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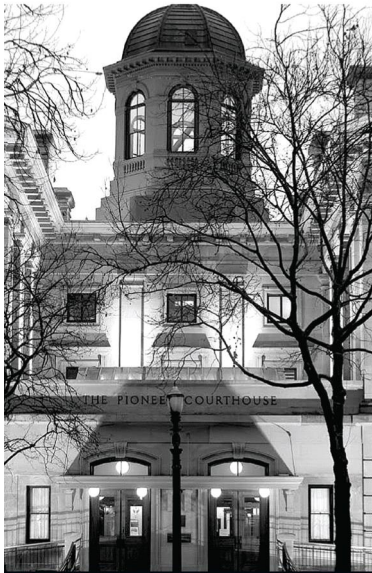
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**STATE OF HAWAII
LAND USE COMMISSION**

Meeting held on November 2, 2022

Commencing at 9:07 a.m.

Held at

University of Hawaii at Hilo
Campus Center Facility - Room 301

200 West Kawili Street

Hilo, Hawaii 96720

FINAL

I. **CALL TO ORDER**

II. **ADOPTION OF MINUTES**

October 5-6, 2022

III. **TENTATIVE MEETING SCHEDULE**

IV. **A02-737 U of N BENCORP (HAWAII)**

Status and progress report and action (if necessary) in response to the recently submitted 2022 annual report

V. **ADJOURNMENT**

BEFORE :

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APPEARANCES

COMMISSIONERS PRESENT:

- Dan Giovanni, Chair
- Dawn Chang
- Gary Okuda
- George Atta
- Kuikeokalani Kamakea-Ohelo
- Lee Ohigashi
- Michael Yamane

COMMISSIONERS EXCUSED:

- Nancy Cabral
- Mel Kahele

STAFF PRESENT:

- Daniel Orodener, Executive Officer
- Riley Hakoda, Staff Planner
- Martina Segura, Staff Planner
- Ariana Kwan, Chief Clerk
- Dan Morris, Esq., Deputy Attorney General (via Zoom)

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APPEARANCES CONTINUED

OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT:

Bryan Yee, Esq., Deputy Attorney General

Lorene Maki, Planner

Katia Balassiano

COUNTY OF MAUI

Jeff Dorrow

Suzanna Tiapula

PETITIONER:

Derrick Simon

Katherine Garson

David Hamilton

Jeffrey Overton

PUBLIC TESTIMONY:

Daniel Kikawa

1 **CHAIR GIOVANNI:** Good morning, everyone.

2 Aloha mai kakou. This is the November 2nd, 2022,
3 Land Use Commission meeting.

4 I want to check right off. Mr. Morris, can
5 you hear me through the Zoom on audio? Thumbs up.

6 **MR. MORRIS:** Yes, I can. Thank you.

7 **CHAIR GIOVANNI:** And I can hear you very
8 well also, so that's great.

9 This is an in-person meeting which is
10 being held at the University of Hawai'i at Hilo
11 Campus Center Facility Room 301, 200 West Kawili
12 Street, Hilo. And it's open to the general public.

13 We are doing a Zoom recording of this
14 meeting. We're using that for court reporting
15 transcriptions. For all meeting participants, I
16 would like to stress the importance of speaking
17 slowly, clearly, and directly into the microphone.
18 Before speaking, please state your name and identify
19 yourself for the record.

20 Even though this is an in-person meeting,
21 please be aware that all meeting participants are
22 being recorded on the digital record of this Zoom
23 meeting for court reporting purposes. Your continued
24 participation is your implied consent to be part of
25 the public record of this event. If you do not wish

1 to be part of the public record, you should exit the
2 meeting now.

3 We'll share with all participants that we
4 will be taking breaks from time to time, typically a
5 five to ten- minute break on an hourly basis.

6 My name is Dan Giovanni, and I have the
7 pleasure to serve as the LUC chair. We currently
8 have nine seated commissioners, and along with me
9 today are six commissioners. Lee Ohigashi is
10 commissioner from Maui, Commissioner Dawn Chang from
11 O'ahu, Commissioner Kamakea-'Ohelo from O'ahu,
12 Commissioner George Atta from O'ahu. Commissioner
13 Michael Yamane is from Kaua'i. Commissioners Nancy
14 Cabral from Hilo, Gary Okuda from O'ahu, and
15 Commissioner Mel Kahele from O'ahu are excused
16 today.

17 Also in attendance are, to my immediate
18 right, LUC Executive Officer Daniel Orodenker. We
19 have LUC Staff Planner Riley Hakoda, LUC Staff
20 Planner Martina Segura, LUC Chief Clerk Ariana Kwan.
21 And participating by Zoom from O'ahu is the LUC
22 Attorney General Dan Morris.

23 Again, court reporting transcriptions are
24 being done from this Zoom meeting.

25 So our first order of business is the

1 adoption of the October 5th and 6th, 2022, minutes.

2 Ms. Kwan, has there been any written testimony
3 submitted on the October 5th and 6th minutes?

4 **MS. KWAN:** No, Mr. Chair.

5 **CHAIR GIOVANNI:** Thank you.

6 Are there any members of the public in
7 attendance today who have signed up to testify on
8 the adoption of the October 5th and 6th minutes, Ms.
9 Kwan?

10 Seeing none, are there any corrections or
11 comments on the minutes from the October 5th or 6th?

12 Hearing none, is there a motion to adopt
13 the minutes from the October 5th and 6th?

14 **COMMISSIONER OHIGASHI:** Mr. Chairman?

15 **CHAIR GIOVANNI:** Yes, Commissioner
16 Ohigashi?

17 **COMMISSIONER OHIGASHI:** Move to adopt.

18 **CHAIR GIOVANNI:** Thank you.

19 Do I have a second to the motion?

20 **COMMISSIONER KAMAKEA-'OHELO:** I second.

21 **CHAIR GIOVANNI:** So seconded. All in favor
22 of the minutes, please indicate by saying aye.

23 **(A chorus of ayes.)**

24 **CHAIR GIOVANNI:** Any opposed? The minutes
25 are adopted. Thank you.

1 The next agenda item is our tentative
2 meeting schedule. Mr. Orodenger, could you share
3 that with us?

4 **MR. ORODENKER:** Thank you, Mr. Chair. On
5 November 16th, we will be on Maui for the Pulama
6 Lana'i - Miki Basin matter, District Boundary
7 Amendment.

8 On December 7th, we will be on O'ahu for
9 the Haseko matter. On December 8th, you will be on
10 the Big Island -- hopefully, in Kona -- for the Y-O
11 Limited Partnership.

12 On January 11th, we will be on Maui for
13 the Pulama Lana'i - Miki Basin.

14 And that takes us through the schedule up
15 until January. We still have tentative meetings
16 scheduled for the rest of the year, and we would
17 urge the commissioners to keep those dates open
18 until we tell them otherwise. Thank you.

19 **CHAIR GIOVANNI:** Thank you. Let me inform
20 everyone as our next meeting on November 16th will
21 be held at a remote location, we intend to work
22 through lunch. I would like to request that the
23 staff arrange for lunch to be provided to the
24 commission to facilitate the meeting.

25 Let the record show Ms. Kwan nodded her

1 head in agreement. That lunch is very important.

2 Our fourth order of business is the status
3 and progress report from A02-737 University of
4 Nations Bencorp Hawai'i.

5 **COMMISSIONER ATTA:** I'd like to mention
6 that I worked on this project, but that's been 20
7 years ago. I'd like to mention to the audience that
8 I worked on the master plan for this project many
9 years ago, almost 19, 20 years ago, and so.

10 But I don't think this would affect my
11 decision making.

12 **CHAIR GIOVANNI:** That was Commissioner
13 Atta speaking for the record. So does anyone have
14 any concerns or questions to Commissioner Atta about
15 his continued involvement in this hearing?

16 **MR. SIMON:** Good morning, chair. We have
17 no objections or questions from petitioner.

18 **CHAIR GIOVANNI:** Thank you.
19 Department of Planning from Hawaii Island,
20 any objection?

21 **MR. DORROW:** No objections.

22 **CHAIR GIOVANNI:** Thank you.
23 Office of Planning?

24 **MR. YEE:** We have no objection.

25 **CHAIR GIOVANNI:** Thank you.

1 So, Commissioner Atta, please continue. We
2 thank you for the disclosure.

3 Any other disclosures from commissioners
4 on this matter?

5 Hearing none, let me briefly explain our
6 procedure.

7 First, I will update the record. Next, I
8 will ask the parties to identify themselves
9 formally. Then I will recognize the written public
10 testimony that has been submitted in this matter,
11 identifying the person or organizations who have
12 submitted the testimony.

