here on time. I really appreciate that.

4 My name is Dawn Chang, and I am going to be
5 facilitating the meeting tonight. If at any time you
6 cannot hear me, you let me know.

7 I am -- I have a contract with HCDA to do -- we
8 developed a strategy, and we're implementing a community
9 outreach plan. Part of my consultation services is to
10 facilitate a community meeting. So, I wanted to make
11 sure you all knew that.

12 But again, I really do appreciate the fact that
13 you are all here on time, as I respect all of you, and I
14 would like to get you out in a timely fashion.

15 So, there are Agendas in the back, there are
16 copies of the Draft Rules in the back, there is a
17 sign-in sheet. Please feel free to sign in.

18 We've got chairs up front, please feel free to sit
19 where you feel the most comfortable. I'm going to start
20 us on time, because everybody who is here is here, and
21 let's move forward with this meeting.

22 The purpose of tonight's meeting is, it is to
23 facilitate public comments, to take these comments on
24 the Draft Proposal Administrative Rules that you have on
25 the back table, to assist HCDA in drafting the final set

1 of administrative rules that will go out to formal
2 public hearing.

3 I want you to know, this is not the formal public
4 hearing for that administrative rules. You will have
5 another opportunity, at which time HCDA will hold a
6 formal public hearing.

7 I also want to let you know, this meeting is not
8 intended to be about the proposed rules to engage in
9 discussion. It's not intended to be an explanation. It
10 is intended to be your opportunity to tell HCDA your
11 comments on the proposed rules. They want to hear you.

12 So it's not here to engage in an explanation or a
13 dialogue on the rules. But it is to take your comments.

14 And we're going to take both oral comments and
15 written comments. So, if you don't get a chance to
16 speak, or you feel uncomfortable speaking, or later on
17 you say, "You know what? I had something else to say."
18 We're going to give you an opportunity to provide those
19 comments. Yes?

20 MR. FRANK MENTO: We have questions in
21 addition to comments. Will we be provided an
22 opportunity to ask questions and receive the answers
23 from HCDA?

24 FACILITATOR CHANG: At this point in
25 time, what we're going to do is, we're going to welcome

1 your questions. I don't know if we're going to be able
2 to provide answers. We had not intended that this was
3 going to be an interactive, informational meeting where
4 answers were going to be provided. Because it really
5 was intended to provide a lot of you, I mean, this is a
6 roomful. There are many people, and I am assuming that
7 all of you would like to say something.

8 So, I would like to make sure that you each have
9 an opportunity to provide your comments. I will tell
10 you, we will take any questions and provide you answers
11 to those. If it's not at this meeting, it will be at
12 another opportunity.

13 MR. FRANK MENTO: Will that opportunity
14 also include everybody that's here to hear a response to
15 that question?

16 FACILITATOR CHANG: Sure. Yes. What
17 we'd like to do is, what we're considering, and that
18 will be HCDA's call, but they have a great website that
19 they've been enhancing. We're working on it. We're
20 working on it. So what we'd like to do is use that
21 website as a source for you who want to submit your
22 comments, as well as for HCDA to get that out, back to
23 the community. It's really important that everybody
24 hear the same thing. So if a question is asked, that's
25 going to go up on the website, or go out through

1 e-mails, so that everybody gets those responses, okay?

2 Does that answer your question?

3 MR. FRANK MENTO: Sort of.

4 FACILITATOR CHANG: Sort of. Maybe not
5 satisfactory, but it sort of answers the question.

6 The format of tonight's meeting is that we've got
7 the agenda, we're going to follow that agenda. I'm
8 going to push you really hard to stay with that agenda
9 because, quite frankly, I find that facilitating a
10 meeting beyond two hours, or two and-a-half, I lose
11 consciousness, and it just gets to be very -- it gets to
12 be very difficult. But I'm not going to cut anybody
13 short. You have something to say, we're going to give
14 you an opportunity to say it.

15 We're going to have the meeting. There's going to
16 be a statement made by DOT, and a statement made by
17 HCDA.

18 My job is to actually help facilitate this
19 meeting. They will only be giving a statement, they
20 will not be taking questions. They will not be
21 answering questions. We will take the questions, but
22 they won't be answering the questions.

23 I know you're going to remind me throughout the
24 evening about that. And that's okay. That's okay.

25 And then we're going to go into the facilitated

1 public comment section, at which time I will take your
2 comments.

3 We've got two mikes here. We'd like everybody to
4 hear what you have to say. What you have to say is
5 important. So please feel free to either come up to the
6 mike and present us your comments, or you can -- we'll
7 have the mike go around the room.

8 I also want to let you know, we have a court
9 reporter. That court reporter is going to ensure that
10 everything you say is taken down very accurately. She's
11 my paid consultant, my paid court reporter. So we'll
12 make sure, and she does this for a living.

13 So we're going to make sure -- she's going to get
14 that back to us in a timely fashion. But what's really
15 important about a court reporting is, she can only take
16 one person talking at a time. So, I really would
17 appreciate, and I told Cassie to let me know if more
18 than one person is speaking, she's going to be
19 aggressive and tell me, one speak at a time.

20 So please, when you come up to the mike, you state
21 your name, and you provide us your public comment. And
22 again, we're gonna welcome written comments as well.

23 So, given that, I'm going to now, at this point in
24 time, we've got Glenn Okimoto from Department of
25 Transportation who's going to provide you a brief

1 statement.

2 Thank you very much.

3 MR. GLENN OKIMOTO: Thank you,
4 everybody. Again, my name is Glenn Okimoto. I am the
5 Harbors Administrator from the Department of
6 Transportation.

7 I want to thank you all here tonight to help
8 resolve this real critical problem. And we need to
9 resolve it, because this has been an issue with us for
10 over ten years now. We're managing this harbor owned by
11 HCDA. And right now our auditors are saying that we're
12 spending money where we aren't supposed to. So we need
13 to resolve this issue. We need to transfer all the
14 assets. We need to transfer the funding, we need to do
15 whatever we have to do to transfer the ownership over to
16 HCDA.

17 So, I want to emphasize that we need to move
18 forward on this issue, and for us, it's really
19 important, again, because our auditors are saying we
20 cannot spend money on property that is not ours.

21 A short background on state financing.

22 Harbors is special funding. That means we collect
23 our own revenues and we pay our own bills. We don't
24 take any tax money. We don't take any general funds for
25 any of our expenses. So we need to be self-sufficient.

1 So that's why we get audited every year on our finances,
2 and our auditors now are telling us we need to take care
3 of this issue now. We need to move forward.

4 I want to thank you all for being here tonight to
5 help us resolve this issue for us. Thank you.

6 MR. MIKE GOSHI: My name is Mike Goshi.

7 I am the chairperson of the HCDA Board, and
8 obviously, it's a difficult situation. It's always
9 difficult.

10 You cannot read the paper every day without
11 reading about what's happening in the schools, what's
12 happening in traffic, energy, homeless. You know, we're
13 all on the same island.

14 But the point I'm trying to make today is, this
15 situation is not a situation brought about by the board.
16 It's basically a mandate from the Legislature 17 years
17 ago. So technically, we're all in the same boat.

18 What I'd like to say is, we sort of need to work
19 together. We're sort of forced to work together because
20 we don't have the option of trying to keep the status
21 quo. So, what I see today is people working together.

22 The second thing is, we need your suggestions.

23 We had a meeting about a month ago, where we heard
24 your concerns. I'm sure we'll hear your concerns again.
25 But what the board needs is your ideas, how can we make

1 this work? Because half the board is private citizens,
2 people who donate our time to make very difficult
3 decisions, decisions that affect our lives, your lives,
4 and most important, our kids' lives, you know?

5 We take time to change, you know, the economics of
6 the 60's 70's 80's have all changed, you know, these
7 taxes spent or borrowing spent -- those are the kind of
8 economics that are changing now. And as a private
9 citizen, my concern is what are we leaving our kids?

10 I know what the solutions are. We can always go
11 back and get more money, and try to get a subsidy, try
12 to continue this thing. But my concern is how do we
13 pass this on to my kids. I look at my kids. Do I want
14 to live in Hawaii? We have to make some hard decisions
15 here.

16 What we'd like to see is if we work together,
17 because the reality is we are -- both the people that
18 use the harbors and the Authority -- are on the same
19 side of the table. I think you need to understand that.
20 It's not something that we are asking for. It's
21 something we have to do because it's a mandate.

22 FACILITATOR CHANG: Thank you, Mike.

23 Again, my name is Dawn Chang. Many of you who may
24 have just come in, there are seats up front, come
25 inside, sit down wherever you feel most comfortable.

1 MR. FRANK MENTO: I have a question
2 about the format. Are we going to be allowed to make
3 comments in response to what -- the presentation is
4 done, or should wait till the next? How do you want to
5 do that?

6 FACILITATOR CHANG: That's a great segue
7 into what we're going to talk about now.

8 We're going to talk about the facilitated meeting.

9 Obviously, this is a really important issue for
10 all of you. The sea of blue shirts. I mean, you are
11 all here because this is important. And so -- and every
12 one of you have something important to say.

13 Therefore, what my proposed course this evening
14 for this facilitated meeting is, I would like to give
15 everybody an opportunity to speak once, before you get
16 called on twice, so that everybody here has had a chance
17 to speak.

18 If given that, let's say, after we've gone through
19 that, and we've got time left, we're going to take your
20 comments again.

21 But again, you have taken the time to be here. I
22 want to respect you by providing you an opportunity to
23 speak. If you don't get all of your oral comments, you
24 don't get all of your questions answered, I want you to
25 be assured, HCDA is going to take your written comments.

1 I know, I realize that there's a lot of -- we're
2 going to work very hard to try to make this process one
3 that you feel comfortable with, and that you trust.

4 But I assure you there is no doubt everyone here
5 is genuinely committed to working with you or they
6 wouldn't be here. So, again, all of you are here
7 because you are all interested in making this work.

8 Again, your time is important. I would like to
9 get all of you home at a reasonable time. I am going to
10 try to keep comments down. I am not going to rush you,
11 but I would like you to keep your comments concise.
12 You've got a comment about a specific rule, please state
13 that, as that's going to be helpful to HCDA as they
14 incorporate your comments into the Final Draft Rules for
15 public hearing.

16 Finally, I would ask that we all respect and honor
17 each other. I appreciate the fact that this is an
18 emotional issue for all of you, but you're here because
19 you think this is important, everyone has something to
20 say. So I would ask that, one, if you've got your cell
21 phones, turn it off, or put it on vibrate, or put it on
22 quiet. I don't think we want to hear cell phones during
23 public comments.

24 Two, if you've got a side-bar conversation, I
25 would ask that you take it outside. I think everybody

1 wants to hear what you have to say. But more
2 importantly, I want to make sure Cassie, the court
3 reporter, hears what you have to say. And she cannot
4 hear that if there is side-bar conversations going on.

5 So again, I really would ask that you respect each
6 other, and you try to keep the conversation to a
7 minimum, respect the person who's providing their
8 comment.

9 So, I'm going to be ready to take comments.

10 You know, generally, what we would do is, we have
11 a sign-in sheet, and you say, if you want to make
12 comments, that we just call from there.

13 We didn't do that. What I'm going to ask you to
14 do is to raise your hand, and again, be courteous, if
15 you have spoken, please give the next -- give someone
16 else an opportunity to speak before you speak again.

17 I'm not going to limit your comments, because I
18 think you have something important to say, but I will
19 tell you that as we go on, if I see that we're running
20 out of time, and we've got a lot more people that want
21 to say something, I will ask you to perhaps summarize,
22 and again, you have the opportunity to submit written
23 comments.

24 So, we're going to take you -- again, you can
25 either come up to the mike, state your name, and as much

1 as possible, if you can state what rule you have a
2 specific comment to. If you've got a question, state
3 your question, as Cassie will take that all down.

4 MR. FRANK MENTO: Are you accepting --
5 I'm Frank, Frank Mento. Are you accepting comments
6 outside strictly the rules -- comments in general about
7 this whole process, and about some of the issues we
8 have, including some of the comments that were made?

9 FACILITATOR CHANG: Sure. We're going
10 to take everything.

11 MR. FRANK MENTO: There are no bounds
12 about that?

13 FACILITATOR CHANG: Right. But I would
14 ask you that the purpose of this meeting is really to
15 take public comments on the proposed rules.

16 The more we deviate from that, the less time we
17 have for specific comments about the rules, that quite
18 frankly, will be beneficial to HCDA as they draft them.

19 But again, you are here, you have comments, you've
20 got questions, you've got concerns. I will not cut you
21 short. So, you'll be permitted to add whatever you want
22 to say.

23 What actually gets incorporated into the rules is
24 going to be what's relevant to the rules. But your
25 comments are important, so we're going to take those.

1 But if you have general questions about the
2 department -- either DOT or HCDA, or the state, in
3 general, you may say them.

4 MR. FRANK MENTO: The final decision on
5 incorporating our input into the rules is going to be
6 made by who?

7 FACILITATOR CHANG: HCDA will be
8 adopting the rules. At the close of -- before the close
9 of the meeting, I will tell you what the proposed
10 schedule for the formal adoption is, so you have some
11 expectation of the -- of the time period upon which HCDA
12 has committed themselves to do. So you will have an
13 idea of where you'll be given an opportunity to provide
14 additional comments, and the effective date of the
15 proposed administrative rules.

16 MR. FRANK MENTO: So, the decision on
17 the input will be HCDA's, is what you're saying?

18 FACILITATOR CHANG: Yes. Ultimately,
19 they are the administering agency, so they will be the
20 ones to draft and approve the rules. It's always
21 subject to approval by the Governor. But they are the
22 managing agency.

23 So, at this point, Frank has asked me a question.
24 Anybody's got a question about the logistics or the
25 manner in which we proceed with this facilitated public

1 meeting? Yes?

2 DR. SOL NALUAI: Most of us here have
3 just gotten the rules tonight. A lot of us haven't read
4 the rules. So how can we make comments on the rules if
5 we only got the rules tonight?

6 FACILITATOR CHANG: That is a very
7 legitimate point.

8 This is not the formal public hearing for the
9 adoption of the Administrative Rules. You will have an
10 opportunity to submit some comments on these draft
11 rules. Tonight is not, by any means, your last -- your
12 last venue, or your last means to make comments.

13 So, you can make comments, whichever you feel free
14 tonight. You can submit written comments. There will
15 be a notice of a public hearing of which you will get
16 notice on, and you can then submit additional comments.

17 DR. SOL NALUAI: The intent of this
18 meeting is not valid if we can't make educated or come
19 up with some educated questions regarding the rules.