13 Next, I will call for members of the
14 public who wish to testify on the U of N Bencorp
15 status and progress report. Members of the public
16 will have two minutes to provide their testimony and
17 should stand by after their testimony to respond to
18 any questions the parties or commissioners may have.
19 When all questions have been completed, the chair
20 will excuse the witness and call the next witness
21 into the witness box.

22 After completion of the public testimony
23 portion of the proceedings, the chair would like
24 petitioner to provide its status report. The chair
25 will then call on the city and county -- pardon me,

1 this is county -- that's all right.

2 The chair will then call on the County of
3 Hawai'i Planning Department and the Office of
4 Planning and Sustainable Development for comments
5 regarding the status report. The petitioner will
6 then be allowed to respond to comments made by the
7 county and the Office of Planning.

8 The commissioners will ask questions of
9 the parties at the conclusion of each of their
10 presentations.

11 At the conclusion of the parties'
12 testimony and commissioners' questions, the general
13 public will be granted a second opportunity to
14 provide public testimony in the same manner as set
15 forth previously.

16 Once public testimony concludes, the
17 commission will enter deliberations regarding the
18 status report and if any action is necessary.

19 The chair would also like to note for the
20 parties and the public that from time to time I will
21 be calling for breaks, as I said earlier.

22 Are there any questions on our procedure
23 for today from the parties?

24 **MR. SIMON:** Thank you, chair. None from
25 petitioner.

1 **CHAIR GIOVANNI:** Thank you.

2 **MR. DORROW:** No questions from the county.

3 **CHAIR GIOVANNI:** Thank you.

4 **MR. YEE:** No questions. Thank you.

5 **CHAIR GIOVANNI:** Thank you.

6 Let me update the record. On August 8th,
7 2003, the commission issued its Decision & Order and
8 granted the petitioner subject to 19 conditions.

9 On August 8th, 2022, the LUC received the
10 petitioner's 2022 Annual Report. On September 12th,
11 2022, the LUC received the petitioner's 2022
12 Supplemental Annual Report.

13 On September 26th, 2022, the LUC staff
14 emailed the petitioner that a status report hearing
15 was being scheduled. On October 21st, 2022, the LUC
16 mailed and emailed the agenda notice for a November
17 2nd, 2022, LUC meeting to the parties statewide and
18 to Hawai'i mailing list.

19 At this time I would like the parties to
20 identify themselves. Petitioner?

21 **MR. SIMON:** Good morning, chair and
22 commissioners. Derrick Simon and Katherine Garson on
23 behalf of University of the Nations Kona, Inc. I
24 apologize for the franticness of here; we're trying
25 to get our PowerPoint working. But we thank you very

1 much for your time.

2 **CHAIR GIOVANNI:** Thank you. Could you
3 state again your last name?

4 **MR. SIMON:** Derrick Simon.

5 **CHAIR GIOVANNI:** Thank you.

6 **MR. SIMON:** Thank you.

7 **CHAIR GIOVANNI:** County of Hawai'i?

8 **MS. TIAPULA:** Good morning. Deputy
9 Corporation Counsel Suzanna Tiapula with Deputy
10 Director Jeff Dorrow for the county.

11 **CHAIR GIOVANNI:** Thank you.

12 And OPSD?

13 **MR. YEE:** Good morning. Deputy Attorney
14 General Brian Yee on behalf of the Office of
15 Planning and Sustainable Development. With me is
16 Lorene Maki from the Office of Planning and
17 Sustainable Development, and I particularly would
18 like to welcome our new LUD Chief Katia Balassiano.

19 **CHAIR GIOVANNI:** Could you say that again,
20 that last part?

21 **MS. BALASSIANO:** Don't ask him to.

22 **MR. YEE:** I was afraid you were going to
23 ask me. I believe it's Balassiano.

24 **CHAIR GIOVANNI:** I like it when Mr. Yee
25 stumbles just a bit.

1 **MR. YEE:** Balassiano, I think.

2 **CHAIR GIOVANNI:** Very good. Thank you.

3 Public testimony. For the members of the
4 public, again, please be reminded that the
5 commission will not be considering the merits of
6 this petition. Rather, the commission is interested
7 in learning about the current state of the
8 activities related to the docket, including
9 compliance with the 19 conditions, and will consider
10 whether action is necessary.

11 I will now recognize the written public
12 testimony submitted in this matter, identifying
13 person or organization submitting testimony.

14 Ms. Kwan, has there been any written
15 testimony submitted in this matter?

16 **MS. KWAN:** Yes, Mr. Chair. We received
17 three written testimonies from Cory Harden, Janice
18 Palma-Glennie, and Boys & Girls Club of the Big
19 Island.

20 **CHAIR GIOVANNI:** Thank you.

21 Now I will call for any members of the
22 public to provide testimony on this agenda item. Are
23 there any members of the public present who would
24 like to testify in person?

25 **MS. KWAN:** Yes, Mr. Chair. We have Daniel

1 Kikawa ready for testimony.

2 **CHAIR GIOVANNI:** Thank you very much.

3 Mr. Kikawa, would you state your name and
4 your address, please, and your affiliation?

5 **MR. KIKAWA:** Daniel Kikawa, HMC Ohana
6 Church, 1044 Komohana Street, Hilo.

7 **CHAIR GIOVANNI:** Thank you. Do you swear
8 that the testimony you'll give today is the truth?

9 **MR. KIKAWA:** Yes. I do.

10 **CHAIR GIOVANNI:** Please proceed. You have
11 two minutes.

12 **MR. KIKAWA:** I just wanted to say that I
13 really support the expansion of the university. They
14 have really added to the island as far as not only
15 bringing in finances, but with the expertise they
16 bring and because of their desire to serve nations
17 around the world, but they will test things out here
18 as they practice those things, like permaculture.
19 They've had experts in permaculture come here, and
20 we, all the public, can come there.

21 They have experts in language here. They
22 have a free Hawaiian language class for adults on
23 the campus, and the more they expand and these
24 experts come in, and the students come and help in
25 the community -- and so they've served us already.

1 We're working on a housing project with
2 Mayor Roth, and they've already offered expertise
3 and labor. And again, with all the different experts
4 that come in, it has been a really blessing to us.
5 They've already helped with recovering materials
6 that we can use for these things.

7 And it will be more for us in this
8 community to have all of this funds coming in and
9 all of these experts from around the world and the
10 service they do for the community here, because
11 that's their heart. This is their main campus, and
12 their heart is to work with the community and to
13 serve the community. And so they have done that.

14 As part of the students, they need to come
15 and serve in the community. That's part of what they
16 do. And, of course, you have young students coming
17 in. It's not all perfect, but they are working with
18 us in the community to keep it the best possible.

19 And the benefits far outweigh any of the
20 negatives, because around the world they have bases.
21 They have extensions around the world. They bring in
22 experts that the university doesn't contact. So it's
23 been a great benefit.

24 **CHAIR GIOVANNI:** Does that conclude your
25 testimony?

1 **MR. KIKAWA:** Yes, sir.

2 **CHAIR GIOVANNI:** Thank you.

3 Petitioner, do you have any questions for
4 this witness?

5 **MR. SIMON:** None other than thanking
6 Pastor Chinen for his time. Thank you very much.

7 **CHAIR GIOVANNI:** Thank you.

8 County, do you have any questions?

9 **MR. DORROW:** No questions. Again, thank
10 you for testifying.

11 **CHAIR GIOVANNI:** Thank you.

12 OPSD, any questions?

13 **MR. YEE:** No questions. Thank you.

14 **CHAIR GIOVANNI:** Thank you very much for
15 coming forward.

16 Do we have any other public testifiers who
17 wish -- anybody else from the public wishing to
18 testify today?

19 **MS. KWAN:** No, Mr. Chair.

20 **CHAIR GIOVANNI:** Thank you, Ms. Kwan.

21 Now that the public testimony has been
22 completed, we'll move on to hearing from the
23 parties.

24 Petitioner, Mr. Simon, will you please
25 provide your status report?

1 **MR. SIMON:** Good morning, chair,
2 commissioners. Once again, Derrick Simon and
3 Katherine Garson on behalf of petitioner. With me
4 today is David Hamilton, president and CEO of UNK,
5 as well as Jeff Overton, principal planner at G70
6 Group.

7 If you could give me just a moment to get
8 my PowerPoint up -- okay, will you just give me two
9 minutes to get the PowerPoint up? We have a fix.