20 I mean, most of us haven't read the rules. So
21 what's the purpose of this, having questions related to
22 the rules, which most of us haven't read?

23 FACILITATOR CHANG: Okay, no, what he's
24 raising is a very fair point. I don't -- I guess what I
25 want to do is, I want to address your comment by saying,

1 if you haven't gotten the rules, and this is your first
2 time tonight, be rest assured this won't be your last
3 opportunity to comment on the rules.

4 This is -- the intent was to provide -- and quite
5 frankly, that's one of the reasons why the actual
6 meeting tonight which was supposed to be a formal
7 hearing, a formal public hearing on the adoption of the
8 rules -- was rescheduled, to give you -- because we
9 heard your comments about needing more time.

10 So, that's what this is all about. We were
11 listening, Frank. So, I mean, that's really what this
12 is about.

13 So, again, if you didn't get to review the rules,
14 that's part of your comment to this process. When you
15 come up and you provide your public comment, state that
16 for the record. Say, this is the first time I got to
17 see the rules, and it's hard for me to comment.

18 MR. BRIAN SOUSA: We're all tenants with
19 addresses. You could have mailed us a copy or something
20 like that, I mean, so this doesn't happen again. This
21 is the first time I've seen it.

22 FACILITATOR CHANG: Okay, good point.

23 A SPEAKER: We're coming here, like it
24 says, you know?

25 FACILITATOR CHANG: Okay, again, you

1 know what? I guess I just don't want to get into
2 debating upon when you got the rules. That's a
3 legitimate comment that you should state on the record.

4 A SPEAKER: Another comment here.

5 The stack of stuff there, we're all assuming -- I
6 am just finding out there is different numbers. So,
7 there's more than one. So, it's not only that we
8 haven't got the rules and only see it tonight, but there
9 is a whole stack of rules.

10 FACILITATOR CHANG: Okay.

11 A SPEAKER: And most of us only picked
12 up one, but there's more than one. So, how can we have
13 a meeting when there is more than one set of rules, we
14 haven't read it, how can we have any kind of dialogue?

15 FACILITATOR CHANG: Okay, I am going to
16 ask again. Obviously, not everybody is satisfied with
17 this process. There are legitimate concerns that you
18 raise. In the back room, on that table, are all of the
19 proposed Administrative Rules that have been broken down
20 into sections. So, can we keep the side-bar
21 conversations? Yes.

22 MS. NANCY HEDLUND: Would it be possible
23 for someone to summarize what's changing -- like six or
24 eight things -- like what are the most dramatic changes
25 in what's happening, since people haven't had time to

1 really read the rules?

2 MR. GREG LONGNECKER: You guys are not
3 ready for us. That's all there is to it.

4 FACILITATOR CHANG: Well, and you know
5 what? Wait. All that you're raising are very
6 legitimate comments. And that should be incorporated on
7 the record. So, what I'd like to do is to begin to take
8 public testimony. I'll take one last comment on the
9 process.

10 MS. ANNE STEVENS: I'd just like to make
11 the point that I believe that the changes to the rules
12 are designated with a line on the side of the left-hand
13 margin. So, if people are looking through, they should
14 be able to check the changes, to what they're used to
15 by a designated line in the left-hand margin.

16 FACILITATOR CHANG: I appreciate that.

17 So, what she's saying there is a red-lined version
18 that shows you --

19 MS. ANNE STEVENS: -- It's not red.

20 FACILITATOR CHANG: I guess there's a
21 comment on the side.

22 So given that, let's begin to take the public
23 comments. Can we get -- I'm gonna ask for your
24 courtesies again. Even when I'm talking, I really
25 appreciate that you listen to what I have to say. You

1 may not like what I have to say, but I really appreciate
2 that, because I will listen to you. So, let's begin.

3 Who would like to be the first one. Frank?

4 MR. FRANK MENTO: Hey. All right.

5 FACILITATOR CHANG: You can take it
6 there, or you can take it where you're sitting. You
7 want to face the audience? Either way?

8 MR. FRANK MENTO: I'm with them. My
9 name is Frank Mento. I'm with KOA.

10 I've got some general comments in response to what
11 Glenn Okimoto said, and Mike Goshi said.

12 Glenn commented that the harbor is not
13 self-sufficient. On the DOT website, there are
14 financial reports that separate Kewalo Harbor, and show
15 profit and loss. I think it begins in 2003. This
16 harbor makes money. This harbor has made money of
17 \$350,000 almost every year.

18 To say we're not self-sufficient is a
19 misrepresentation. There is one year in the reported
20 financial statements that this harbor lost money. That
21 one year is the year that they did some improvements.

22 Those improvements, I believe, were put in as an
23 expense item. They were \$1 million that one year, over
24 all the other expenses that occurred previously.

25 So, that needs to be looked into. There are some

1 real serious questions and questions about whether this
2 harbor was self-sufficient. I think that's one of the
3 reasons the DOT says we want to leave. HCDA is creating
4 a lot of unnecessary timelines here. There is no rush.

5 The DOT has been funded with four and-a-half
6 million dollars in capital improvement project dollars
7 in their budget to fix the harbor. The DOT has been
8 given \$800,000 to operate the harbor for the next two
9 years.

10 Question. Why are we rushing?

11 Could someone even answer that for me? Why do we
12 have these deadlines?

13 FACILITATOR CHANG: Thank you, Frank. I
14 guess I'm just going to -- um --

15 MR. FRANK MENTO: I have more.

16 FACILITATOR CHANG: Okay, okay. So, I
17 guess at this point we're not going to respond.

18 A SPEAKER: We're not gonna answer those
19 questions.

20 MR. FRANK MENTO: The format is
21 interesting. The questions can be asked, the answers
22 won't be given. Okay. We'll proceed with that.

23 Mike Goshi talked about the Legislature and the
24 fact that the jurisdiction has been given to HCDA.
25 Seventeen years ago that jurisdiction was given to HCDA.

1 A mistake was made. Pier 5 and Pier 6 was given to
2 HCDA. But the DOT stepped in at the time and said,
3 that's a mistake. We need to fix that. We can't run
4 Honolulu Harbor immediately without those two piers.
5 They fixed it immediately.

6 For 17 years another mistake lay dormant. And
7 that's having HCDA have jurisdiction over this harbor.

8 The HCDA has no experience running a harbor.

9 For seventeen years, the DOT has been all that any
10 of us had known. We write our checks to the DOT. We
11 deal with the DOT. We've been under their rules.

12 We didn't even know that this was under the
13 jurisdiction of HCDA. So, we believe that a second
14 mistake had occurred. And it's only now coming to
15 light. And the rush to try and put control of the
16 harbor under a third state agency -- we have DOBOR, we
17 have the DOT, why do we need a third agency?

18 If all of the jurisdiction requirements that are
19 being forced upon us by HCDA's changing the rules are
20 such contortions to get everything there to fit the
21 HCDA, wouldn't it make more sense just to take the
22 harbor and put it where it fits, under the DOT?

23 Those surrounding lands then are still in the
24 public domain, and they're still in the public process.

25 There are other issues with the rules.

1 The first issue that we have tried for a very long
2 time to get an answer to is, we're being switched from
3 permits, as operators, to leases.

4 Permits in the state have real rights for us.
5 They're real important to boaters. Permits have user
6 fees. Those user fees have to be used in the harbor to
7 accommodate the services to the permittees.

8 Lease rents can go anywhere. Leases can be
9 changed. CAMs can be raised. Things can be done that
10 can slowly bleed our small businesses to death.

11 And if and when that happens, who is coming into
12 that harbor? That's our real concern.

13 So, I think there's a couple of issues that
14 precede any conversation about the details of these
15 proposed rules. Although we're ready to talk about it
16 at length, we really would need to know, Number 1, why
17 are we rushing?

18 Number 2, why is HCDA an agency that should be
19 running the harbor when they admit they don't know how
20 to run a harbor, we have to bring in outside expertise.
21 It even makes you wonder if they really know how to
22 write rules, if they don't know how to run a harbor.

23 And the other issue is the permit and the lease.
24 Can someone give us an answer to that? Dawn, I'm
25 counting on you. Help our smart people. Thank you.

1 (Applause.)

2 FACILITATOR CHANG: Thank you, Frank. I
3 really appreciate that.

4 Okay. You can just state your name. Thank you.

5 DR. SOL NALUAI: My name is Sol Naluai.
6 I'm with the Kahana Sea Riders.

7 My comment is that when we all came in here and
8 picked up the rules, we all thought there was one set of
9 rules. There are four sets. Chapter 211, Title 15, the
10 Rules For Tariffs; Chapter 212, Title 15, Rules For
11 Vessels; Chapter 213, Title 15, Rules For Motor
12 Vehicles; and Chapter 214, Title 15, Rules For Services
13 and Procedures.

14 I think it's ridiculous to have a meeting where we
15 come and get a quarter thick packet of rules that we
16 supposed to digest in about 5 minutes, to ask any
17 reasonable questions regarding the rules. I think it's
18 ridiculous bordering on asinine.

19 And my other comment is that I was involved with
20 the Stop A&B, the Kakaako Coalition, where we were able
21 to stop A&B's development on public lands, or in
22 essence, stopping HC&D from selling public lands to
23 private interests.

24 I see these rules now pertaining to the harbor as
25 a way of HCDA circumventing what they weren't able to

1 accomplish with the A&B development, circumventing that,
2 and using the harbor to now be able to contract a
3 commercial landlord, who would then be able to develop
4 the lands around the harbor. Here we go again.

5 We should have public lands in public hands. And
6 I see this as a way of circumventing what they were not
7 able to do the first time.

8 (Applause.)

9 FACILITATOR CHANG: Thank you, Mr.
10 Naluai. Who would like to speak?

11 MR. REG WHITE: My name is Reg White,
12 I'm with Paradise Cruise.

13 Paradise Cruise has been operating out of Kewalo
14 Basin for 50 years next month. We have a long history
15 of running in the basin.

16 (Applause.)

17 I've been lucky enough to be there for half of
18 that time with the company. And I hate to see a set of
19 draconian rules like this come in that will jeopardize
20 our ability to continue to grow and to flourish as a
21 business. I hate to see my neighbors pushed back
22 against the wall with a set of draconian rules that they
23 can't live under and exist under.

24 If you stop and think about it, Dan Dinell, by the
25 way, I happen to like. I don't want to be shooting at

1 him here tonight. But he's into a position where he
2 doesn't belong here. It's a bad thing.

3 I talked to him about it one day, and he said he
4 couldn't understand why the heck they gave him the
5 basin, and I agree with him, I don't know why they did
6 either.

7 But the part that gets to us is HCDA doesn't have
8 any infrastructure to run a harbor. They don't have any
9 experience about running a harbor. They have no
10 security staff. They have no engineers. They have no
11 maintenance staff. They have no operations personnel.

12 So what do they have to do? They have to contract
13 it all out.

14 What are they gonna do to pay for that? They're
15 going to add it on top of our rent, as a Common Area
16 Maintenance charge, which I've been all over the world
17 in marinas, and I've never before seen a marina that
18 charges a CAM -- not anywhere. It's a whole new thing.

19 I can't see pulling my tanker in somewhere and
20 having them come down and say, "Oh, Captain, we have to
21 charge you a CAM here, in order to hook up your hose."

22 Now, it doesn't work that way.

23 We pay the rent, and it pays for all the expenses.
24 Now they want to double that rent. And then, on top of
25 it, they want to charge us for all the costs of

1 operating a harbor. And they do admit, they don't have
2 the expertise, they're gonna sub it all out.

3 Both DOT and DLNR have that expertise. They have
4 the infrastructure. They have the staff. They've got
5 the Engineering Department.

6 And I've spoken personally with the Director of
7 Transportation, and he said that so long as we give them
8 the surrounding land out to the first street, he's very
9 willing to take Kewalo Basin back.

10 (Applause.)

11 Now the Legislative session before this one, we
12 discovered we made a terrible mistake. HCDA was going
13 to build some of their pie-in-the-sky,
14 shopping-mall-type stuff on Piers 1 and 2. We need
15 Piers 1 and 2.

16 You know, we're a state that's hopelessly
17 dependent on water transportation for everything we
18 need. You stop ships coming in through the entrance
19 channel, five days later, we don't have toilet paper in
20 the supermarkets. We've got a problem.

21 So we need Piers 1 and 2 to stay in the harbor and
22 be available for commerce to support the things we need
23 in our state. So the Legislature removed Piers 1 and 2
24 from HCDA, and put it back under the Department of
25 Transportation where it belongs. It's not a problem.

1 The precedent is there. There is no problem to
2 taking HCDA away from Kewalo Basin, take the land out to
3 the first street, all the way around, put it back under
4 DOT, and let us continue seamlessly, as we have been for
5 the past 50 years.

6 There is no reason to do this.

7 There is no reason not to fix it.

8 Now, if you want to talk about the rules, there
9 are a lot of problems with the proposed rules.

10 One of them, basically, is that they have set up a
11 minimum amount of money that each little business here
12 must generate every year in order to qualify to get
13 their lease renewed.

14 And my banker, by the way, says if I get to a
15 lease instead of a permit, he won't loan us money to
16 build another boat if we ever need to do it because he
17 doesn't see that that has longevity, where the permit,
18 he knows, will continue to go on, and go on.

19 But the problem right now is that if they put in
20 this rule of how much money we're required to make each
21 year in order to renew our permit, most of us here can't
22 meet the directives they've put in -- the amounts
23 they've set at the criteria to call you a business.

24 And particularly, just take the real small
25 boats -- say one mega-yacht comes in, and say you have

1 to make 80 percent of the average of all the other boats
2 in your category. One mega-yacht comes in, he carries
3 six passengers or less, but he rents out at \$120,000 a
4 day. That's a small mega-yacht, by the way. It would
5 fit in Kewalo.

6 He rents out at a \$120,000 a day.

7 Well, the rest of us who've got sport fishing and
8 collect \$900 a day, gross -- we're not going to make
9 80 percent of that, or even close to it.

10 And so, they're gonna take our permits away.
11 They'll be able to void our leases. It's poorly
12 written. It's poorly thought out. It's done by people
13 who don't understand the industry. They don't
14 understand what they're trying to regulate.

15 We cannot have our permits taken away. Our
16 permits must stay with the DOT, so that our businesses
17 continue, and we can show that we are financially
18 responsible and sound, so we can continue to finance our
19 businesses to grow and to support and take care of our
20 future and our employees' futures.

21 When it gets down to things like, where have you
22 been running? Which slip do you get to have? Those
23 things, they say -- our intention is to leave you where
24 you are. But you know, you don't feel warm and fuzzy
25 about that.

1 It's got to transfer whole, like it is now, using
2 the rules that we're under now, and carry things forward
3 as we are now. It must go back to DOT. There is no
4 option. And I don't see anybody here who has a better
5 idea. If you have a better idea, I'm for it.

6 Thank you very much.

7 (Applause.)

8 FACILITATOR CHANG: Thank you,
9 Mr. White. Someone else who wants to make a public
10 comment?

11 MR. BRIAN SOUSA: I just have a
12 question.

13 FACILITATOR CHANG: Yes.

14 MR. BRIAN SOUSA: Were you going to
15 answer Mr. Mento's questions about what was -- the big
16 rush was, or I thought you were going to answer it,
17 what's the rush, and whatever his questions were.

18 FACILITATOR CHANG: I think at the
19 beginning, what I indicated was that, one, we were not
20 going to answer any questions, we were just going to
21 take public comment, as I wanted to give everybody an
22 opportunity to speak. So, at this point in time --

23 A SPEAKER: I thought you were going to
24 answer, and since the gentleman wanted to talk to you,
25 you stepped back.

1 FACILITATOR CHANG: No, no, no.

2 But -- yeah, no, no, no, that's fair.

3 But we would take all the comments. And then,
4 HCDA or DOT would respond to those and make sure
5 everybody got those responses.

6 A SPEAKER: Not that you're going to
7 "answer" his question -- "respond to?"

8 FACILITATOR CHANG: Well, at the
9 beginning, what I said we would do is, not answer
10 questions, but we would take your comments. They would
11 be recorded. They would be given to the Department,
12 HCDA and DOT, for comment.

13 MR. FRANK MENTO: A quick comment.

14 We do have the Executive Director here, and the
15 Asset Manager. Maybe they could make a comment to the
16 question -- and not answer it, but make a comment to the
17 question.

18 FACILITATOR CHANG: Well, what I'd like
19 to do is take public -- any other public comment.

20 Because I thought we had a roomful, and everybody
21 wanted to comment.

22 MR. FRANK MENTO: Could we have a show
23 of hands? Would anybody else like to have a comment
24 made to that question?

25 FACILITATOR CHANG: I'm sure you all

1 would. I'm certain that you would.

2 MR. FRANK MENTO: If this is an input
3 meeting, Dawn, please, let us have some more input from
4 these gentleman.

5 FACILITATOR CHANG: Let me just
6 reiterate what we have initially established.

7 Let me tell you this. If there is no other public
8 comment, and we're now at 6:40, I'm going to discuss
9 this with DOT and HCDA. I mean, if there are no other
10 public comments, I will discussion it with them, to see
11 what their response is.

12 But again, the purpose of these rules, these
13 ground rules, were really to permit all of you an
14 opportunity to speak, as all of you have something
15 important to say.

16 If the only people that are going to provide
17 comment tonight is Mr. Mento and Mr. Naluai, and
18 Mr. White, then I'll let these gentleman caucus and they
19 can decide. Because they weren't prepared to answer, as
20 we thought we would have a full room, and permit
21 everybody to give comment.

22 MR. FRANK MENTO: Excuse me. We asked
23 to be prepared for this meeting with the agenda. We
24 didn't get it until 2:00 o'clock this afternoon. And it
25 was very deficient in any information about this

1 meeting.

2 So we walked in here totally unprepared.

3 And I imagine that the gentlemen have caucused
4 previous to this meeting on a strategy on how to present
5 this meeting.

6 So I would think that in fairness to us, that in
7 whatever unprepared manner they are, they must know why
8 there is such an urgency to push this forward, and can
9 probably make some comment to it anyway.

10 And if this is our meeting, I think we all just
11 voted that we would like to hear those comments --
12 caucus or no -- we'd like to hear it.

13 FACILITATOR CHANG: And you know, Frank,
14 I really appreciate that. I should have you stand up
15 here and co-facilitate this.

16 MR. FRANK MENTO: I'd love to. I
17 volunteer.

18 (Cheering.)

19 FACILITATOR CHANG: Okay. Let me
20 just -- let me just pull back.

21 What I'd like to do first, again, in due respect
22 to the department, again, we have not -- they had not
23 prepared to respond to questions.

24 We thought we were going to have a room full of
25 people who wanted to make comments. That's not to say

1 that they won't respond. I first would like to take all
2 the comments from anybody who wants to submit their
3 comments.

4 A SPEAKER: I don't think you understood
5 my comment. I said, you don't need to answer the
6 question, just respond to it.

7 FACILITATOR CHANG: And I'm sorry if I
8 didn't appropriately or adequately respond to your
9 comment.

10 What I did want to do was, again, what I had set
11 forth at the beginning of the meeting was that we would
12 take everybody's comments first.

13 If we have time, then we may go back -- and you're
14 right, Frank -- we may have an opportunity where the
15 departments, the agencies may have an opportunity to
16 respond to you.

17 MR. FRANK MENTO: It's a wonderful
18 opportunity for real transparency and real public input.

19 A SPEAKER: Just continue and get
20 through it.

21 FACILITATOR CHANG: Let's me take the
22 next person's comment first. Thank you.

23 MR. STEVE ST. ROMAIN: Steve St. Romain.

24 I have a few corporations down there -- Hawaiian
25 Horizons, and Lionel. Here's something I think

1 everybody overlooked, an easy solution for this whole
2 thing.

3 Everybody's concerned about their businesses and
4 stuff and the new rules. Why don't we try and
5 grandfather in the people with the rules they have right
6 now, and the new people that sign up in your harbor play
7 with your game. Simple?

8 Would everybody be up for grandfathering the rules
9 they have for their businesses, right now? That's a
10 solution -- attack the new people that enter this
11 harbor. Does anybody hear me?

12 (Applause.)

13 You can grandfather this in. It's been done
14 before, it's done in other departments through the
15 state. You know, you can keep our permits, and let the
16 new guys get leases and rules and stuff, you know? They
17 can do whatever they want, frankly. You can see that
18 already, you know? So, why not do that?

19 FACILITATOR CHANG: I appreciate the
20 comment. Yes?

21 Again, if you can just state your name.

22 MS. ROSE MILTIER: I have just a few
23 comments.

24 I'm Rose Miltier, and we have a family business
25 for 40, 45 years -- 57. I'm 76 years old, and when I

1 was 15 my brother started the de Rego business, and here
2 is the de Rego. And I was 15 when we had the
3 Marestelle, right?

4 A SPEAKER: Stellamar.

5 MS. ROSE MILTIER: Anyway, and the boat
6 is named after my mother and father. And I don't know,
7 if that ever goes away, it will be awful. I kind of
8 agree with the guy about grandfathering, because it's
9 like tax, property tax.

10 We've been in our house 45 years. New people come
11 in, pay 32,000, worth a million in Kailua. Why should
12 we pay the tax, when we're there? We should be
13 grandfathered, like Chapter 13. You know?

14 I mean, that's maybe off the subject, but it makes
15 sense, doesn't it? And I don't think these people
16 should just triple what they pay now.

17 And I don't even like the name, "Hawaii Community
18 Development." That word gets me. Because I've worked
19 for Sandy Beach and many things 20 years now, holding
20 signs. That name is terrible -- "Development." We
21 don't need all this development that we're having.

22 Leave our people alone.

23 That's all I have to say.

24 (Applause.)

25 FACILITATOR CHANG: Thank you,

1 Mrs. Miltier. Who would like to make an additional
2 comment?

3 Let me exhaust --

4 Okay, go ahead. State your name.

5 MR. MIKE de REGO: My name is Mike de
6 Rego, and I have -- she's my aunt. I have Maggie Joe's
7 Sport Fishing, and a couple of other companies here.
8 Can you hear me?

9 I've got a couple of comments. I didn't come
10 prepared, actually. And I missed the opening. But I'll
11 be real frank with you.

12 I think that you've given us these rules all of a
13 sudden. To look at and digest and come up with some
14 comments is totally unfair -- maybe on the verge of
15 being illegal, I'm not certain.

16 But the bottom line is we've had months and months
17 of conversations. I think the Authority knows our
18 problems with the existing rules. We've presented them.
19 We've presented alternatives. They have not listened.

20 I believe we've wasted a lot of our time.

21 I think our only solution is go back to DOT. We
22 cannot afford to live with leases. It will kill our
23 business, for sure. We need to have our permits.

24 Without our permits, our businesses are gone. And
25 what will happen eventually, if I can't and I won't, by

1 their numbers, achieve their gross figures?

2 If I can't achieve it, I guarantee, there'll be
3 someone else next year that will, and that will lead to
4 a nice big development on the Ewa side, which is to me
5 what the goal is, okay?

6 We've been there for 57 years. Our business is
7 struggling. We're all tourist-oriented. Even the
8 commercial fishermen, they catch fish for the
9 restaurants.

10 What it sounds like is, we're all going to be
11 gone, real quick. We've tried to deal with them.

12 And why I'm so upset tonight is, all this is a
13 stall tactic. You're telling me that we're gonna go and
14 decide, and have public comment about these proposed
15 rules? Make a change to them. You haven't made any
16 changes to them. We've already discussed this at
17 length.

18 I've made personal proposals to both Mr. Dinell,
19 Mr. Kuitunen, with my exact figures. Those figures were
20 changed. So, you know, I don't understand how much more
21 honest you want me to be. I've taken my personal
22 financial information and laid it on the table. Okay?

23 And my people around me can't afford it. I can't
24 afford it, what they want to do. I don't know how much
25 more open and honest you want me to be. I don't know

1 how many more meetings you want us to come to. I don't
2 know how much more public comment you need.

3 The bottom line is, it needs to stay with DOT. We
4 can't have leases. We won't have leases. And we're
5 gonna object to any future HCDA movement.

6 I think it's -- it's the only way that our little
7 society in Hawaii can survive. We don't need a
8 development here. We don't need mega-yachts. We need a
9 commercial fishing industry, we need a chartering
10 industry, we need parasailing, we need cruises, we need
11 our tourist industry.

12 You tell me what's going to happen when the
13 biggest harbor that supports the tourist industry is
14 gone. I need someone to answer that. They've been
15 unable to answer that.

16 Furthermore, let me explain something else to you,
17 that everyone's missed. And I've brought this up 3 or 4
18 times. We are the only harbor in the state that has
19 been misjudged. There is no difference between us and
20 Honokohau, Lahaina. I don't see you attacking Lahaina
21 Harbor.

22 The bottom line is, we do the same thing.

23 Now, why does HCDA, or DOT, or whoever's deciding
24 to do this, take us out of that group?

25 That's not where we fit. We fit into the same

1 group as the Honokohau, Lahaina Harbor. That's where we
2 need to be. It's about time that everybody realize
3 that. We're only playing games with one another here,
4 and I'm really tired of it. Because you're wasting a
5 lot of --

6 The other day I went to a meeting. We all were
7 called to a meeting by Richard. I cancelled a
8 thousand-dollar charter to attend that meeting. That's
9 probably the fifth time I've done that. That's how much
10 commitment I have to this.

11 But when I get to that meeting, and nothing is
12 said, we asked them specifically, what's gonna happen at
13 this meeting? What's the format? No comment. It's not
14 at my level. I don't know.

15 You know? I'm insulted. I've been in business
16 for 57 years, and I thought that was the biggest slap in
17 the face I've ever had. I'm fighting for my business
18 and this guys fooling with my time. That's it. That's
19 what I feel like, if you're wondering.

20 (Applause.)

21 I don't believe that any more public comment is
22 needed. I mean, the bottom line is, these rules should
23 be given to everybody ahead of time, so we have the time
24 to look at 'em. What's the purpose of this meeting?
25 You've wasted all of our evening so far.

1 AUDIENCE: Again.

2 MR. de REGO: Again. You know what?

3 And again, I couldn't work today because of this
4 meeting. Okay? So now, I wonder -- I wonder if someone
5 here -- if one of these people want to pay for my house
6 and my mortgage next month, because I'm having a hard
7 time pushing my boat out, because I'm attending every
8 silly meeting, because my whole career and my whole
9 future depends on it.

10 I'm not sure that you understand or the Authority
11 understands that we built a little business; started 57
12 years ago. A little business, that's grown, just a
13 little. But that's all we have.

14 Okay? And if you want to take it away from us, I
15 have friends here for 35 years, back here, done the same
16 thing. You want to take that away from us? I don't
17 think it's fair. You've got to realize that what the
18 HCDA wants to do with the land, the harbor, to me, is
19 totally unjustified, and probably verges on being
20 illegal. Thank you.

21 (Applause.)

22 FACILITATOR CHANG: Thank you, Mr. de
23 Rego.

24 I realize, I mean, this is a very important issue
25 for a lot of you. The next public comment? Someone who

1 hasn't spoken. Someone who hasn't spoken?

2 MR. TOM BROWER: Thank you.

3 My name is Tom Brower, member of the House of
4 Representatives representing this area. I want to thank
5 you for coming.

6 I spoke to my counterparts in the House, and we
7 also have Senator Will Espero in the room, and he's been
8 very active on this issue.

9 We've also done some things regarding the budget
10 to maybe buy some time to accomplish some of the goals
11 you're interested in. And knowing Dan Dinell's work in
12 Waikiki, I do have a lot of respect for him, and I do
13 appreciate the work he's done for the community.

14 I've gotten a lot of inquiries about the operating
15 budget of Kewalo Basin. So, if any of the leaders of
16 the groups here today need a pretty comprehensive,
17 detailed explanation of the state's budget for Kewalo
18 Basin, as well as the operating budget for the Ala Wai
19 Small Boat Harbor, I've brought about 50 copies.

20 And I just want to leave you with, we are
21 receptive at the House of Representatives for some of
22 the goals that you're trying to get to, and we'll do the
23 best work that we can. And please keep contact with us.

24 Thank you.

25 FACILITATOR CHANG: Thank you very much.

1 Anyone who hasn't spoken that would like to submit
2 public comment? Yes.

3 MS. NANCY HEDLUND: Hi, everybody.

4 My name is Nancy Hedlund, and I serve on the
5 Neighborhood Board for Ala Wai and Kakaako.

6 And the comments I would like to make do not have
7 to do with expertise about what you're dealing with --
8 I'm trying to get up to speed and be informed, too --
9 but I am really concerned about communication. And I
10 just want to say what I think I hear you saying is what
11 we said last year at this time.

12 We want communication. We don't want to just be
13 heard as community citizens, and especially for you
14 guys, where your livelihood depends on you being here.
15 This isn't just here to meet a goal. This is here to
16 live. Being here, about your livelihoods.