10 **CHAIR GIOVANNI:** Certainly. Would you like
11 us to just take a pause for two minutes?

12 **MR. SIMON:** If you don't mind. I hate to
13 inconvenience you.

14 **CHAIR GIOVANNI:** No problem. We'd be happy
15 to do that.

16 **MR. SIMON:** Thank you, chair.

17 **(Recess from 9:24 - 9:29 a.m.)**

18 **CHAIR GIOVANNI:** We're back on the record.
19 It's 9:29.

20 Mr. Simon, could you give the chair an
21 indication of your presentation duration and what
22 you plan to do and whether the two of you will be
23 calling witnesses?

24 **MR. SIMON:** Of course. You're stealing
25 part of the thunder from my little intro, but we'll

1 have two presenters. I'll give a brief overview
2 myself, and then David Hamilton will speak on behalf
3 of the University of the Nations, and then Jeffrey
4 Overton will speak, you know, as University of
5 Nations planner. He's doing the planning work for
6 them. I would estimate maybe two and a half hours to
7 get through both of them.

8 **CHAIR GIOVANNI:** Okay. Very well.

9 **MR. SIMON:** Thereabouts.

10 **CHAIR GIOVANNI:** That's without questions.

11 **MR. SIMON:** Yeah. Without questions. I
12 think that's about what we're tracking. It could be
13 shorter.

14 **CHAIR GIOVANNI:** Okay. Please proceed.

15 **MR. SIMON:** Good morning once again, chair
16 and commissioners. Derrick Simon, Kathy Garson with
17 UNK. First and foremost, I want to apologize to the
18 commission that it felt a status report was
19 necessary. Hopefully, the presentation today will
20 answer some of your questions and allay some of your
21 concerns.

22 A brief summery about UNK from me, just
23 because I know we have some new faces on the
24 commission. David -- Mr. Hamilton will go into this
25 in further detail during his presentation.

1 But the University of the Nations is part
2 of a global network of mission-based educational
3 institutions. You know, at its core, the university
4 is fundamentally an organization that is intended to
5 do good. It provides critical services to portions
6 of the populations both in Kona and globally that
7 mean the most. And they have a very strong track
8 record of providing service to the Kona community.

9 Thank you. Ariana, if we could go to the -
10 -

11 Oh, I forgot. Ariana will actually be part
12 of our presentation now because of some technical
13 difficulties, so we thank her very much.

14 If you could go to the third slide,
15 Ariana?

16 **MS. KWAN:** Is this -- there.

17 **MR. SIMON:** There we go. Thank you,
18 Ariana.

19 **CHAIR GIOVANNI:** Almost.

20 **MS. KWAN:** Is that --?

21 **MR. SIMON:** It should be the third slide,
22 that overview, and if you could hit slide show tab
23 at the top, then -- there we go.

24 Okay. This gives you an overview of the
25 petition area. It's the two parcels outlined in

1 yellow. The existing campus is outlined in white and
2 is immediately adjacent to the petition area.

3 The master plan that is before the
4 commission that the commission's previously been
5 updated on is a planned campus expansion of the
6 existing campus onto the petition area. And really,
7 as Mr. Chinen spoke to earlier, an expanded campus
8 will simply expand the capacity for the university
9 to do good and provide its service.

10 Ariana, can you go to the next slide,
11 please?

12 So this is an overview of the master plan
13 as it currently sits. The commission saw a version
14 of this back in July 2020, and it looks
15 substantially the same, as both Mr. Hamilton and Mr.
16 Overton will get into later in the presentation.

17 A few dorms have been removed, a few
18 classrooms have been removed, but other than that,
19 it should look substantially the same and familiar
20 to the commission.

21 Next slide, Ariana?

22 This kind of gives a rundown of what's
23 happened since July 2020. As some of you may recall,
24 July 23rd, 2020, we had a status report, I believe
25 technically in Kona, but it was via Zoom.

1 The university presented its motion
2 amendment that is currently pending with the
3 university and informed the commission that it would
4 -- the project would be triggering Chapter 343
5 environmental review and that the university would
6 be, you know, meeting with the Office of Planning,
7 the county, and the LUC staff to discuss the EIS and
8 next steps.

9 So that coordination went on, and
10 actually, I think, the week after that status
11 report, the university, Ms. Garson and myself, both
12 met with the county and the LUC staff and OP.

13 Late 2020, we coordinated the filing of a
14 motion that's sort of a formal motion the commission
15 requires for it to initiate the Chapter 343 process
16 and be the accepting authority for an EIS. That
17 motion was filed in January and was heard and
18 granted in February, and then in March 2021, the
19 university published its EISPN, or Environmental
20 Impact Statement Preparation Notice, and held a
21 scoping meeting.

22 And so we're here today to talk to the
23 commission about what's happened since, what hasn't
24 happened since, and when those next steps will
25 happen and why.

1 Ariana, can you go to the next slide?

2 As I mentioned earlier, we have David
3 Hamilton, president and CEO of the University of the
4 Nations sitting to my right, and so we're going to
5 get started with his portion of the presentation.

6 David, can you provide the commission with
7 a little insight into your educational professional
8 background as well as, you know, your various roles
9 with the university?

10 **MR. HAMILTON:** Good morning to everyone.
11 Thank you for the opportunity to be before you and
12 just share our story as we make this petition known.

13 So undergraduate studies, I just graduated
14 bachelor of arts in political science and double
15 majored in French at Cornell College in Iowa. Later
16 on I studied and got a masters of arts in biblical
17 studies from the University of the Nations.

18 That's been my upbringing, and part of my
19 education has been very global. I grew up in Bolivia
20 in South America -- Bolivia and Peru in South
21 America and during my lifetime have been in and
22 traveled over 200 countries in the purposes of this
23 mission.

24 So shortly after graduating from my
25 undergraduate work --

1 **CHAIR GIOVANNI:** Excuse me. I forgot to
2 put your testimony under oath. So would you state
3 your name for the record one more time?

4 **MR. HAMILTON:** Sure. Glad to do so. My
5 name is David Hamilton, and I live in Kona, Hawai'i.

6 **CHAIR GIOVANNI:** Mr. Hamilton, do you
7 swear your testimony today will be the truth?

8 **MR. HAMILTON:** I do, sir.

9 **CHAIR GIOVANNI:** Thank you. Please
10 proceed.

11 **MR. HAMILTON:** Thank you very much.

12 So shortly after graduating from my --
13 with my bachelors, I joined Youth With A Mission,
14 got training with them in missions in The
15 Netherlands and began -- that was in May of 1977, so
16 45-and-a-half years ago. And I have pursued this
17 career my whole adult life.

18 I began as a single. I married and have
19 four children who grew up in this context. They all
20 married, and I have nine grandchildren. Two of my
21 children were born in Hawai'i. Two were born in
22 Chile. We've lived in several parts of the world.

23 Professionally within this Youth With A
24 Mission, I have been director of the different bases
25 that we've pioneered, different parts of the world.

1 The University of the Nations I have served for the
2 last 18 years as vice president for strategic
3 innovation globally of the University of the Nations
4 and currently also serve as president and CEO of the
5 University of the Nations Kona campus.

6 **MR. SIMON:** Thank you, David. So you
7 mentioned Youth With A Mission, which I think is
8 also referenced as YWAM sometimes, and the
9 commissioners might be a little confused about the
10 connection between the University of the Nations
11 Kona, larger University of the Nations, and YWAM.
12 Can you explain a little bit of that to them?

13 **MR. HAMILTON:** Yes. So Youth With A
14 Mission -- the abbreviation is YWAM, and we say YWAM
15 -- was founded in 1960, and it currently has
16 permanent ongoing activities in 192 countries. Over
17 these last 62 years, there have been more than 4
18 million people who participated in our programs,
19 tens of millions who've benefitted from the services
20 provided by our programs all around the world.

21 The last count we had, we had 210
22 different nationalities on our staff globally,
23 40,000 staff who serve as volunteers, raise their
24 own funds to be able to do good in the name of
25 Christ.

1 So Youth With A Mission has a threefold
2 purpose of sharing good news of the gospel, of
3 training and equipping people in various skills, and
4 thirdly, to be able to bring compassion ministries
5 particularly to the poor and needy, those who have
6 suffered from disasters or war or refugees or
7 various kinds of hardships. So those are the areas
8 that we work in.