17 And I think what people are saying, again and
18 again, is that they want to be in a dialogue in which
19 all parties speak in which there is reciprocal exchange,
20 in which the ideas go back and forth, you get answers to
21 the things you're saying, validation that you've been
22 heard, and thoughts about -- what our responses to that,
23 so there is actually a conversation.

24 And that was what we kept saying last year in the
25 spring, is we don't just want to be listened to.

1 Being listened to is what you sort of do with
2 children, you know? You listen to them, and you kind of
3 placate them, and you say, well, we understand how you
4 feel, but then you go ahead and do what you need to do,
5 because you're a parent.

6 But this is not about parents and children. This
7 is about citizens and state agencies, that are us.

8 I mean, there shouldn't really be this kind of a
9 divide between the state agency and the people it's
10 supposed to be serving.

11 So, I think we need better communication to get
12 this understanding, or there will always be these kinds
13 of inflammatory bad feelings.

14 And I just had a few concepts I wanted to say,
15 because I think they're part of the problem.

16 "Smart growth" you hear about "smart growth."
17 "Smart growth" means -- what it looks like it means to
18 me is "high end" fancy buildings fancy development,
19 high-end development that goes all in one extreme
20 direction.

21 We get economic justifications, but we don't hear
22 social justifications for this. Where is the people
23 justification for this? And where is the cultural
24 justification for this? The culture --

25 (Applause.)

1 And it's not just the cultures of Hawaii. It's
2 the culture of people who make their lives on the water.

3 You know? I mean, that's what I think is being
4 disrespected or what certainly feels disrespected.

5 I wrote down when somebody was talking, that I
6 hear people saying, we need real tourism and real
7 business for real people, and not high-end development
8 that drives all the regular people out of their
9 livelihoods.

10 People who come here in good faith want a response
11 of good faith. And I'm sorry, I know this is -- the
12 format tonight is to not answer questions, but when
13 people won't answer questions, it feels like bad faith,
14 even if it isn't.

15 MR. FRANK MENTO: It is. It is. It is.

16 MS. HEDLUND: And finally, I'm very
17 happy to be informed here tonight more about this.

18 The state-wide precedent that was just mentioned,
19 I thought, was extremely interesting. But I just am
20 proud to be here as part of you guys, and I really
21 applaud your passion.

22 MR. FRANK MENTO: Thank you, ma'am.

23 (Applause.)

24 FACILITATOR CHANG: Thank you very much,
25 Mrs. Hedlund.

1 Do I have any additional public comment?

2 Yes, please come up.

3 MR. NICK FEDELIBUS: How you doing? My
4 name is Nick Fedelibus. I'd just like to ask, within
5 HCDA, who actually is making the decisions on the rules?

6 Is there a board? And if it's a board, which
7 people are they? Who are they?

8 And if they are, where are they? Because they
9 should be here. There's plenty of people here to listen
10 and tell you what we feel, but the people who are
11 actually making the decisions aren't here.

12 There's two out of how many? How many people
13 actually make decisions? There should be more people
14 here to listen to all of us.

15 (Applause.)

16 FACILITATOR CHANG: Thank you for your
17 comment. Does anybody else want to speak? Thank you.

18 MR. CHRIS LEVIS: Hi, I'm Chris Levis,
19 I'm Nick's brother.

20 We're all here about this new development in
21 Waikiki and everything going, but what people gotta
22 understand is, we're not rich people. We're lifestyle
23 rich.

24 We make enough money to support our employees, let
25 them live. We don't make any money as business owners.

1 We make enough money to fix our boat when it
2 breaks down, and pay these rates that you're giving us.
3 We're just not gonna be able to do it. Of course, you
4 might be able to get new people to come in that will pay
5 it. Five years down the line, we'll be out of business.

6 So -- (Applause.)

7 FACILITATOR CHANG: Thank you very much
8 for your comment.

9 Any other public comment? Yes.

10 MR. DUSTEN BENDER: I'm Dusten Bender.
11 I'm with de Rego Sport Fishing.

12 If you expect us -- you expect de Rego and
13 businesses like that to pay all these fees, they can't
14 do it, you're gonna bring in boats that can, how are you
15 going to find the tourists? How many tourists are
16 willing to pay 120,000 to go on a boat? How many?

17 How many tourists come here and want to pay \$5000
18 to take a boat ride? Think about that answer.

19 (Applause.)

20 MS. ANN STEVENS: My name is Anne
21 Stevens, and I'd just like to say, I was in the business
22 of being a ship agent for many years here in Hawaii.

23 And one of the jobs that I did was try to attract
24 mega-yachts to Hawaii. I really, really worked hard at
25 it, and tried to bring 'em in, and contacted a lot of

1 vessels that were, you know, passing Hawaii.

2 But you know what? They're very, very few and far
3 between. And they just don't -- Hawaii, they may want
4 to come here because they break down, and they have to
5 go to the shipyard and get some repairs, or they may
6 want to stop in for a couple of days.

7 But Hawaii waters -- and you guys are all in the
8 water -- it's -- they're not really conducive to
9 mega-yachts. It's too rough. The people get sick. And
10 you can't have your cocktails as Regg says, out on the
11 poop deck and have a nice cruise on a mega-yacht.

12 It's a very, very difficult business, and I'm not
13 in that business anymore. If you look around the
14 harbor, you see only a few mega-yachts coming through.
15 They can't -- they don't even go out to Ko Olina very
16 often. Once in a while, but not enough to support a big
17 high-end type marina that seems to be what HCDA is
18 envisioning now.

19 And I'd just like to say, I was also involved with
20 the Save Our Kakaako Coalition, and it's about the
21 people that are currently living in Hawaii. It's not
22 about the people that we want to attract to Hawaii.

23 So let's work on building things, and improving
24 things for the people that are already here.

25 Thank you.

1 FACILITATOR CHANG: Thank you very much,
2 Anne. Any additional comments?

3 MR. RON IWAMI: My name is Ron Iwami.
4 I'm President of Friends of Kewalo Basin Park
5 Association, and I represent the recreational users of
6 the park.

7 We're the surfers, fishermen, picnickers, everyday
8 users of the park. And I was asked to be here by Frank
9 Mento, and I'm here because they're our neighbors, and
10 whatever affects the harbor is going to affect us, the
11 park users. And what I hear tonight, you know, I hear a
12 lot of things. I hear the passion of the voters, I also
13 heard from the government.

14 And I have questions that I wanna ask.

15 My first question is, um, you know, is the prices
16 or the fees going up for these boaters because you need
17 to fix the harbor?

18 And if they are, what happened to all the money
19 all these years that DOT had the harbor? Wasn't it
20 supposed to be used to maintain the harbors, to be -- I
21 mean, that's just a question I have.

22 And if that's the case, I think it was DOT's
23 responsibility to upkeep the harbors, and now they want
24 to get out of it. And I think they're putting the
25 burden now on the boaters. And I don't think that's

1 right.

2 So, I just wanted to make that comment.

3 FACILITATOR CHANG: Thank you, Mr.

4 Iwami.

5 Any other comments?

6 MR. SCOTT WALLBERG: My name is Scott
7 Wallberg, and just to let you guys in on how much we do
8 struggle, the past month, just until a few days ago, I
9 worked the whole month. And we struggle already, just
10 so we can survive.

11 I don't even own the business. I work for Mr. de
12 Rego, okay? And if we had to do this, if you guys come
13 in and raise our prices this much, we'll kill ourselves.
14 There is no way that we can do that.

15 We just worked the past month, just to stay
16 afloat. I'm 24 years old. And there is going to be no
17 way that under your rules I'll ever be able to own a
18 boat in this harbor. No way is it possible.

19 So you guys, if you could really look at that,
20 just take the land up to the street. That's fine. But
21 leave us alone. Give us back to the DOT. That's all we
22 want.

23 Because we survived this long, and we had a
24 meeting with this gentleman -- I think his name is
25 Richard -- a few months ago, and he said that by

1 doing -- raising these prices and unifying the harbor,
2 that it will bring the tourists.

3 The tourists have got to get on a plane in order
4 to get down there. They're not doing it.

5 So, if they're not coming into Waikiki, how are
6 they gonna get to the harbor to spend money?

7 As charter boats, we charge a very small fee,
8 compared to a lot of other places in the world. We
9 spend more time, we spend more hours fishing. A lot of
10 our days are 14-, 16-hour days.

11 If you guys want to come down for one month and
12 see what we do, just to survive, I think it would be
13 beneficial to you. Because then, you would get an
14 insight to our world, and you might say, okay, we'll
15 take right up to the street, and that's it.

16 Thank you.

17 (Applause.)

18 FACILITATOR CHANG: Thank you very much.
19 Any other comments?

20 MR. PATRICK JONES: Hi, my name is
21 Patrick Jones. I heard about the Kewalo and Kakaako
22 Basin when it was under the DOT, and when it was going
23 to be released. And this is the first I've heard about
24 HCDA, but that's informative, I'll tell you that.

25 Just about Oahu in general, this is the gathering

1 island to me. This is where most tourists come to
2 first. They scuba dive here first. They may fish here
3 first. Then they may go to Kauai, or Kona next.

4 It's affordable to come here first for them, and
5 it's affordable for us to live the lifestyle that we
6 love here. Some of us are lucky to do it on the other
7 islands, as well.

8 But it sounds like the people who are in this
9 business have been in it for a while, and for them to
10 keep doing it, it needs to go to the DOT.

11 So, I support that. Thank you.

12 (Applause.)

13 FACILITATOR CHANG: Thank you for your
14 comment.

15 MR. BRIAN SHIMOKAWA: My name is Brian
16 Shimokawa, and I'm a member of the Friends of Kewalo
17 Park Association.

18 As Mr. Iwami said, these guys are our neighbors.
19 And what's gonna affect them in the long run is gonna
20 affect us.

21 Do we not have a State Harbor Division here? I do
22 believe we do. And what is the state -- what is the
23 Harbor Division for? I believe it is for taking care of
24 the harbors.

25 To make it short, I'm just kind of scared -- no

1 offense, Dan or Richard -- but the Hawaii Community
2 Development Authority, HCDA, with the kind of autonomous
3 power they have flaunted -- it scares me to have a
4 development authority have jurisdiction over our boat
5 harbor.

6 Come on guys. It doesn't sound right.

7 (Applause.)

8 FACILITATOR CHANG: Thank you,
9 Mr. Shimokawa. Any other comments? Anybody else like
10 to -- yes, come on up.

11 A SPEAKER: First of all, my apologies,
12 I thought I turned it off.

13 FACILITATOR CHANG: That's okay.

14 MR. GARY DILL: Gary Dill is my name.

15 I run the Imua. It's a commercial fishing boat.
16 It's been there for a long, long time, too.

17 I had hoped to get some answers. I had hoped -- I
18 almost didn't want to talk, because I wanted to get the
19 answers to some of our questions.

20 However, I had this idea for a long time that
21 was -- I'm not giving you an answer, okay? It's gotta
22 come from the guys next to you.

23 But just from an ordinary citizen's point of view,
24 I've watched the harbor in the last few years, my boat
25 used to be on B Dock, you know, at the B Dock, right?

1 And Herringbone Pier B.

2 So, in asking around, and just on looking at our
3 financial reports, it seems to me, in a real simple sort
4 of a way, that possibly, the reason for the condition of
5 the harbor at the moment is this.

6 If you were the manager of an outfit like this,
7 and you didn't own it, and you knew that your tenure was
8 up soon -- in fact, it was supposed to be up last year,
9 July 1st -- and guaranteed, absolutely, point in time --
10 now, now, now, it was last year July, now it's this year
11 July, now it's sometime this year, or maybe next year --
12 okay?

13 So, if you were that manager, and even though
14 you're making a little bit of money, you're not making
15 big bucks. But you're making some money.

16 I mean, the harbor is paying for itself.

17 But how do you fix B Dock? How do you fix the
18 Herringbone Pier? How do you make any of the amenities
19 improved if the agency that's going to kick you out in a
20 year or two is going to tear it down anyway, and build
21 something else?

22 So, I want to say to the DOT, as a taxpayer in
23 this land, thank you very much for being one of the
24 government agencies -- one of the few government
25 agencies -- that I have come across in a long, long time

1 that has saved the taxpayers money.

2 That may not be your answer, but it's a
3 possibility.

4 And anyway, thank you very much.

5 (Applause.)

6 FACILITATOR CHANG: Any other public
7 comment? Thank you.

8 MR. ROBB FRUTH: My name is Robb Fruth.
9 I'm with Hawaiian Tel.

10 I don't have any kids, but I know it's expensive
11 to have kids. Families save a lot of money to come and
12 enjoy the Hawaiian experience. And you guys are trying
13 to take away some of the cheap thrills that we have.

14 You know, we provide -- you know what I mean?
15 Families come here looking for cheap thrills. And, you
16 know, we need these companies here, and this is our
17 harbor.

18 We can't use the Ala Wai, I mean, you know, it's
19 worse really, farther and farther from Waikiki.

20 I don't know, it's not a big point, but I just say
21 that the families will be losing the experience, the
22 Hawaiian experiences they come to Hawaii to experience,
23 you know -- the parasailing, and jet-skiing, or you
24 know, weight-boarding, whatever, diving -- all those
25 things are going to disappear to, you know, people that,

1 you know -- they're just gonna be losing it.

2 That's what I thought.

3 (Applause.)

4 FACILITATOR CHANG: Thank you, Robb.

5 I know that many of you -- I thought a lot of you
6 young guys wouldn't come up to testify. So, I
7 appreciate that you come up here.

8 Any other public comment?

9 Okay, come on.

10 MS. ELAINE TAMASHIRO: I will. Hi, I
11 wasn't gonna speak, but I have been invoked by you all,
12 and I'm Elaine Tamashiro. I am a member of the Save
13 Kakaako Coalition. And I'm hearing clearly that the
14 boaters who are now residents and have permits -- not
15 residents, but permits to work out of the harbor -- are
16 gonna be pushed out with the fee raise. That's clear.

17 And I think HCDA probably knows that.

18 And I hear that there's gonna be upgrades to the
19 harbor. That is true. I'm quite sure that's true.

20 There are tenants all over the harbor that are
21 being moved out for the purpose of upgrades.

22 And so my question is, what is the vision, then,
23 if the current permit holders are out of Kewalo Basin,
24 and the harbor is upgraded to something that might even
25 be gentrified, what is the vision that HCDA has for this

1 harbor?

2 (Applause.)

3 FACILITATOR CHANG: Thank you. I
4 appreciate the comments. Dan has just reminded me, too,
5 that there are these forms at the back for public
6 comments. Again, if you want to provide a comment
7 after, please feel free.

8 Any other public comment? I'm going to take a
9 second round. Wait. One last chance. Anybody here who
10 wants to speak before we go to second?

11 DR. SOL NALUAI: Second round.

12 Dr. Sol Naluai. I am a retired physician, was in
13 family medicine, surgery. For bragging rights, my
14 daughter, Kalei Kaaikaula is the only female Hawaiian
15 hundred-ton captain that has her own charter boats and
16 charter company.

17 My question is to these agencies -- HCDA and DOT.

18 The question is, is it that they can't answer the
19 questions because they're not prepared? Or they don't
20 want to answer the questions?

21 Because how long have they been in their
22 positions? I don't know, maybe years. And working for
23 months or maybe years on these issues of the harbor.

24 And yet, they don't know enough or are not
25 prepared enough to answer simple questions.

1 To me, that's totally ridiculous. And it goes to
2 show -- and I think all of you, if you don't already
3 know it, need to know this -- a reason why they don't
4 need to answer to you is because they are not
5 accountable to you. They are not elected officials.

6 All state commissions, agencies, and boards are
7 political appointees. We don't elect them. So they are
8 not accountable to us. So, they don't have to answer to
9 us. No matter what we say, it can be just token,
10 because they can do what they want, because they don't
11 have to answer to us.

12 And most of HCDA board members -- someone asked
13 the question -- they're primarily realtors, architects,
14 banker, developers, and people like that.

15 And that's why they're pro development, and that's
16 why, no matter what we say, it doesn't matter, because
17 they'll do what they want to do.

18 And I believe -- and it's my own opinion -- I
19 believe any board, commission, or agency, given the
20 authority like HCDA to hold title to our public lands --
21 it's our lands, and they're holding title to it, as
22 owners. Any agency like that, that has the authority to
23 hold title to public lands, to sell public lands -- and
24 we stopped them from selling public lands to A&B, and
25 they were going to sell our public lands for private

1 interest.

2 And to tax the public -- whether it's through
3 fees, tariffs, or levying any kind of taxes -- any
4 commission, agency, or board that has the authority, I
5 think, we should hit the Legislature to make those
6 boards elected boards. Because they need to be
7 accountable to us.

8 (Applause.)

9 And this is why, if they have the power and
10 authority to circumvent what we did to stop A&B, and to
11 use their new rules to contract commercial landlords who
12 can then develop the surrounding lands, the way we had
13 stopped A&B, they're just, like I mentioned earlier,
14 circumventing what we did, and going through the harbor
15 to continue to do what they want to do.

16 We need to take our issues to the Legislature.

17 And I'm glad one of the legislators are here.

18 Because I don't believe any politically-appointed
19 board should ever have the authority to hold title to
20 our public lands, to sell our public lands.

21 (Applause.)

22 They need to be elected, just like everybody.
23 Because if we don't like what you do, we kick you out by
24 not electing you again. The same with these guys.

25 We need to have that authority back to the people.

1 Jordan. I work for Sport Fishing for the last seven
2 years. I want to make two points.

3 The first point is, I talk to hundreds of people a
4 week. The people that come to Kewalo Basin and do our
5 activities, they're not dripping with jewels, they don't
6 have a million dollars. They're people that work all
7 year long for their two-week vacation, to take their
8 kids to do something fun in Hawaii.

9 They come to us. We should be grateful. We
10 should, you know, try to provide them with some
11 activities that they can do that are wholesome, that are
12 nice. It's not going drinking, and you know, we just
13 should definitely just keep that affordable for people,
14 because they saved, a whole year.

15 They're not like a lot of people that have a lot
16 money. They don't. Because I talk to them every day.
17 They bring coupons in, you know, they're worried about
18 how much money it's going to cost. And anyway, I'm
19 really nervous, so sorry.

20 The second point I want to make is that the
21 feeling that I get from this meeting over here is that
22 you guys feel like you want -- it feels to me like you
23 guys want to see exactly what we're thinking, but you
24 don't want to tell us anything about what you guys are
25 planning, or what you guys want to do, or anything like

1 that. So, that's my two points.

2 (Applause.)

3 FACILITATOR CHANG: Thank you. I know
4 that for a lot of you, this may be the first time, and I
5 appreciate that you're coming up.

6 Any other public comment for the first time? If
7 not, I'm going to let Mr. White.

8 MR. WHITE: I think Mike's aunt brought
9 it up. It's development that's the problem, a great
10 deal of it.

11 You know, whether we like it or not, tourism is
12 the basis of our economy in Hawaii. And people come to
13 Kewalo Basin because it's quaint, it's picturesque, it's
14 very different. It is not a glitzy shopping mall.

15 And let's face it. They don't have to fly five
16 hours to go to a glitzy shopping mall. It's very
17 simple. Look at Fisherman's Wharf in San Francisco,
18 look at Lahaina -- fiercely protected areas, not
19 redeveloped, on purpose, because that's their appeal.

20 That's why the people go there.

21 I provided HCDA with a copy of the Markrich Report
22 about ten days ago, I guess. And in there, I believe it
23 says -- and I haven't read it myself again for some time
24 now -- but I think it says, about 20 percent of the
25 people who come to Hawaii, who land at the airport, go

1 on boating activities out of our harbors here.

2 If we become unappealing to those people, if we do
3 away with the reason they come -- the Eco Tours, the
4 funky boat rides, the fun -- the low-expense, low-income
5 stuff for everybody to go do -- that 20 percent of the
6 tourists has no reason to come here.

7 Why would you save for three years -- and DBEDT
8 says that's what they do -- they save three and-a-half
9 years on an average, for this trip to Hawaii, to find
10 aloha, and have a lot of fun being Hawaiian.

11 And we take that away. Suddenly we look like
12 every other shopping mall, every other built-up beach
13 full of condominiums, and we don't have any fun things
14 to go do anymore -- why would they fly five hours on an
15 airplane to come over here?

16 Thank you very much.

17 (Applause.)

18 FACILITATOR CHANG: Thank you. Frank.

19 MR. FRANK MENTO: I just have one final
20 question/comment. It's real important that we get this
21 right. There's lot at stake here.

22 Let's not rush. If there is no good reason to
23 rush, if the money's there, if there are options
24 available to us, let's look at all of them.

25 Let's let other people into this process, and

1 let's slow down and make the right decision -- not only
2 for all these people, but for our neighbors that are
3 going to enjoy those public lands. It's important that
4 we take our time and do this right.

5 (Applause.)

6 FACILITATOR CHANG: Thank you, Frank.

7 I mean, I appreciate your thoughts, and I think
8 that's been coming across tonight -- wanting to make
9 sure that everybody is doing this right.

10 Do I have any more public comments?

11 MR. MIKE de REGO: I have couple of more
12 things. Mike de Rego, from Maggie Joe's Pro Fishing.

13 I just got a couple of comments that I think I
14 failed to make, and I really think it's important that
15 we hit home with that.

16 One thing, I think most of us understand what
17 Kewalo Basin is, but I'm not sure that everybody in the
18 state does. First off, it's a small boat harbor.

19 Which means that, one, DOT is over here, big
20 boats, big ships -- that's what they want to do.

21 By Mr. Fukunaga's own admission, we're not fitting
22 their profile as a harbor. Okay? That's fine.

23 But, we're better there than with HCDA. They know
24 how to run a harbor. Let me explain to you why I don't
25 think HCDA can run this harbor.

1 One, they've had ownership for 17 years. Walk out
2 there and take a look at those piers. If they can't
3 enforce their managers to run that harbor, take care of
4 that harbor, what makes us think that ALMAR or someone
5 else can do it, that someone else is gonna run that
6 harbor?

7 What makes us think that?

8 And what makes us think -- what makes any of us
9 think -- that them putting \$4.5 million in the back row
10 that they so proudly showed every TV station, that was
11 in disrepair, which in my opinion, and the opinion of
12 everybody else here -- is because of somebody's poor
13 management. That \$4.5 million, as I've been told many
14 times, is going to help my business.

15 Show me. I don't think so.

16 That's the flip piers behind the commercial
17 fishing. I think that serves a good purpose, don't get
18 me wrong. But that's not going make another tourist
19 come to my business. That's not going to ensure I have
20 two more sales tomorrow. It's not gonna do any of that.

21 Let's be real. I've been there for a long time.
22 You want to know about the business? I can tell you a
23 little bit about it. Okay?

24 Getting back to the harbors, let's talk about this
25 real seriously. We fit in what is called a DLNR

1 harbor -- that's what we fit as, okay?

2 Now, we can be DOT. We can be DLNR, whatever.

3 But we can't be HCDA. Okay? We're a small boat
4 harbor with small commercial fishing, with small
5 charting industry -- small this, small that. All right?

6 Let's go someplace that understands what we're
7 doing. A big, private contractor from the mainland is
8 not gonna understand anything about that land, that
9 harbor, my business, his business, or anybody else's
10 business.

11 I wonder how they're gonna feel when the
12 commercial fishing boat comes in and unloads. I don't
13 think they're gonna like that. But you know what? They
14 serve a big purpose here.

15 You talk about tourism, how much fish do you think
16 is supplied to our markets? How many people come here
17 to eat fresh fish, fresh ahi? That's not gonna happen,
18 I don't think, too much.

19 We provide a lot of fish to the auction. My boat
20 does. You know? We provide a lot of mahimahi.
21 Probably the most mahimahi at the auction.

22 We're not gonna do that anymore. I just want
23 people to understand, and I want you to understand, that
24 we've tried a number of times to face this issue.

25 And why I'm so heated about it is that I've spent

1 time and time again trying to address these questions,
2 okay? So this is not the first time that we're
3 addressing them.

4 We're a small boat harbor. Let's keep it that
5 way. Let's understand how we work.

6 We're all welcome to sit around the table and try
7 to figure it out. Okay? I'll do that again, I'll
8 cancel another thousand-dollar charter. I'll do that
9 two more times, or three more times.

10 But let's be productive. Let's get the people who
11 are gonna play the game to be there. Let's not go to
12 one office, and go to the other office, and get three
13 different answers. Okay?

14 I don't like that. I don't have time to do that.
15 I don't think any of us here do either.

16 And I really think that our questions need to be
17 answered. I'm gonna hit on that again, because we've
18 asked legal questions, we haven't got answers to.

19 We've been stalled. You know what? We've had two
20 months -- three months to organize, to come to where we
21 are. People have had since 2005 to deal with this
22 issue. And they still present us rules that they can't
23 get straight, that doesn't help any people -- nobody --
24 none of the population.

25 I thank you again.

1 (Applause.)

2 MR. JASON SAKAI: Okay. This is the
3 game you guys understand. Who does the HCDA answer
4 to -- anybody? The Governor.

5 Who does everybody else answer to? Mufi.

6 That's the bottom line.

7 Dan is just doing his job, a semi-autonomous
8 entity that answers only to the Governor.

9 So when we went to the capital, it was Lingle,
10 Lingle, Lingle. Mufi is over there going -- Mufi, you
11 know, he couldn't do anything, or you know -- so, so
12 that's the player.

13 The player is the Governor. Dan answers to the
14 Governor. That's the game that has to change, and
15 that's the game you gotta -- that's the fight you gotta
16 fight.

17 So the Legislature put pressure on the Governor to
18 stop residential development below Ala Moana Boulevard.

19 Now, the Legislature got behind us -- some of them
20 probably didn't believe in what we did, and some of them
21 just probably hated the Governor.

22 But it didn't matter, as long as they were on our
23 side. You know what I mean? Some are Democrats --

24 A SPEAKER: Sometimes, both.

25 A SPEAKER: Sometimes, both. The ends

1 justifies the means, as long as we got what we want, and
2 got them on our side.

3 But you guys gotta understand who we're fighting.

4 When you say "HCDA" you're fighting the Governor.

5 So, you guys gotta stick together, you guys
6 gotta -- the shirt's a good first step.

7 The second step, Legislature. So you guys gotta
8 stick together.

9 (Applause.)

10 FACILITATOR CHANG: Any others?

11 MS. SHANTEL KEUMA: Hi, my name is
12 Shantel Keuma, I work for Hawaiian Parasail.

13 I have a comment.

14 Number 1, these rules -- we haven't yet gotten a
15 chance to read them. So, I feel like this meeting --
16 you've come here with a purpose to go over the rules,
17 and we didn't even go over them. So this was silly.

18 Number 2, just one concern I have is, I've seen
19 all the development pop up within the past two years
20 around Kewalo Basin. And I kinda have a feeling that
21 you folks want to close in on Kewalo Basin, take over
22 the power, and have your power and authority to lease
23 and sell this land to develop, as much as it has been
24 developing around us.

25 And I think I see that as a concern for the

1 public, because you'll be taking the public lands out of
2 the public hands. Thank you.

3 (Applause.)

4 FACILITATOR CHANG: Do I have any other
5 public comments? Anybody else want to submit a
6 question? Any other public comments?

7 And part of this, I'm going to take some of the
8 heat here. Because I did -- well, why don't you come
9 up?

10 I'm gonna help Mike, and I'm going to facilitate
11 this discussion. So, Mike you can -- are you going
12 to --

13 MR. MIKE GOSHI: My name is Mike Goshi.
14 I'm the political appointee.

15 I came to this job about 8 years ago. I've never
16 sat on a Neighborhood Board --

17 A SPEAKER: We can't hear really very
18 well. Louder, please.

19 MR. MIKE GOSHI: What I'm saying is,
20 you know, I serve on the board, you know, and I'm a
21 quote "political appointment."

22 I never asked for this job. Basically, it's --
23 one of the board members passed away, and he asked me to
24 fill the spot. So that's how I came to the board.

25 But I want to ask a couple of questions. One

1 thing I hear all the time is this conspiracy theory, as
2 long as I've been on the board. I'm just a private
3 citizen. It's never anything like that. It's easy to
4 say that, but I can say, it's never been --

5 MR. FRANK MENTO: -- Can I give you an
6 example of how we've been treated?

7 Richard sent us an e-mail, and invited us all to a
8 meeting in his office Friday last, on the 25th.

9 The purpose of that meeting was to give us a
10 heads-up and explain to us what this meeting was about.

11 That notice was sent to us on a Tuesday, very
12 short notice. As many as we could, we showed up. We
13 told him it was short notice.

14 Richard strolled into that meeting 15 minutes
15 late, sat down. No apology was given to us for either
16 his tardiness, or for the short notice of the meeting.
17 Okay.

18 He then proceeded to introduce two new concepts to
19 us which had nothing to do with the agenda he gave us.

20 The two new concepts were, there's going to be a
21 bookkeeping transfer of the assets on seven month, and
22 an actual transfer of the assets on nine month.