9 The University of the Nations, U of N, is
10 a subset of Youth With A Mission. It's one of the
11 things that we do in the training area. So whereas
12 YWAM is in 192 countries, we have University of the
13 Nations in 161 countries -- some mortar, although in
14 some places it's more like adobe and thatch training
15 in places around the world, so 700-800 locations
16 where that is going on, serving people in all
17 different capacities -- first of all, giving them a
18 foundation of character and integrity and a
19 lifestyle of service, and then equipping them for
20 various locations across our 800 campuses.

21 The U of N Kona campus was formed in 1978,
22 so it's been -- well, let's see, that's 44 years
23 ago, and so that has been -- it's one of our larger
24 campuses globally among the 800 campuses. Some are
25 small, many medium size, and several score that are

1 large like the U of N campus in Kona.

2 **MR. SIMON:** Thank you, David. And just to
3 make it clear, so you're saying YWAM is a larger
4 global mission- based organization. The University
5 of the Nations generally is a network of educational
6 institutions, and UNK is the Kona campus of that.

7 **MR. HAMILTON:** Yes. That is correct. So
8 the U of N is a subset of universities, is a part of
9 Youth With A Mission, and it's a very unique
10 university. It's built on a modular system so
11 someone can actually start a course in South Africa,
12 continue in Switzerland, then go to Thailand, and
13 end up their career in Hawai'i. So it's connected
14 globally in a remarkable way.

15 **MR. SIMON:** Thank you, David.

16 Ariana, can we go to the next slide?

17 Perfect. Thank you so much.

18 David, can you explain to the commission a
19 little bit about the types of service that UNK
20 provides to the local Kona community?

21 **MR. HAMILTON:** Yes. What you have on the
22 screen is just a sample of some of the various ways
23 in which we serve. Our commitment is always to do
24 good where we are and equip people to serve there
25 and to whatever nation they go to.

1 So in Kona we have helped establish Aloha
2 Kona Urgent Care. Dr. Curry, who's with me today,
3 was a part of that process of creating a facility
4 for medical services. Many of our staff are doctors
5 or nurses with medical training background and so
6 created this entity to serve a need where there was
7 -- was felt in our community. And so they've been
8 particularly keen contributing services during the
9 recent COVID pandemic.

10 There are a number of other things here.
11 The Kama'aina Hale affordable housing project is
12 adjacent to the campus on the north side, and that
13 has 128 units that we manage. We took this on in
14 2014 because the state that was running it was
15 losing \$300,000 a year, so we took over the
16 stewardship of it.

17 At the time it was only 40 percent
18 occupied, and so we invested over \$2 million into
19 getting rid of the asbestos in the roof, so an
20 upgrade in the kitchens, and now it's almost fully
21 occupied.

22 So there are 126 families that are
23 occupying that place, and about a third of them are
24 people who have qualified for affordable housing who
25 are also on our staff, but it is not designed for

1 our staff. It's for the community. There's no
2 preference to our staff, and so we are serving 80-
3 some families that otherwise would find it very
4 difficult. That unit alone represents something like
5 10 percent of the affordable housing in West
6 Hawai'i.

7 Going down the list, the foster care
8 program. When there are children who are at risk,
9 Hawai'i Department of Human Services often contacts
10 us to help with a solution, and we're delighted to
11 do so. We have taken in over 30 children by
12 different staff members of the U of N Kona campus in
13 the foster program, but not only have we provided
14 foster care for some of the children at risk, but we
15 serve other families that are providing foster care.

16 So when you see the Family Friday's
17 childcare program, we actually send our volunteers,
18 our staff and students, to babysit for a while so
19 mom and dad can get a break and they have a little
20 bit of go out and do shopping or do whatever they
21 need to do.

22 So we're trying to serve that whole
23 community and really also serve the families that
24 have needed, required foster care to help them get
25 their lives back together so they can be able to

1 take care of their own children.

2 We've also done a lot for the support the
3 homeless. We have done food distribution, various
4 programs. More than just caring for their physical
5 needs, we seek to touch them in a way that gives
6 them dignity in the midst of the difficult
7 circumstances they're living in.

8 So we will hold events that we have from
9 to time where people come in, and we'll help do
10 laundry for them. We will provide free haircuts and
11 manicures for ladies, and just try to do the things
12 that normally you wouldn't think about doing for
13 people in that indigent situation, just to honor and
14 try to speak dignity and value into their lives.

15 **MR. SIMON:** Okay. Let's shift gears a
16 little bit, David. One of the things that the
17 university did highlight in its annual reports to
18 the commission in 2022 was COVID impact. So let's
19 talk about that a little bit.

20 Just -- oh, sorry, that's not changed.
21 Thank you, Ariana.

22 What I've put up for the commission is
23 sort of just a rough timeline, and it's not
24 complete, but it's pretty thorough, of the various
25 kind of milestones and rule changes that occurred

1 with COVID. And Mr. Hamilton will explain here in a
2 moment kind of how these seemed to have affected the
3 university in particular.

4 **MR. HAMILTON:** Yeah. So as we went into
5 the COVID season, as you all are aware, it was
6 difficult for everybody, as many restrictions and
7 requirements needed to be embraced. But perhaps of
8 all the different entities in the state, it was the
9 educational institutions that had the strictest
10 requirements put upon them just because of wanting
11 to make sure that they would not be super spreaders.

12 And so it took us, yeah, just a lot of
13 effort to make it through the COVID period. So in
14 March 2022, we're on a quarterly basis, so our
15 students come for three months of intensive training
16 on our campus, then normally go three months on an
17 outreach field assignment, some kind of practical
18 expression and implementation of the skills that
19 they've learned, and then they come back for another
20 three months.

21 And between our students that were on
22 campus and those who were on our internship
23 programs, we had about a thousand students that mid-
24 quarter had to be completely shut down, and they're
25 going home. So our students represent people from

1 45, 50 countries most quarters, and so in this
2 international effort when they went home -- and they
3 came from South Africa or they came from Switzerland
4 or they came from Cambodia, they came from Brazil --
5 there was just no way for them to come back.

6 The next two quarters we were not able to
7 have any students come, and so obviously, that is a
8 huge loss of revenue. You don't have tuition coming
9 in at that time, and there are costs that are fixed
10 and permanent throughout that time. So you have
11 mortgage payments, utilities, or insurance costs
12 that continue.

13 We began in Quarter 4 of 2020 to begin the
14 process of getting people back, and part of it again
15 is Dr. Curry, who's here, who has a degree in
16 tropical diseases and transmittable diseases,
17 infectious diseases from Johns Hopkins University.
18 And we were able to set up protocols in cooperation
19 with the health department of the county to be able
20 to bring our students back safely.

21 But that required at that time huge extra
22 efforts, you know, two weeks of quarantine in our
23 dorm rooms. Instead of having the normal occupancy,
24 they were maximum half of the occupancy, and then
25 two weeks of quarantine. They couldn't leave their

1 rooms, and our staff, who were delivering food,
2 breakfast, lunch and dinner, dorm room by dorm room,
3 just an incredible amount of effort to try to get
4 things back and operating.

5 We maintained very high standards of those
6 protocols for health reasons and kept all the
7 quarantines and all those rules and kept the
8 vaccination. We were able to start getting back into
9 normal again.

10 It's only been in this recent quarter that
11 we're in right now, the fourth quarter of this year,
12 that things are back to normal, because it was only
13 in June of this year that the U.S. opened up all the
14 restrictions on international travel, and we were
15 able to have people fly in from Latin America,
16 Africa, Asia, and other parts of the world to come,
17 along with all of our local Hawaiians and Americans
18 that are here.

19 So we're really delighted to report that
20 we were able to -- we're back and fully reopened,
21 and our numbers are back up to where we were pre-
22 COVID.

23 **MR. SIMON:** Thanks, David. I just had
24 Ariana pull up a graph that shows your enrollment
25 numbers beginning 2015 and going through Q3 of 2022.

1 Can you kind of talk the commission through the
2 trend, you know, the pre-COVID trend, you know, the
3 impacts of COVID on the enrollment numbers, and then
4 sort of the recovery?

5 **MR. HAMILTON:** Okay. So you have four
6 colors. The two blue colors are what we call our
7 Discipleship Training School. That's our entry level
8 program. In a sense, you could say it's like an
9 entrance exam. People walk through this, and the
10 focus is on really developing integrity of character
11 and a heart of service as the foundation before you
12 go into any other vocational training.

13 And then the yellow and orange are some of
14 those vocational training courses, the upper level
15 courses that we offer. The reason there are two
16 colors in blue and the two colors above is, one, the
17 lower one in each case is the internationals, and
18 those are non-Americans who come, and the upper one
19 is the Americans.