23 This is terminology we're trying to absorb.

24 It's similar to when we asked Richard in one
25 meeting, "What is HCDA?"

1 And he told us, it was "the body corporate and
2 instrumentality of the state."

3 It took a little while to catch our breath, to
4 find out he was saying it was a private corporation.

5 The language that we see, the tactics that we see,
6 are someone confusing the issue.

7 Now this meeting proceeds on Friday, which we're
8 supposed to hear a heads-up on what's going on tonight.

9 And Richard tells us he's never been privileged to
10 any of the planning sessions, he doesn't know who the
11 facilitator is -- we're asking for you to give us what
12 you said we're here to get.

13 We didn't get any of that.

14 So we went to a meeting, short notice, 15 minutes
15 late by the person that calls the meeting. No apology.
16 And no information was given to us that was at all
17 relevant, and that what was promised.

18 So, that kind of treatment is pretty shabby, I
19 think. And it's an indication of what we've done all
20 along.

21 We're so confused by what has been happening.

22 We give input. We've tried to get on the fast
23 track to really understand what's going on. A lot of
24 the input we give -- disappears. It doesn't show up
25 anywhere.

1 Some of the representations that have been made
2 about us, we believe, are probably that we're difficult
3 to deal with. We're not.

4 We're being confused. And I think it's
5 deliberate. That makes us very suspect.

6 We have been at every meeting, and we have
7 genuinely tried to participate and put input.

8 But we've got some serious questions that are
9 unanswered. And it's hard to talk about the details of
10 these rules when we haven't even seen a lease.

11 Hundred and 20 pages of rules that are revised,
12 and revised. And where is the lease for us to look at?

13 The question about our permits -- the Attorney
14 General should be answering these. There's a lot of
15 questions that have gone unanswered.

16 So, to answer your question, why are we upset?
17 We've been handled in a manner that has been, at best,
18 very deceptive and confusing.

19 MR. MIKE GOSHI: Let me try and answer
20 that.

21 MR. FRANK MENTO: Okay.

22 MR. MIKE GOSHI: First of all, last year
23 8 years, I never was involved.

24 First of all, the government is a very complicated
25 thing for a the private sector, a lot of rules.

1 And one of the things -- comment came up was, why
2 were there only two members here?

3 Well, there is a Sunshine Rule.

4 If you have a third member, then we can't be
5 there. So that's Ethics Commission, you gotta follow
6 the rules.

7 Why the rush? Because that was the deadline, you
8 know? The deadline, we didn't create. This mandate
9 happened years ago. Sorry to live on borrowed time.

10 At some point, I know you can find ways to -- this
11 is from my perspective -- there was extension last year.
12 Harbors is taking out a few more months. But basically,
13 we're on borrowed time, is the feeling we get. And so,
14 that's -- that's --

15 MR. FRANK MENTO: Well, to that end, at
16 the first public hearing, the Deputy Attorney General,
17 in response to Mr. Saito's question about adapting rules
18 said that the HCDA could adopt, en masse, the existing
19 DOT rules to operate under.

20 So, part of the rush is that there is an urgency
21 to have new rules written, so that someone else can come
22 in and operate this.

23 If the rules can be adopted en masse, and HCDA
24 cannot run a harbor as an agency, then DOT should be put
25 back in there.

1 If the only reason we're rushing to write new
2 rules is that they have to be there for a third agency
3 to come, or for a private manager to come in, then we're
4 saying, that's where the problem lies. It's an
5 artificial deadline that doesn't need to be.

6 Mike, we can go back -- either HCDA, if they have
7 to take management -- can adopt the rules en masse, and
8 run the harbor the same way that DOT has, until these
9 things can be sorted out, until the money issues can be
10 answered, and until clear jurisdiction as to whether the
11 Legislature or the Governor wants to put it under the
12 DOT, or under the DOBOR, or if the Governor says, remain
13 under HCDA.

14 But there's some real questions here about where
15 these public lands should be.

16 Going back to 1990 when they were first given
17 jurisdiction to HCDA, it was done in a manner that this
18 issue has lied dormant.

19 So if 17 years can go by without any urgency, we
20 just say, maybe until like the next legislative session,
21 and into -- a little more time to review this, and also,
22 accommodate better judgment from HCDA.

23 FACILITATOR CHANG: Mike, you know, and
24 I'm sure this is going to be -- you're going to feel
25 this is so inappropriate, and I'm trying to change this

1 tactic. Can we just take a five-minute break, and let
2 Mike go and get something to drink, just to help the
3 court reporter?

4 MR. MIKE GOSHI: I've been on the run
5 since all afternoon.

6 MR. FRANK MENTO: You're wondering why
7 we feel --

8 FACILITATOR CHANG: Can we just hold?
9 Take a little five-minute break.

10 (Short Recess.)

11 MR. MIKE GOSHI: We're going to try to
12 answer some of your questions, some of the questions.

13 I don't have all the answers, because again, you
14 know, I'm just a member of the board.

15 But the bottom line is the deadline of July 1.

16 That was the deadline. We don't set the deadline.
17 It comes from -- I guess a mandate from the Legislature.
18 That was the deadline.

19 And they gave us a one-year extension last year,
20 so this is where we are.

21 MR. FRANK MENTO: Is that a deadline
22 from the Legislature or the DOT?

23 MR. MIKE GOSHI: It came from the
24 Legislature. Right, Dan?

25 MR. DINELL: From the Legt. Auditor, is

1 where it comes from.

2 MR. MIKE GOSHI: When I say we're in the
3 same boat, there is a mandate that you boaters that use
4 the harbor and HCDA -- we're all in the same place.

5 We're not dictating this action. It's being
6 dictated to us. And that's --

7 MR. FRANK MENTO: Can the rules be
8 adopted en masse -- the DOT rules?

9 FACILITATOR CHANG: I guess, can I just
10 interject here?

11 And I'm actually going to to speak -- I'm going to
12 put on a former hat I used to wear, and I'm not going to
13 render any legal advice.

14 I was a Deputy Attorney General for the Department
15 of Transportation and DLNR for 14 years.

16 So, the only point that I want to make with
17 respect to legal questions is -- and again, I take some
18 of the responsibility for the format of this meeting.

19 I had told both DOT and HCDA that we were really
20 just going to take public comments -- that there really
21 wasn't going to be an opportunity to respond.

22 So, with respect to questions related to legal
23 issues, I think it may be inappropriate to put -- ask
24 Mike that. I think what we're going to do is, we're
25 going to take all of your comments, and we're going to

1 go back, and HCDA is going to contact the appropriate
2 agency -- be it the Attorney General's Office, be the
3 DOT -- to properly respond to questions.

4 MR. FRANK MENTO: May I interject?

5 That legal question has been answered by the
6 Deputy Attorney General present at the public hearing on
7 May 7th.

8 FACILITATOR CHANG: That was Mel?

9 MR. FRANK MENTO: I think it was Mel.

10 He was in the corner, he was like the Wizard of
11 Oz, just a voice coming out.

12 And we heard him say at the time that HCDA could
13 adopt the DOT rules en masse. He did confirm that.

14 I don't know if, Mike, you were at the hearing?

15 MR. MIKE GOSHI: No.

16 MR. FRANK MENTO: Mr. Saito asked what
17 other options were available, if this deadline is forced
18 on them?

19 FACILITATOR CHANG: Well, let me just
20 kind of reiterate. And I'm going to let Mike continue
21 on.

22 This public -- I mean, one, I will tell you from
23 my perspective why this was called so last minute.

24 My understanding is, this was scheduled as a
25 public hearing on the Draft Rules. And in order to, I

1 guess, get the information to you that this was not
2 going to be a hearing on the public rules -- for exactly
3 this reason -- you guys, many of you, this is the first
4 time you're getting the rules to be asked to comment on.

5 So, HCDA and DOT made a decision that they were
6 not going to hold a public hearing. They were going to,
7 instead, take your public comments, go back, and
8 revisit, and look at, "Do the rules really reflect these
9 comments?"

10 And that was the purpose of tonight's meeting.

11 So quite frankly, I did not -- my instructions to
12 them as a facilitator was, we're going to take public
13 comments, but there really wasn't -- we had not
14 anticipated an opportunity to dialogue.

15 So Mike is, you know, he's going to answer the
16 questions to the best of his ability, but again, what we
17 do reassure you is, all of your comments and the
18 questions that you ask -- again, they're very important.

19 I mean, all of you came here. I mean, this is
20 your livelihood. And I know how important this is.
21 You've got a lot of your employees here.

22 HCDA and DOT is going to take the time to
23 accurately address those comments and questions, and
24 then they're going get back to you, and you will have an
25 opportunity to fully review the rules.

1 Mr. Naluai is right. If this is the first time
2 you're reviewing the rules, then how can you comment on
3 the rules? That's what your point is all about.

4 And let's give you the opportunity to do that.

5 So, that was how the purpose of this meeting, and
6 you know, I'm sorry if there was -- um -- if there
7 was -- if people didn't feel that they were treated
8 appropriately.

9 But again, the purpose of tonight --

10 A SPEAKER: Let him speak.

11 MR. MIKE GOSHI: I think she said it
12 very well. I think she said everything I wanted to say.

13 MR. MIKE de REGO: I have a question for
14 you. And you know, you were wondering why we feel we're
15 mistreated. And let me give me a perfect example.

16 The first public hearing we had back in March,
17 Richard got up with a nice display that showed
18 comparable rents. All right?

19 I got up and questioned it.

20 He put down \$10 a foot, compared to everybody in
21 the harbor. It looks pretty good. Right? It looks
22 good. I bet everybody thought it was good.

23 That was the commercial fishing rate.

24 How many people here are commercial fishermen?

25 That's not my rate. That's \$20 a foot, okay?

1 Deceptive, at best. Okay?

2 Now today, I'm talking to a news reporter, Guy
3 Cunningham. He tells me, he says, well, you're only
4 going to go 6.25 a foot.

5 And I'm going, "Excuse me? Excuse me? We're
6 already paying \$10 a foot." They want to raise it
7 25 percent now, and a hundred percent in a couple of
8 years.

9 How deceptive is that, to tell the media that
10 you're only going to go to \$6.25 a foot, what's our
11 problem? I'm heated about it, but when I see things
12 like that, do you expect me to trust the forces that be?

13 Do you expect me to trust my future with these
14 people? I think we need a really good answer, and my
15 idea of sitting around a round table -- I really want to
16 happen, okay?

17 And I don't think we can go further without that
18 happening, because there is too much shibai.

19 And unless we deal with it directly, it will never
20 be right. And \$6.25 a foot -- to tell \$6 a foot -- to
21 tell a reporter that, and to lasso all the reporters and
22 tell them that, before we have a chance to comment -- I
23 think that is a real crime.

24 And I'm gonna tell you right now that I don't
25 think I can deal with someone like that. Because that

1 is an outright lie.

2 What my rate will be is 12.50, 15 bucks a foot.

3 Let's talk reality. Let's not talk lies.

4 Six bucks a foot applies to very few boats in that

5 harbor.

6 A SPEAKER: But you're forgetting the

7 CAM, on top of that.

8 A SPEAKER: Oh, on top of it, yeah.

9 He didn't mention the CAM.

10 I was told maybe \$500 a month for my boat. What

11 does that mean? You're talking \$2000 to keep my boat

12 there. I'm paying 750 now.

13 Let me finish. My competition is paying less than

14 I am. I am already paying more than anywhere else in

15 the state is. And you want me to pay more?

16 For what?

17 MR. MIKE GOSHI: Bottom line -- bottom

18 line -- bottom line, how much are you paying, as a lump

19 sum, for your party or your slip?

20 A SPEAKER: 750 a month. Okay, we're

21 paying \$10 a foot. Okay?

22 MR. MIKE GOSHI: I will check and see

23 what the bottom line is. Because right now, everyone's

24 got different-sized boats and such.

25 A SPEAKER: It doesn't matter the size

1 of the boat. What it is, it goes by the foot. Okay?

2 This is the way the harbor works.

3 Let me explain to you. I've been there a long
4 time, okay? You pay for the length of your boat. Your
5 45-foot slips, 55-foot slips, 35-foot slips.

6 If have your boat, my case, Maggie Joe is in a
7 50-foot slip. It's 53 feet.

8 I don't pay for the slip anymore, I pay by the
9 length of the boat, because it's greater than the slip,
10 all right?

11 \$10 a foot, or 2 percent of the gross.

12 Now, if you want me to pay \$6 a foot, like was
13 mentioned to the reporters today, I'll do that in a
14 heartbeat. But -- look. But -- don't confuse the issue
15 with the media. That's unfair.

16 MR. MIKE GOSHI: Okay, you're paying
17 750?

18 MR. MIKE DEREGO: \$750 a month.

19 MR. MIKE GOSHI: \$750 a month.

20 And what are you going up to?

21 A SPEAKER: Plus the CAM.

22 A SPEAKER: Well, let me explain the
23 whole thing. The last proposal was \$25 a foot, which is
24 a 45 percent greater over what we have now, so let's say
25 \$12.50 a foot.

1 So what is that, \$12-something?

2 MR. DEREGO: Plus the CAM, which is well
3 over. But see, that's the unknown.

4 FACILITATOR CHANG: Time out. Time out.
5 Time out. The court reporter can only take one comment,
6 and I know this is -- we're getting -- so let's just --

7 MR. DEREGO: Let me just explain the
8 whole thing. The proposal that we last saw was \$25 a
9 foot, or 25 percent greater from what we're paying now.

10 So let's say, \$12.50 a foot, all right?

11 But that's gonna increase in 2010 by a hundred
12 percent, okay? That's the kicker. And CAM, and a
13 percentage of our gross.

14 MR. MIKE GOSHI: Let me just -- I think
15 we heard your questions. I think we really have to go
16 in and look at it, at this point. It's very hard, a lot
17 of details. But I think if I was going to say
18 philosophically what we think, you know, as a private
19 citizen now, I can't speak for the Authority or the rest
20 of the board -- but what I'd be looking at is the total
21 revenue stream from the harbors, and then what are the
22 costs.

23 It's a simple math thing. I mean, I'm not a bone
24 head, I'm not gonna try to fool you about boat slips and
25 your CAM charges. But I'd look at, bottom line, what

1 are the revenue streams? What are the costs? Are we
2 red, or are we black?

3 And then, from that standpoint, if the Authority
4 is taking, I guess they have to manage the asset, but at
5 the same point, they don't receive any additional funds,
6 you know, to -- if it's a negative, I don't think they
7 have any funds, right, to manage, if it's in the red.