20 As you look over the years, our fall,
21 winter, and spring quarters are regularly where we
22 have our most students, the fall quarter being the
23 largest. You can see in the summertime, like in
24 every university, that's when we don't have our
25 regular U of N courses as much, but there are

1 seminars and camps and youth programs.

2 And over the years, if you look at that
3 trend, you can see the number going upwards from
4 2015, '16, '17, '18 to '19, and then that 2020, that
5 first quarter, which is still your third highest
6 line at that point, that was the one that was
7 interrupted and people had to go home. And you see
8 the next two quarters where we had no new students
9 arriving, and we just had vestiges of those who were
10 already in place and couldn't travel.

11 In Quarter 4 of 2020, we began the process
12 of rebuilding. We don't have the recent -- this
13 current quarter on that chart. That current quarter
14 would have the numbers up to equivalent or a little
15 bit higher than the large quarter that we had in
16 2019. So we've come back to our full capacity at
17 this time.

18 Let me just say that as you look
19 carefully, we still see that the numbers of our
20 students coming back are predominantly Americans.
21 Our international numbers are still less
22 percentagewise than what we normally had. And that's
23 because of the international factors that still --
24 the complexity of travel internationally in this
25 post-COVID world.

1 **MR. SIMON:** Thank you. Thank you, David.
2 So we've talked about some services that the
3 university has provided, historically provided to
4 the Kona community. Can you focus a little bit more
5 on the services that the university was able to
6 provide to the community even in the midst of all
7 the impacts from COVID?

8 **MR. HAMILTON:** Yes. So everyone
9 experienced additional needs, and so our community
10 experienced additional needs, so we tried to up our
11 game in caring for that. Again, the medical care
12 provided through Aloha Kona Urgent Care was one of
13 those means, our increased activity among the
14 homeless in Kona at that time. I made mention of
15 those in the past already.

16 I have a couple of other things to
17 mention. Many of our high schools and educational
18 institutions were closed or had limited activities
19 during that time. And for those involved in sports,
20 high school students in their junior, senior year do
21 football combines or do volleyball tournaments and
22 stuff like that.

23 Those things were not happening because of
24 COVID, and we were able to provide those services on
25 our campus, where they were not -- because of the

1 protocols that we kept -- that were not allowable in
2 the public institutions, and kept some of those
3 events open so that the scouts who would come and
4 give scholarships for people to get college training
5 were greatly touched.

6 We were impacted by one father who came to
7 us and with tears in his eyes thanked us because his
8 son got a football scholarship because of the
9 combine they held on our campus, and his daughter
10 similarly got Cox scholarship for the university
11 because of a volleyball event that she had attended.

12 And he told us with gratefulness that in
13 their family line, in their family story, these were
14 the first two that were going to be able to go to
15 university. And that was us helping provide, make
16 our land available, our sport facilities available
17 during that time to the community when the community
18 was in need that helped his family achieve some
19 goals that they were longing to do.

20 We serve a variety of different, not only
21 sport things with the education, but also after
22 school programs, one of them with the Boys & Girls
23 Clubs. And again, in this time they were not able to
24 always operate in the public facilities that they
25 were accustomed to, so we opened up on campus. So

1 after-school programs. We have 50 kids every
2 afternoon who come onto our campus in partnership
3 with Boys & Girls Club and are getting educational
4 assistance in their own development.

5 **MR. SIMON:** Thank you, David.

6 Ariana, the next slide?

7 Okay. So we kind of walked the commission
8 through the early days of COVID, you know, and sort
9 of come out of it. Can you explain to the commission
10 a little bit about how the university has recovered
11 from the impacts of COVID and sort of the trajectory
12 it's on now?

13 **MR. HAMILTON:** Okay. So we have -- like
14 you saw on that chart, our enrollment of our
15 students is back. Many of our staff are from this
16 nation and from the nations, and so many had to
17 leave in 2020, but they are coming back. And so we
18 are very delighted that that has -- that we're back
19 at those levels.

20 Of course, during the COVID era, it was
21 just very hard to do all the things that we needed
22 to do. Already our enrollments, the registrations
23 for courses for 2023, we're going to be growing and
24 beyond. Looking at what we've seen in the past,
25 we've been able to return all of our efforts to the

1 functions of development.

2 So much during COVID was trying to
3 survive, trying to make it through, and not go
4 under, to keep our services open and functional and
5 our doors open. Delighted to report that in the
6 midst of all of the financial and logistical
7 operational hardship, we were able to avoid going
8 into the red, and we've come through. And actually,
9 this last fiscal year that just concluded, 2021-
10 2022, has been our best fiscal year ever. So we are
11 very encouraged by our growth in students and staff
12 and financial capabilities.

13 **MR. SIMON:** Thanks, David. Thank you,
14 David. So we know one thing that the commission is
15 interested in hearing about, and you alluded to, you
16 know, some impacts during COVID on the financial
17 health of the university. And you hit on it a little
18 bit a moment ago, but can you kind of elaborate on
19 that for the commission a bit?

20 **MR. HAMILTON:** Yes. I'm grateful that
21 you've come to the Big Island. At some point in the
22 future, if you would like to hold a meeting, we'd
23 love to host you there, but you can see the facility
24 that is at the university that's adjacent to the
25 property that's in question.

1 And we have a very solid community. It's
2 been there for 44 years. We bought the Pacific
3 Empress Hotel, which was dilapidated shambles at the
4 time, and we restored those original four buildings,
5 built another 26 buildings. Now on our existing
6 campus, we have built over 370 square feet of
7 facilities, 30 major buildings. The current
8 replacement value for those 30 buildings is \$109
9 million.

10 So over these years, we've built a very,
11 very solid facility that serves us. And, of course,
12 that 109 million represents just the replacement
13 value of the buildings, to not include the value of
14 the land or fixtures, traditions, and equipment that
15 we have.

16 One of the things that has happened in
17 this year. I was asked last year -- I was in
18 preparation for a transition to become the president
19 CEO designate, and at that time we started off a
20 financial campaign. This is May of 2021. And the
21 result of that campaign is that we were able to
22 completely pay off all of our mortgage, so in
23 January 29th of this year, we're completely debt
24 free. There's no lien on the property, so we're in a
25 very healthy state.

1 This is the first time in the 44 years
2 that we've carried outside loans, and that's been
3 covered. And that capital campaign also has enabled
4 us to finish off a couple of buildings that were in
5 process and do some other rehabilitation and renewal
6 of buildings. And so it's been a very positive time
7 this last year coming out of COVID and seeing our
8 campus financially much more -- very stable, and our
9 building programs are growing.

10 So we are getting ready now, having
11 completed that process, to -- as we clarify all the
12 elements with our master plan and the LUC, to launch
13 the additional capital campaigns as we go forward
14 and see the next stages of growth and development
15 for the University of the Nations.

16 **MR. SIMON:** And just to clarify, the
17 buildings and construction you refer, that's on the
18 existing campus adjacent to the petition area; is
19 that correct?

20 **MR. HAMILTON:** That's correct. So those
21 are the 45 acres immediately adjacent to the north
22 of the petition area.

23 **MR. SIMON:** Thanks, David.

24 **MR. HAMILTON:** And, of course, the reason
25 we have this petition area as we are growing and

1 developing is that we see the need for the campus to
2 expand into that petition area so we can receive
3 more students and provide more services.

4 **MR. SIMON:** Thanks, David. I'm sorry for
5 interrupting you. So the commission has heard status
6 reports and has reviewed motions filed by the
7 commission, and it's heard some explanations about
8 sort of the university's financing model and how it
9 completes projects, including its existing campus
10 and its campuses around the globe. But can you maybe
11 explain that to the commission a little bit so they
12 have maybe a better understanding of how you raise
13 capital for these types of projects?

14 **MR. HAMILTON:** Yes. I want to set up by
15 saying thank you to the commission for your
16 patience, your willingness to follow up on our
17 communication. I know that these reports are due
18 every August. I know that now. I became the
19 president CEO the first of August, and so I'm into a
20 very fast learning curve during this time. But
21 in our initial letters, we didn't explain or
22 communicate as fully as we would like to, so we're
23 grateful for this opportunity.

24 We serve as an NGO. We're a nonprofit. And
25 like us, there are many around the world. We do it

1 on a faith basis, and others do it from a faith
2 basis or just for humanitarian services. We do that
3 very much so.

4 If you think of institutions like the
5 International Red Cross or Habitat for Humanity or
6 World Vision or just really myriads of other well-
7 known entities who have a solid track record of
8 serving particular causes, they gain a following of
9 people who believe in what they do and are willing
10 to support them on a regular monthly basis or on
11 one-off gifts at different times when there's a
12 campaign.

13 And this is really what we do. So for 62
14 years now, YWAM and University of the Nations has
15 followed this model. We cover some of our costs
16 through the tuition of our students and the
17 programs, the services we offer. But we try to keep
18 those at minimal levels. We actually reduce the cost
19 for people coming from developing nations so that
20 they are -- make it easy for people who otherwise
21 would not have educational opportunities.

22 And to supplement that income, we have
23 people who regularly give to us, who believe in what
24 we're doing, believe in the kind of students we are
25 producing that are graduating with a heart to serve.

1 So this model of fundraising, together
2 with our student tuition, is not unique to the
3 University of the Nations, but we've done this not
4 only in Kona but in these 800-some locations where
5 there are university expressions around the world.

6 As I mentioned earlier, we've had four
7 million who have gone through our program at some
8 time around the world, and tens of millions that
9 have been touched. So out of the millions of people
10 who have come to know us, who believe in us, who
11 form, like, a large alumni body and who stand with
12 us, they support us financially and in other ways.

13 So as we look at this, and we just in this
14 last period, even while still in the COVID period,
15 we were able to see monies raised for paying of our
16 mortgage of 4.3 million, plus another 4.5 million
17 for development. That's over and above all of our
18 operational costs. We have great confidence that as
19 we go forward, this blended model that we have has
20 been proven viable, and that will be successful as
21 we develop the next phases.

22 **MR. SIMON:** Thank you, David.

23 I apologize to the commission. We have a
24 little technical problem, and so instead of having
25 some slides in this show, I've had Ariana pull up

1 another one. And David, perhaps, can walk the
2 commission through some of these slides. They just
3 provide examples of the existing campus and as well
4 as some other facilities that YWAM and the
5 University of the Nations has built across the globe
6 through this financing model.

7 **CHAIR GIOVANNI:** Mr. Simon, let's just do
8 a time check. Is this a good logical point to take a
9 five-minute break?

10 **MR. SIMON:** Yeah. I think that's
11 appropriate.

12 **CHAIR GIOVANNI:** Okay. So let's -- it's
13 currently 10:07. We'll resume at 10:15.

14 **MR. SIMON:** Thank you, chair.

15 **(Recess from 10:07 - 10:19 a.m.)**

16 **CHAIR GIOVANNI:** Okay. Back on the record.
17 It is 10:19 by my clock. And, Mr. Simon, do you --?

18 **MR. SIMON:** Thank you, chair. And where we
19 left off, we were talking about the university's
20 financing model, a sort of nonprofit NGO model of
21 fundraising. And Mr. Hamilton spoke to some of --
22 more generally about some of the examples of what
23 they've been able to accomplish with that model, but
24 we wanted to present the commission with some
25 specific examples.

1 And again, I apologize that these photos
2 aren't integrated into our other presentation, but
3 we can get through it quickly with Ariana's
4 assistance.

5 So, David, why don't you --

6 If you go back one side real quick, yeah.

7 David, why don't you talk them through a
8 little bit? I'll help cue Ariana.

9 **MR. HAMILTON:** Yes. So we mentioned that
10 what we're doing in Kona is part of this network of
11 campuses, university campuses that are all linked
12 together in this one system.

13 So this is a view of a small segment of
14 our campus in Kona and what we call the Plaza of the
15 Nations around the fountain. And the flags there
16 represent the flags of the students and faculty that
17 are present on the campus at that given order. So
18 it's a wonderful celebration of the international
19 diversity that gathers there.

20 We can just go through these slides fairly
21 quickly, if you want to go on. This is our facility
22 in Amsterdam, one of three large buildings that we
23 have in that city, again training people, young
24 people, for service in their community and beyond.

25 The next slide shows a similar facility.

1 Up in the upper righthand corner, you get an aerial
2 view of the whole plan and some close-ups of
3 different segments. This is near Tijuana in Baja,
4 California, and Mexico, and training there hundreds
5 of young people every year.

6 This is in Battambang, Cambodia, the
7 second largest city in that nation, and these are --
8 just like the previous one, these are buildings that
9 we have built from the ground. This was a rice field
10 seven years ago. And we have all of those facilities
11 and programs functioning now.

12 This is a part of our campus in Chiang
13 Mai, Thailand. We can go on.

14 And then this is just a small segment of
15 what we call the oval, another 12 buildings along
16 this large oval in Harpenden, Northern London, in
17 England, that we use.

18 This is a castle that we acquired in
19 Southern Germany in Hurlach, near Munich, where we
20 run training programs. We've been doing that in that
21 location for, goodness, 48 years. So that's been a
22 place that has trained hundreds and hundreds of
23 young people every year.

24 So this is our campus in Jeju, an island
25 of South Korea, and a wonderful facility there.

1 This is an overview, an aerial view of the
2 campus in Kansas City, and a close-up of the manor
3 house, which you can see kind of in the upper center
4 of that picture.

5 This is our campus in the Midlands of
6 England. We call it the King's Lodge.

7 And we can see this is in Lakeside,
8 Montana. You see the aerial view of this. We took
9 over an old Air Force base and purchased that
10 property and have built it up, and you see some new
11 structures on where they're gathered around a map of
12 the world.

13 This is where we began our first training
14 in Lausanne, Switzerland, the chalet, the five-story
15 chalet on the right. We began our first training
16 there in 1969 and expanded there globally.

17 This is Mazatlan, Mexico. This facility
18 and property is adjacent to our schools there in
19 Mexico.

20 We can go on and see. This is Orlando,
21 Florida, a couple of the different structures. They
22 have 200 acres of land, and that is being developed
23 there in Orlando.

24 This is in Port Harcourt, Nigeria. This is
25 our largest piece of land. You see just a little bit

1 of the development here. This is, yeah, the wall
2 that goes around this land -- which you have to
3 build in Nigeria; to have ownership, you have to put
4 the wall in -- is 18 miles linear feet. So you can
5 see how they're developing with lots of agriculture.

6 One of the things you may know about
7 Nigeria, there's great troubles in the north, lots
8 of violence, and thousands of widows, and so we've
9 taken hundreds of those widows and bringing them to
10 our campus, giving them a place, room to stay,
11 giving them an education, giving them a plot of land
12 so that they can recover their life while they
13 recover from the ethnic violence that is going on in
14 the north of the country.

15 This is in San Jose, Costa Rica, an aerial
16 view of a campus that is being built there and one
17 of the first buildings that's gone up.

18 And this is Townsville, Australia, in
19 Northern Queensland. This whole city block, it was
20 once of their Taft Universities which we acquired
21 from the city, and we have, again, hundreds of young
22 people go through training here.

23 This is in Tyler, Texas. And we can just
24 go on.

25 This is in Booster, South Africa. You see

1 the aerial view of the campus.

2 And then this is our second campus in Kona
3 called YWAM Ships, where we're training people to do
4 maritime ministries and take those very practical
5 services to the most remote islands in the Pacific,
6 particularly in Micronesia. And we also have ships
7 that are going into Polynesia and Melanesia, and so
8 taking health care, eye cataract surgery, very
9 practical things, mobile dental units, and going to
10 places that have no airstrips, and the only way to
11 get there is by ship.

12 And so we're out of Kona trying to
13 strengthen that service not only in the Big Island,
14 but from the Big Island throughout the Pacific, a
15 liquid continent of our neighbors on the islands.

16 **MR. SIMON:** Great. Thank you very much,
17 David.

18 **CHAIR GIOVANNI:** Just to -- just want to
19 do a sanity check on the clock. You said two and a
20 half hours. We're about almost halfway through that.
21 Are you still on schedule?

22 **MR. SIMON:** I certainly hope so. We're
23 near the end of Mr. Hamilton's presentation. Mr.
24 Overton should be shorter.

25 **CHAIR GIOVANNI:** Let's proceed.

1 **MR. SIMON:** Thank you.

2 David, so another -- thank you for that
3 overview. Another issue we know that the commission
4 is interested in is affordable housing, and you
5 touched a little bit on Kama'aina Hale earlier, but
6 there's a few other details we do want to hit on
7 with that, so.

8 As the commission may remember, and I know
9 some of you weren't here, but as part of the Motion
10 to Amend, Exhibit 17 to the Motion to Amend was a
11 letter from the Office of Housing and Community
12 Development providing its opinion on whether or not
13 the master plan would trigger affordable housing
14 requirements under the Maui County Code -- I mean
15 Hawai'i County Code. And the OHCD director confirmed
16 that it did not, based on the dormitory uses and the
17 anticipated zoning.