8 And that's the dilemma that they're in.

9 So, I'll look at it as a bottom line, and let me
10 get back to you.

11 MR. WHITE: If it's such a bad thing, I
12 would think they would want to get rid of it
13 immediately, because what a horrible millstone that is
14 around their neck. So immediately, give it to DOT who
15 will take it.

16 MR. MIKE GOSHI: That's a brilliant
17 idea.

18 FACILITATOR CHANG: All right. If you
19 guys really don't mind, Cassie's having a really
20 difficult time. So, did you want to say something? Or
21 did you want to say something?

22 MR. MIKE GOSHI: I will answer the
23 questions to the best of my ability, if you have any.

24 FACILITATOR CHANG: If you could just
25 state your name?

1 MS. SHEILA JORDAN: Sheila Jordan.

2 I was wondering if they will -- if the person that
3 made the inappropriate comment about the footage price
4 on the boats is going to correct that with the media?

5 MR. MIKE GOSHI: First, let's do this.
6 Let's first validate what happened. And if there is,
7 there should be a correction.

8 MR. MAX: My name is Max. I've been
9 working over here in the harbor for a while, for about
10 two years now. I've been sitting here for almost two
11 hours now, and I have yet to hear an answer to anything.

12 I'm just having a really hard time understanding
13 the entire purpose of us all being here.

14 Like, I know everybody's already stated this, and
15 it's really kind of redundant at this point, but it
16 seems so to me that there's no officials here that have
17 any answers, and either they don't have answers, or they
18 don't -- or they're not able to share those answers.

19 So it feels like we're just all just kind of
20 sitting here, like, throwing tacks at the ceiling, but
21 there's nothing -- like, hoping something sticks.

22 It doesn't make any sense to be here at all.

23 I'm not trying to -- I'm not trying to discredit
24 your Authority, I'm not trying to discredit any of the
25 gentlemen here who have showed up or whatever, but it's

1 just -- it's really starting to get --

2 MR. MIKE GOSHI: Well, I can understand
3 your frustration. What we're really looking at is,
4 we're trying to resolve a 17-year-old mandate, where the
5 clock is running out.

6 MR. MAX: I know, but to resolve a
7 17-year-old mandate, they sent a bunch of people with no
8 information. Does that make any sense?

9 I'm just having a hard time with that.

10 MR. FRANK MENTO: I have a question. A
11 17-year-old mandate, time is running out.

12 Will you check with the DOT to confirm that there
13 is another option in adopting en masse the existing DOT
14 rules?

15 MR. MIKE GOSHI: I can ask that
16 question. But what I think that will be appropriate is
17 that time is taken to get this right.

18 MR. FRANK MENTO: I think so. And that
19 would stop this rush to adopt what are very flawed
20 rules, and a very flawed structure that came out of a
21 very flawed process. So, if we can at least have an
22 emergency plan while time is ticking -- and I believe
23 that was provided by Miles at the March 7th public
24 hearing in response to Mr. Saito's question, what can we
25 do quickly, and it was, we can adopt the DOT rules en

1 masse, but we can't bring in an outside agency, Almar,
2 will not be able to run the harbor. HCDA will have to
3 run the harbor.

4 FACILITATOR CHANG: I just want to make
5 sure that we're really accurately reflecting your
6 comments. So, I know it's easy to get into a dialogue,
7 and I know that's what you guys want to do, but just for
8 purposes of Cassie, if we can just -- you can just state
9 your name, and one comment at a time.

10 I know somebody had their hand up.

11 MR. BOB McCOWAN: My name is Bob
12 McCowan, I'm one of the owners of Blue Nun Sport Fishing
13 which is in Kewalo Basin, and I've been there many
14 years, like so many of us have.

15 And I just have to state one more time that this
16 is like a complete redundant situation that every time
17 we're dealing with you folks, and that is, is that it
18 seems to be placating, placating, placating, let the
19 time go on, let the time go on, placate, placate, let
20 the time go on.

21 Now, you made us a promise up here, Mike, and that
22 is that you were going to get these answers.

23 And if we don't get these answers by the time we
24 have this public hearing, which we're gonna come to this
25 public hearing ready to kick some ass, if you pardon my

1 language. So, you made this commitment to us, and it's
2 on the record, that we expect to be able to have these
3 questions answered when we go to this public hearing.

4 Are you agreeable to that?

5 MR. MIKE GOSHI: Let me restate what I'm
6 agreeing to, okay? All I'd like to know is, there's a
7 large confusion about the numbers. You know, what I'd
8 like to know is what are the true costs, what are you
9 paying now, and how does it impact the lump sum?

10 A lot of issues about the business, and details,
11 the rules and such -- I'm not a boater, so I can't
12 really -- but I can -- I think the germane issue really
13 here is really the economics.

14 A SPEAKER: Okay, let me back up just a
15 second. You know, it's too late now to start trying to
16 readjust all this. So, we either have to postpone --
17 because you can't do it, you can't make these
18 adjustments, and do this by July 1st. I mean, the
19 time -- it's right here already.

20 So, what we want to know from you is, is it
21 possible to postpone this taking over July 1st or
22 September 1st, and then we can get an honest look at
23 everything that we need. And if what Frank has said,
24 it's possible, then if we would try and do that, that
25 would resolve our whole problem.

1 phase. The transition phase is HCDA coming up with a
2 management plan, the adoption of the Administrative
3 Rules, or maybe, as you suggest, another alternative.

4 But -- so, let me tell you what the schedule is,
5 so that you know. And actually, it was more that I made
6 the commitment, than Mike, about answering your
7 questions.

8 What we committed to do is -- and the purpose of
9 tonight's meeting, again, was really to take your
10 comments. And I know it's not satisfying, because many
11 of you said, what kind of comments can we give you, you
12 haven't even read the rules. Valid, valid point.

13 So, that's -- we're gonna, you know, that's part
14 of what's going to go back.

15 You will have an opportunity take those rules
16 home. I will tell you. Now the burden is on you. You
17 now have the rules. You have to go back and look at
18 them.

19 MR. FRANK MENTO: It's a mutual burden.

20 FACILITATOR CHANG: You're absolutely
21 right. It is a mutual burden. And it is their
22 responsibility to take your comments that they received
23 tonight, that they received in your written comments,
24 before they come out to the final public hearing on the
25 Draft Rules.

1 A SPEAKER: When will that be?

2 FACILITATOR CHANG: And so, that's going
3 to be -- they are going to take from May 29th, tonight,
4 to June 22nd. Essentially, three weeks, HCDA is going
5 to accept all your public comments.

6 And I -- they're gonna take written comments,
7 they're gonna take -- you can -- all of your oral
8 testimony tonight has been transcribed. Cassie's gonna
9 give them to me, and I'm going to transmit the verbatim
10 testimony to HCDA. So --

11 MR. FRANK MENTO: Will that be going to
12 management staff, or the board of HCDA?

13 FACILITATOR CHANG: That is an internal
14 decision by HCDA as far as who.

15 A SPEAKER: Can we have an answer, at
16 least, to that structure?

17 FACILITATOR CHANG: I think HCDA is
18 going to decide what is most appropriate. They are
19 going to have to confer with the Attorney General.

20 So, let me just go over the schedule, and then you
21 can pose some questions for me.

22 So, for three weeks, from tonight till June 22nd,
23 HCDA is going to accept all public comments -- written
24 comments. If you want to leave a long phone message,
25 that's okay, too.

1 A SPEAKER: E-mail.

2 FACILITATOR CHANG: E-mail, there is a
3 website, hopefully it will be interactive, where you can
4 submit your comments.

5 July 1st, HCDA will hold a formal public hearing
6 on the Draft Rules. So, that's more than a month away.

7 MR. FRANK MENTO: So now to July 1st, we
8 will be allowed to input whatever we want to the HCDA
9 staff, and they'll say, thank you for your input, and
10 goodbye.

11 FACILITATOR CHANG: No.

12 MR. FRANK MENTO: How do you we know
13 what happens to that input?

14 FACILITATOR CHANG: I know that there is
15 an organization that you meet, and you should feel free
16 to use that also, that organization. But HCDA is going
17 to draft the proposed amendment rules based upon this
18 discussion. Those will be circulated to you for
19 comments.

20 MR. FRANK MENTO: May I interject.

21 We've had three meetings. Our first meeting with
22 Richard to do revisions was a challenge to us to get
23 organized and have one voice. It's taken us time to do
24 that. We're ready to talk in one voice.

25 The last meeting that we have had, we had

1 significant and very poignant questions, and received a
2 lot of evasive questions. We're ready to go back into
3 that process with either Richard, and possibly, a
4 facilitator, so that we know our questions are being
5 heard and reviewed.

6 This process completely eviscerates our group.

7 It takes away all the energy and all the focus
8 that we put forward to respond to the first format
9 they've given us.

10 We now have a format where our answer, our
11 questions and comments, go out into space with no
12 reaction, no responses. We had a format. It's been
13 changed on us again, and this is a new format. We
14 reject -- well, I shouldn't say "reject" -- we object to
15 this process.

16 A SPEAKER: Can I say something?

17 MR. FRANK MENTO: Please.

18 MR. JASON SAKAI: You know, we Friends of
19 Kewalo, we came into this almost after-the-fact, yeah
20 Ron? Like the decision was already made.

21 Nancy knows, because we were like, we thought we
22 got over too late. A&B, the RFPs went out, and you got
23 the -- A&B got it, and it was done deal.

24 Everybody said -- everybody said, don't fight.
25 Don't fight A&B, don't fight HCDA, it's a done deal,

1 just back off.

2 If you ask me, although it's still confusing, you
3 guys got to work the process, but at least -- at least
4 you guys are like -- you're ahead of us. You're ahead
5 of us. This process, as confusing as it is, at least
6 they're taking comments. You know what I mean?

7 For us, they didn't even take comments, yeah, Ron?
8 We went to one meeting, we found out it was done. And
9 we fought.

10 MR. FRANK MENTO: -- With the Governor?

11 MR. JASON SAKAI: Yeah, with everybody.

12 FACILITATOR CHANG: Let me just finish
13 the schedule. And then, Mr. Naluai, I'm going to take
14 your comment, and then I'm going to take your question.

15 They're looking at August 6th or the 10th to
16 revise the final rules for Governor's approval, that
17 hopefully will be effective September 1st.

18 So Mr. Naluai, let me take your question first?

19 DR. SOL NALUAI: Will we get a copy of
20 the transcript?

21 FACILITATOR CHANG: Yes. We'll post it
22 on the website. So, yes, you may.

23 Cassie will take some time to do that.

24 If all of you have contact numbers here, we will
25 make sure you get -- if you are interested in the

1 transcript, Cal, can that go on the website?

2 It will go on the website.

3 You will get a notice when it's on the website,
4 and you may get a copy of that.

5 MR. FRANK MENTO: Mr. Dinell and Mr.
6 Kuitunen were at the meeting where we were given that
7 other option to adopt the rules en masse.

8 Are you aware of that?

9 MR. DINELL: I think there's other --
10 you want me to answer questions? Or I'm not sure --

11 FACILITATOR CHANG: Let me take some
12 order back in. Okay, wait. One person at a time.

13 Mr. Naluai has asked me which website. Cal, could
14 you tell me the website's name?

15 MR. CAL MACHIDA: HCDWeb.org.

16 FACILITATOR CHANG: HCDWeb.org.

17 Thank you, Mr. Naluai. I'm going to take the
18 woman behind.

19 MS. SHEILA JORDAN: How many lawyers,
20 exactly, are going to pore over every one of our
21 concerns and comments in order to size up every one of
22 them by the next meeting?

23 FACILITATOR CHANG: I know that HCDA
24 will consult with their Deputy Attorney General.

25 MS. SHEILA JORDAN: I'm certain they

1 have a lot of high-powered people. And we're just lay
2 people. So when we get all these things, we're going to
3 look at it as lay people, without all of that knowledge.
4 And it's disadvantage to tell you our comments tonight.

5 Thank you.

6 FACILITATOR CHANG: I'm gonna take Nancy
7 first.

8 MS. NANCY HEDLAND: A technical
9 question. What would it take, legally, for this to go
10 back to the DOT? What could happen, legally, to undo
11 this situation?

12 FACILITATOR CHANG: One, I don't think
13 any of us here can answer that. But that's a legitimate
14 question. And I think we're gonna note that down,
15 Cassie's noting that down.

16 And what I committed to at the beginning of this
17 meeting is, we're gonna take all of your comments, and
18 we're gonna try, the best of our ability, to find the
19 appropriate person to answer that question.

20 So Nancy, we will find someone to answer that
21 question, to the best of their ability.

22 MR. FRANK MENTO: We are rushing to
23 adopt these rules, and I did bring up for the record
24 that we do have another option.

25 And that option has been approved by the Deputy

1 Attorney General. Since Mr. Goshi wasn't at the
2 meeting, Mr. Dinell and Mr. Quinlan were, I think they
3 can confirm that the Deputy Attorney General said that
4 there is another option. And that option is to adopt
5 the rules en masse.

6 Could Mr. Dinell at least comment or confirm that?

7 FACILITATOR CHANG: He wanted to speak.
8 Dan, if you can.

9 MR. DANIEL DINELL: Thank you very much.
10 I'm Dan Dinell the Executive Director of the Hawaii
11 Community Development Authority.

12 And as Dawn pointed out, really, this has been
13 helpful for us, because it allows us to hear comments
14 and take notes. And believe me, my notes aren't copious
15 like the court reporter, but you know, you deserve --
16 you have questions, like why rushing? What specifically
17 are the permits? Real right -- where you state the real
18 rights with user fees versus leases. Need an answer for
19 that.

20 No time to digest the proposed rules.

21 No expertise for HCDA.

22 Minimum gross sales, most can't meet.

23 A key question. What is the vision?

24 You know, these are things that are very helpful
25 for us. We can take this. We'll go through the

1 transcript, pull these things out, and get answers
2 posted to them.

3 If the fees increase to fix the harbor, why wasn't
4 the money used? Putting the burden on the voters.
5 These things aren't right.

6 These are the kind of comments that are helpful to
7 us. At the public meeting that was held to receive
8 formal public input -- and I'd like to point out one
9 thing here, you know -- you guys don't listen, don't
10 listen -- that meeting was held at 9:00 a.m. on a
11 Wednesday at our office that doesn't have any validated
12 parking. We provide parking elsewhere.

13 And people said, oh, this is inconvenient. I had
14 to leave -- we said, let's hold the next meeting
15 somewhere more convenient, with free parking, in the
16 evening. We did. And that's what we are doing in this
17 case tonight.