18 Another issue raised in the commission's
19 status report was whether there was an agreement
20 with OHCD regarding affordable housing credits for
21 the petition area, and I can confirm that, that
22 there's no such agreement. And David can as well.

23 And then as we touched on earlier, we'll
24 speak a little more in depth to now, you know,
25 notwithstanding that the university has provided

1 significant affordable housing opportunities to the
2 Kona community, and we think that's been a great
3 benefit.

4 So, Ariana, if we could go one more slide.

5 This is just a picture of that letter
6 again. This is Exhibit 17 to the Motion to Amend
7 that was filed with the commission.

8 David, so you talked a moment ago about
9 Kama'aina Hale. We'll get back there in a second.
10 Could you talk about the Hualalai Village Project,
11 where it's located, its composition as far as units
12 go?

13 **MR. HAMILTON:** Yes. So thank you for this
14 opportunity. Once again, though the nature of our
15 project does not require us to provide affordable
16 housing because all the housing that we're doing is
17 affordable houses for students in dorm rooms, but --
18 and staff who are there on the campus -- we are
19 concerned about affordable housing. Anyone who lives
20 here in Hawai'i is concerned about that situation.

21 And so we have done -- involved in two
22 projects that are not -- have not been required of
23 us but have been desired by us. And one is the
24 Hualalai Project, which is mauka of the existing
25 campus and of the petition area that we're looking

1 at.

2 And this is 62 units, and it was really
3 modeled after what several universities have done in
4 the mainland in high cost of living areas, as like
5 in California and New York, in creating a land trust
6 so that staff and qualified people could come into
7 the place and live there at a reasonable price.

8 So we've established that and make these
9 condos available, these 62 units available, at a
10 below -- with the land trust at a below market
11 value. And many of the people who are taking
12 advantage of that are people who are working at the
13 university. Many of them had lived in Hawai'i for
14 five, ten, fifteen years prior, had been in rental
15 situations, and now this gives them a place of,
16 yeah, just a greater stability and affordability.

17 And so others beyond our faculty and staff
18 also have access to those units. But that's the main
19 focus that we have there. And this was built from
20 the ground up by us.

21 **MR. SIMON:** Thank you, David. So it sounds
22 like some of the doctors or nurses, that the ability
23 to attract good staff and faculty is also dependent
24 upon the availability of housing, so that Hualalai
25 Village Housing Project allows the university to

1 attract qualified staff and faculty; is that right?

2 **MR. HAMILTON:** Yeah. If you come from
3 South Africa and you look at the prices here, it's
4 just -- it is -- people can't figure out how to get
5 there. So it is a service that we provide for our
6 people. And it is both people who are coming in from
7 outside who are becoming residents of Hawai'i, but
8 like I said, many of them have been more long-term
9 residents of Hawai'i, either Hawaiian or Pacific
10 Islander background or others who've resided in this
11 area.

12 These young people who grow up into these
13 professionals, they often meet their future spouse
14 at the university, get married, have their children,
15 and they put down their roots and become residents
16 of Hawai'i. And so it's helping them have a
17 reasonable way forward to establish their families
18 and their service in the university.

19 **MR. SIMON:** Thanks, David. And so as I
20 mentioned and you discussed earlier, there's also
21 the Kama'aina Hale Project, and that's immediately
22 adjacent and just north of the existing campus. Can
23 you just speak a little bit? I know you made some
24 comments earlier, but maybe provide a little more
25 details on that?

1 **MR. HAMILTON:** Yes. So this was a delight
2 for us to jump in, because we saw the need in our
3 community in 2014. This was only 40 percent
4 occupancy because the buildings were rundown and
5 uninhabitable.

6 And when the opportunity came, a
7 suggestion that we could assume the stewardship and
8 management care for it, we took the responsibility
9 to invest the money, use our volunteers to put on
10 the new roofs, re-do the kitchens, completely re-do
11 all of these units. There are 128. Two of them are
12 used by management, 126 available to the community.
13 And they are now all being used, and it's a great
14 provision.

15 So this was not new housing, but there
16 were only 40 of these units that were functional
17 eight years ago. So our investment of our \$2 million
18 in materials plus all of our volunteers, which their
19 labor was given, makes a huge increase of affordable
20 housing in the Kailua-Kona area, so.

21 **MR. SIMON:** Thanks. And then so unlike the
22 Hualalai Village Project, the units at Kama'aina
23 Hale are open to the general public with no
24 preference given to any segment; is that correct?

25 **MR. HAMILTON:** Absolutely. So 40 of the

1 units are for those who have under 50 percent AMI,
2 the average median income, and the remainder are for
3 those who have under 80 percent of the AMI, meeting
4 those two classifications for affordable housing.

5 And there's a general invitation. People
6 fill out forms, apply, and whether or not they're
7 with the university is inconsequential. It's one set
8 of rules, a level playing field for anyone. So
9 anyone who has demonstrable needs and get on the
10 waiting list, then we serve them.

11 Currently, less than a third of those
12 units are used by university-related personnel. So
13 we've had -- so back to 2014, there were only 40
14 units that were being used by the general public.
15 Now there are over 80 units that are being available
16 for the general public, so we've doubled the service
17 in this time.

18 **MR. SIMON:** Thanks, David. And that's also
19 a HUD-funded project as well; is that correct?

20 **MR. HAMILTON:** No. It's not.

21 **MR. SIMON:** Oh, my apologies.

22 **CHAIR GIOVANNI:** Could you clarify? Is it
23 or is it not?

24 **MR. SIMON:** I don't believe it is, sir. My
25 apologies.

1 Thanks, David. And another thing that was
2 highlighted in the annual report to the LUC were
3 some changes being made to the master plan. And I
4 believe it was characterized as scope and scale, but
5 maybe that wasn't the best way to explain it. So can
6 you kind of walk the commission through what
7 happened and the changes that are being made?

8 **MR. HAMILTON:** It's actually a very simple
9 change that we are working on, and it's really a
10 clarification of our expected population on the
11 campus. As I've mentioned earlier, we do our
12 training in the modular way, so people come for a
13 quarter at a time. Then they have a field internship
14 or practicum in someplace else.

15 And so we count -- they don't come, like
16 other universities, where you enroll for a four-year
17 program straight through or a nine-month annual
18 program. So it's very mobile. It's modular. And so
19 when we have 5,000 students, it's off 5,000
20 registrations over a year's period, which across
21 four quarters means 1,250 students per quarter.

22 The number 5,000 got misunderstood at one
23 point. I don't think it was picked up. As I got
24 involved in this and looked at the process and
25 understood our history, this is a reestablishment of

1 something that we've had from the very beginning.

2 As you can see in this part -- we showed
3 you all of our pictures from around the world; those
4 were just 20 of 800 locations -- is that we're not
5 just building here in Kona. We're helping develop
6 other places as well. So we're not trying to build a
7 monolithic entity here, but try to build a whole
8 system that is healthy and strong and can serve the
9 students.

10 So basically, the adjustment means that
11 the master plan that you have before you, all we
12 need you to do is just diminish some of the number
13 of dormitories and some of the classrooms.

14 All of the buildings that serve the
15 public, the Discovery Center, the K-12 school, the
16 theater, the sports fields, the multi-purpose
17 buildings, all of those things that serve not only
18 our campus but for events for the larger community,
19 all of those stay intact. But it just means that our
20 density of population is diminished, so that that
21 makes overall costs much more affordable, the
22 environmental impact that much more reasonable.

23 And so this clarification really helps us
24 be on track and hopefully advance this project and
25 meet the concerns that both the LUC and we have of

1 these various matters.

2 **MR. SIMON:** And so, David, I want to just
3 cover a couple of things. I just want to cover a
4 couple of things. I do think there were some
5 statements in the annual report that perhaps caused
6 some alarm, so can you kind of walk the commission
7 through sort of the intent?

8 And again, you know, you indicated earlier
9 that you were -- that was your first week on the
10 job, but if you can kind of provide some insight
11 into the message you actually convey versus the
12 message that may have been conveyed to the
13 commission?

14 **MR. HAMILTON:** Absolutely. So again, it
15 was my first week on the job, and I assume any
16 responsibility for substandard communication that we
17 would have provided for the LUC at that time. It has
18 been good over the last number of weeks to come up
19 to speed and understand all that was needed.

20 When we talked about COVID, we were trying
21 to communicate that it was a difficult time, but
22 we've come out of that difficult time. So we're
23 talking about the reality of why some of our
24 initiatives were delayed. Many of our experts were
25 working on different fields, had to leave the

1 country because of COVID, and were not able to
2 return until many months later.