18 A SPEAKER: That's this?

19 MR. DANIEL DINELL: Well, because we had
20 a public meeting, as was pointed out by Frank Mento, in
21 March. Now at that meeting, the question came up from
22 one of the Authority members about, well, can we adopt
23 the DOT rules?

24 And the Deputy Attorney General stated, you know,
25 that that is an option.

1 Now, he also went on to state that we adopt those
2 rules, and you get a private property manager to manage
3 under those rules.

4 So, those are, you know, considerations that are
5 out there. And the purpose tonight is to receive those
6 comments. If you didn't leave your name, or didn't sign
7 in, I urge you to sign in, so that when we have this
8 transcript finished, we'll post it on the web, you can
9 download it for the purposes of -- whatever purpose you
10 want, just to see the record of tonight.

11 So, I think, you know, those are things that will
12 be helpful. As our chairperson said, this wasn't
13 something -- an assignment that HCDA was asking for. It
14 was given to us.

15 In terms of the land ownership/control of Kewalo
16 Basin -- and it's something that we want to work
17 together to try and figure out what makes the most sense
18 for the public at large.

19 I mean, ultimately, that is the most important
20 thing, which is the public trust and the public as a
21 whole. So, I really appreciate your patience tonight,
22 your attendance tonight. And urge you to keep -- let's
23 keep that dialogue going. And I'd be happy to answer
24 some questions, if you would speak clearly for the court
25 reporter and your name, as well.

1 MR. MIKE de REGO: Sure. Mike de Rego.

2 Dan, I had asked the question earlier, and I wish
3 to have an answer tonight.

4 We had that figure -- and it's a small thing, but
5 we had a figure of \$6.25 thrown around to the media.

6 Can you tell us where that came from?

7 MR. DANIEL DINELL: The media, it was
8 explained that there's two rates in the boat harbor --
9 the fishing fleet rate, which is \$6.24 under the
10 proposed rules, and the commercial rate, which is twice
11 that, which is \$12.48.

12 So, that was explained to the media.

13 Now, how the media translates that, I can't be
14 responsible for. But it was very clearly explained --
15 there's two rates in the boat harbor, the fishing fleet
16 rate, and the commercial rate, just as there are today.

17 It's not right to say the rate is \$5 for everyone
18 in the harbor. It's \$5 for the fishing fleet, \$10 a
19 linear foot for the commercial guys.

20 MR. FRANK MENTO: You have acknowledged
21 that we have another option, which is to adopt the rules
22 en masse, and we're working on a deadline.

23 Will HCDA, if there continues to be this much
24 input and problems with the structure of these proposed
25 rules, which is switching from permits to leases, along

1 with the details -- will HCDA acknowledge or at least
2 consider that that plan exists, and it's something
3 that -- we may not need to have a public hearing, other
4 than to adopt en masse?

5 MR. DANIEL DINELL: That's incorrect.

6 We will absolutely need to have a public hearing
7 to adopt the DOT rules en masse.

8 We cannot simply adopt the DOT rules.

9 So there will have to be a public hearing on the
10 DOT rules. And you know, that's required. You just
11 can't have an administrative rule.

12 MR. FRANK MENTO: That is an option that
13 is in front of you, to answer the question of the rush.

14 MR. DANIEL DINELL: But the timing would
15 be the same, which is, we need to hold the public
16 hearing in order to convey, you know, to get the rules
17 done.

18 MR. FRANK MENTO: What we want to know
19 is that, the rush to adopt the flawed rules in a flawed
20 system -- we want to make sure there is an option
21 available, and you recognize it.

22 DR. SOL NALUAI: I have a comment.

23 FACILITATOR CHANG: Okay, Mr. Naluai.

24 DR. SOL NALUAI: I just heard Mr. Dinell
25 mention that the Attorney General agreed that, you know,

1 the option of adopting the entire DOT rules, and then,
2 further, he committed that to give the management over
3 to a private company.

4 Now, my question is -- and I was hoping that the
5 Legislative representative wouldn't have left, he just
6 walked out -- because I wanted him to hear this.

7 Now, as far as I understand, at the time of
8 statehood in 1959 when the state was chartered, the
9 state was chartered with various departments.

10 For example, the DOT, and the Health Department,
11 and you know, Parks Department.

12 Now, wasn't the mandate of the state -- the state
13 charter that these departments that were created managed
14 their responsibilities? In other words, the DOT manages
15 the highways, manages the airports, manages the harbors.

16 Is it now the reality that the DOT can say, I
17 don't want to manage this highway, give it to a private
18 company? Or the Airport Division of the DOT saying, I
19 don't want to manage this airport, give it to a private
20 company? And the Harbor saying, I don't want to manage
21 Kewalo, give it to a private company?

22 You can extend that by saying that, well, then,
23 the Health Department can say, I don't want to manage
24 the State Hospital. Give it to another private company.

25 The Parks Department can say, I don't want to

1 manage the state park, give it to another private
2 company.

3 Where is the responsibility of the departments
4 under the state charter, mandated that they take the
5 responsibility of what they were created for?

6 This is totally ridiculous, to think that a state
7 department, chartered and mandated to do its
8 responsibility, can say that they don't want to do it,
9 give it to a private concern. And I want this for the
10 record.

11 MR. DANIEL DINELL: Thank you very much,
12 Mr. Naluai. To be very clear, the Legislature did this.
13 And so, the issue is, the Legislature assigned this
14 responsibility to HCDA. And it's not DOT's fault, it's
15 not HCDA's fault. And I don't want to say it's the
16 Legislature's. The Legislature assigned it to HCDA.
17 And we're trying to make the best of it.

18 We're trying to do something that, again, will be
19 real positive for Kewalo Basin.

20 So, keep that in mind.

21 A SPEAKER: Give it back. Why can't you
22 give it back? If it was given to you, why can't you
23 just give it back?

24 A SPEAKER: Because then they wouldn't
25 have jobs.

1 FACILITATOR CHANG: Okay, let's just --
2 his comment was, why can't they just give it back?

3 I mean, that's a valid question.

4 And I think what we're gonna -- that was a
5 question that was raised on numerous occasions. Nancy
6 raised that question. Many of you raised that same
7 question.

8 Nobody is here, prepared to answer that. That's a
9 legislative mandate. But what we will do is, take that
10 comment, discuss it with the appropriate authorities,
11 and provide you a response. There may be indeed a way
12 to do that. But I don't think anybody here tonight is
13 prepared to answer that.

14 MR. FRANK MENTO: If I may make a
15 comment.

16 To that end, it would be very important that we
17 don't adopt any flawed rules, before we can get this in
18 front of the Legislature.

19 So, if Plan B is available to us to adopt the DOT
20 rules en masse, and you have a deadline to comply with,
21 we have an answer. Public hearing, adopt the rules en
22 masse, then we can give it to the Legislature and answer
23 that question.

24 In the interim, we can still try to work on
25 resolving how the rules could be written, should the

1 Legislature decide it needs to remain with HCDA. And
2 that would be the wise and prudent thing to do, I think.

3 FACILITATOR CHANG: I think it's worth
4 HCDA considering. I think there's not going to be a
5 decision on that tonight, but I think it's worth
6 considering.

7 MR. FRANK MENTO: Thank you.

8 FACILITATOR CHANG: So, I mean, I think,
9 again, all the comments are valid tonight.

10 Those are going to be taken back. HCDA, they have
11 ultimately a board that they are responsible for, so
12 they will have to go back and talk to the board.

13 But valid point.

14 MR. DEREGO: I only have one question,
15 and I want one thing for the record.

16 For the record, I want to say that we, as a group,
17 have offered that solution of going back to DOT on many
18 occasions. It has not been addressed or been -- okay,
19 so, it's not a new question, and I just wanted to be in
20 front of everybody at this point. Thank you.

21 A SPEAKER: In fact, we had suggested it
22 go to DLNR, okay? Because DLNR is more than happy to
23 grab this harbor, to work with this harbor. It is
24 within their profile, as harbors throughout the state.
25 Thank you.

1 FACILITATOR CHANG: I mean, you have all
2 raised very valid points. There is no doubt this is an
3 important issue for all of you, or you wouldn't even be
4 here. I mean, you've got your neighbors who are here,
5 you've got -- the legislators came.

6 This is an emotional issue. This is your
7 livelihood. I mean, I -- there was a woman here who
8 said she's been doing this for over 50 years, or 37
9 years.

10 A SPEAKER: That's my aunt.

11 FACILITATOR CHANG: 57 years.

12 There is no doubt, you all feel this is important.
13 As you feel this is important, I think both DOT and HCDA
14 has heard that.

15 A SPEAKER: It's not that we feel it's
16 important. It is important.

17 FACILITATOR CHANG: I am not trying to
18 diminish it, how important it is. I mean, many of you
19 are here, and probably for the first time, you've come
20 up and you've spoken. And I know it took a lot of
21 courage to do that. I really do appreciate the
22 courtesies that you've extended everyone.

23 You've been thoughtful. You've listened. And I
24 know it's been rough. I mean, these guys who have to
25 sit here -- and I will tell you, part of that is my

1 responsibility. They were not prepared to answer
2 questions, but Mike and Dan accepted the challenge and
3 tried to answer the best they could.

4 So, I thank you for your comments and your
5 participation.

6 What is my understanding what HCDA will do --
7 well, let me tell you what I will do. Cassie is going
8 to complete the transcript of these proceedings -- I
9 shouldn't say "proceeding" -- of this public meeting.

10 That will then be transferred over to HCDA, where
11 they will post it on their website.

12 You will have the opportunity to continue to
13 submit your public comments. We've had forms out there.
14 Take them with you. You don't have to do it tonight.
15 Take them, talk to your constituency, talk to your
16 groups, bring back your public comments, and send them
17 to HCDA. There is no guarantee that they're all going
18 to be incorporated, but you've raised some good points.

19 MR. FRANK MENTO: Don't forget the
20 answers on the questions, and the posting on the site.

21 FACILITATOR CHANG: No, no, no.
22 That's -- you're right.

23 MR. FRANK MENTO: Thank you.

24 FACILITATOR CHANG: So, what Dan said is
25 correct. There were many issues that were raised, he

1 listed some of them. The challenge now is that's going
2 to have to go back to HCDA, going to go back to DOT, and
3 they're going to provide comments.

4 Some of them -- and I won't tell you you're going
5 to be happy with all the comments. But they will
6 provide you a response. And they will try to provide
7 you a timely response, so that you can then go back to
8 your own constituencies and talk about it, and decide,
9 how do you want to respond to that?

10 But what we will do now is -- at least what I will
11 commit to is getting the transcript finalized, that will
12 be sent over to HCDA. It will be posted for all of you
13 to review and make additional comments on, and submit
14 those to HCDA.

15 You are going to continue to engage in
16 discussions. You've got a group. Continue to engage in
17 those discussions. I mean, at some point in time
18 there's got to be some trust.

19 MR. FRANK MENTO: How do we do that?

20 FACILITATOR CHANG: Well, that's
21 probably going to have to be dealt with outside of this.
22 I think there are going to be forums at HCDA, and you
23 should ask them that. I mean, I know Richard's been
24 holding fact-based meetings. You now have an
25 organization. Continue to use that as a vehicle to

1 raise your questions.

2 I mean, it is in your best interests to find a
3 solution. It is in their best to engage you in this
4 discussion. Their responsibility may be broader than
5 just the voting community. It is the larger public.

6 So, not everybody's going to be happy, there are
7 always going to be trade-offs and balance. But to the
8 extent that you took the time off tonight, all of you
9 took the time off to be here, you thought it was
10 important enough. And your comments are valuable.

11 So, again, I thank you for being here.

12 We're going to get these over to you. The time
13 schedule, again, is from now until June 22nd, public
14 comments. We're gonna get a draft back out to you for
15 review, Mr. Naluai, in a timely fashion, before you come
16 to the next public hearing, you'll get to review the
17 rules.

18 A SPEAKER: The only question I have
19 is, are we're gonna have till June 22 for these rules or
20 public comment? And at some point, you're gonna adopt
21 or change the rule, or leave it as is? And then we have
22 a public meeting, July 1st?

23 FACILITATOR CHANG: Well, hopefully,
24 what will happen is, you're going to get to review the
25 rules, the Draft Rules, that incorporate your comments,

1 before it goes out to public hearing.

2 A SPEAKER: Right. And that's my point.

3 Okay? So --

4 MR. DANIEL DINELL: Just in the
5 interest of time, there is a statutory requirement for
6 30-day notice for public hearings. So, when we go out
7 for notice, that's when the public hearing -- the rules
8 are available.

9 A SPEAKER: My question is, if you have
10 until June 22nd to assemble all this information and
11 decide on new rules, you'll present 'em, let's say, on
12 the 24th. We have only six days before a public hearing
13 to prepare. I think that's not enough time.

14 FACILITATOR CHANG: No, no, no, no.

15 You're going to have ample time.

16 What they're going to do is, way before that June,
17 there is going to be a notice of a public hearing. So
18 we're not going to just -- it's just that I'm sort of
19 giving you a truncated version of the time schedule.

20 You're going to get greater detail.

21 MR. FRANK MENTO: We have now, we have
22 acknowledgment that there is adoption of Plan B, should
23 we need to meet this deadline. But I'd like to ask you,
24 the deadline has been created by the DOT. Can the
25 Governor change this deadline?

1 Does anybody know? That's the other question.
2 Somebody, please answer.

3 FACILITATOR CHANG: That's a good
4 question. That's a good question. And Cassie's got
5 that down, from Frank Mento.

6 MR. FRANK MENTO: -- And Nancy Hedlund.

7 FACILITATOR CHANG: -- And Nancy Hedlund
8 has a question.

9 Legitimate question. I mean, but again, we may
10 not all like the response that we get, but your question
11 will be noted, and we will try to address it the best
12 way that we can. Okay?

13 Mahalo. Good tonight. Thank you.

14 (The meeting concluded at 8:17 p.m.)

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C E R T I F I C A T E

I, Cassie Uyekubo, C.S.R. in and for the State of Hawaii, do hereby certify:

That I was acting as shorthand reporter in the foregoing matter on the 29th day of May, 2007;

That the proceedings were taken down in computerized machine shorthand by me and were thereafter reduced to typewriting under my supervision; that the foregoing represents, to the best of my ability, a correct transcript of the proceedings had in the foregoing matter;

I further certify that I am not counsel for any of the parties hereto, nor in any way interested in the outcome of the cause named in the caption.

Dated: _____

Cassie Uyekubo, C.S.R. 293
Certified Shorthand Reporter