3 We were impacted like all educational
4 institutions, but we are coming back and we're in a
5 good place, and we believe that the master plan that
6 we are looking at with the clarifications that will
7 be presented to you today is something that we'll be
8 able to complete. And it is my commitment in this
9 new role to do that.

10 Perhaps it's helpful for you to know that
11 in the 44 years that Kona has been there, I'm only
12 the third president and CEO. So Loren Cunningham,
13 who was the founder, was in that role for 34 years,
14 split into two parts at the beginning and then just
15 before my term, and in the middle there was 10 years
16 where there was another gentleman who was the
17 president CEO.

18 So this has been a very stable place, but
19 our -- the name that you've seen when you look at
20 the 990s or the other documents of Loren Cunningham,
21 he's turned 87 years old this year, and it was a
22 time for transition. And in just the natural aging
23 process, some of the bandwidth of capacity was
24 beginning to diminish, so it's with delight that I
25 pick some of those responsibilities.

1 Having journeyed alongside him, I began as
2 his PA in 1983, 1984, here in Hawai'i for the first
3 time. So I've journeyed alongside him here in
4 Hawai'i and other places for these many decades so
5 we can have a continuity of the vision and yet also
6 a freshness of energy with a new team that is able
7 to carry that on.

8 So as we look at this, we live there. This
9 is our home. This land is what we call dedicated
10 land. We've acquired it to fulfill the purposes of
11 the university, what we believe are the purpose of
12 the vision. We believe God's calling on us to serve
13 our neighbors in Kona and beyond, and so this is not
14 land that will ever be sold. There's no financial
15 speculation there.

16 The changes in the nature of the master
17 plan are essentially the same vision, the same
18 direction. It's just an adjustment and clarification
19 in some of our population numbers. With this
20 adjustment that you'll hear from Jeff a little bit,
21 we'll be able to complete the environmental impact
22 study, and we'll be able to launch the financial
23 campaigns that we need to raise the money and to be
24 able to see this completed in a timely way.

25 So I want you to hear from me that this is

1 something we are committed to do. I understand at
2 this point what will be the role of the LUC, and we
3 will do all our very best to keep current with you,
4 keep you informed, and meet all the requirements
5 that are needful and made official for us to move
6 forward together. And you have my full and
7 wholehearted commitment to that end.

8 **MR. SIMON:** Thank you, David.

9 And that concludes Mr. Hamilton's portion
10 of the presentation. I don't know the commission's
11 preference, but perhaps we can get through Mr.
12 Overton first and then turn to questions?

13 **CHAIR GIOVANNI:** I think we'll take
14 questions first.

15 **MR. SIMON:** Okay.

16 **CHAIR GIOVANNI:** County, any questions for
17 the witness?

18 **MS. TIAPULA:** We have no questions for
19 this witness.

20 **CHAIR GIOVANNI:** Thank you.

21 OPSP, any questions for the witness?

22 **MR. YEE:** I do have a few questions for
23 clarification.

24 Mr. Hamilton, you referred to a nonprofit-
25 based financing. Can you explain the difference

1 between typical commercial financing and nonprofit
2 financing?

3 **MR. HAMILTON:** Yes. Thank you for the
4 question. So normally, if you were just building a
5 number of condos to -- for sale and develop the land
6 in that manner, you would put your package together,
7 and you'd get either bank loans or investors who are
8 expecting a return on their investment, some
9 percentage, which is a very reasonable way of doing
10 things.

11 In our situation our purpose is not to
12 gain financially, and so what we do is we go -- like
13 you would go after investors, we go after donors,
14 the difference being is that they are not expecting
15 a repayment of their funds or a percentage on their
16 investment. They believe the importance of what
17 we're doing, and so those are gifts to us.

18 And so it's not that we are anti the
19 banking systems or loans, but if we can obtain these
20 gifts as we have done in these buildings that you've
21 seen not only in Kona but around the world, it's a
22 way to move forward without incurring liens on the
23 property or indebtedness that future generations
24 have to work out. So we seek to raise the money
25 upfront beforehand so that we have it, and we build

1 with cash in hand as we go.

2 **MR. YEE:** So if I understand this
3 correctly -- correct me if I'm wrong -- you will
4 accumulate donations, and when you have enough
5 accumulated, will begin construction; is that right?

6 **MR. HAMILTON:** There are several different
7 ways in which that can happen. So at times there's
8 enough, you know, from our tuition income. There are
9 enough resources to cover a certain amount of
10 development factored into that, so we can rely on
11 that as a foundation. So we don't have to have the
12 whole amount of a building in hand before we start,
13 but we start wisely. We start where we are confident
14 that we can complete it in a timely manner.

15 **MR. YEE:** Thank you for the correction. So
16 it would be donations plus revenues generated, and
17 when you can accumulate money from that, instead of
18 getting a loan from the bank, you use that cash to
19 then enter into contracts for construction.

20 **MR. HAMILTON:** That's correct. And, of
21 course, we are able to keep a lot of those
22 construction costs down because, once again, we have
23 people who not only support us with their gifts, but
24 with their talents. And so we have professionals at
25 times who we contract and pay, but others who come,

1 who give the gifts of their service to again reduce
2 the cost of that construction.

3 **MR. YEE:** I take it, then, that you have
4 to really do with incremental construction, as you
5 will not accumulate money for the entire project all
6 at once, but you'll be accumulating portions and
7 constructing, and accumulating more and
8 constructing. Is that right?

9 **MR. HAMILTON:** Yes. That is correct. And
10 you'll see that we have proposed three phases, and
11 within each phase, of course, some of the most
12 important things at the outset are always the
13 infrastructure and the spine roads and the things
14 that make it easy to build on and develop at a time.
15 But we don't have to have money for five dorms
16 before we start the first dorm.

17 **MR. YEE:** And are you going to have -- or
18 do you have either the master plan, or are you going
19 to develop a timetable for when you anticipate
20 you'll be able to finance each portion of the
21 construction?

22 **MR. HAMILTON:** Yes. That will be
23 forthcoming.

24 **MR. YEE:** And then my last question about
25 financing was just generated by your PowerPoint,

1 which was you had a mortgage on the prior -- on the
2 outside the property. Why don't you just get a
3 mortgage for this petition area?

4 **MR. HAMILTON:** Again, we don't have any
5 religious conviction or belief that would say we
6 can't do that. We would prefer not to do that.

7 And we find that oftentimes people who
8 want to support us are more willing to contribute to
9 a project at the front end rather than, like, you've
10 undertaken this and you've incurred debt and now I'm
11 helping you pay off the debt. It's a more
12 constructive approach in the mindset of investors,
13 and so we work these partners in various ways.

14 So we're not adverse. If there was a time
15 that was necessary to do something with a bank,
16 we're not adverse to that, so that's not a closed-
17 off opportunity. But we prefer to be able to use the
18 income from our tuition and services rendered as
19 well as the donations we receive in order to be able
20 to see the work advance without incurring debt.

21 **MR. YEE:** So at least once you attempt to
22 accomplish this through nonprofit financing before
23 you look to other alternatives. Is that fair?

24 **MR. HAMILTON:** I believe that would be
25 fair. Yes.

1 **MR. YEE:** Okay. With respect to your
2 master plan as you're currently proposing, so not
3 necessarily the master plan in 2003, but the master
4 plan today, you're looking to expand the campus; is
5 that right?

6 **MR. HAMILTON:** Yes. Jeff will walk you
7 through the master plan. It is an expansion from the
8 45 acres onto the 63 acres of the petition area that
9 we're looking at.

10 **MR. YEE:** So big picture. Does this --
11 will this result in an increase in enrollment?

12 **MR. HAMILTON:** Yes.

13 **MR. YEE:** Do you have a general gauge of
14 how much?

15 **MR. HAMILTON:** So we expect to have
16 enrolled 5,000 a year, which is again over four
17 quarters, 1,250 in each quarter, plus their
18 families, plus our staff, plus the staff families.
19 And those are the numbers that will be presented. So
20 that is -- we're about 45 percent, 47 percent of
21 that population right now. So it will be a doubling
22 of our capacity, a little bit more.

23 **MR. YEE:** Are significant numbers of your
24 students from outside Hawai'i?

25 **MR. HAMILTON:** Yes. We have -- our student

1 and staff probably represent 45 to 50 countries.

2 **MR. YEE:** So it seems to cater to -- I
3 mean, it seems to be geared toward international
4 students; is that right?

5 **MR. HAMILTON:** We have a lot of
6 international students, but we also have a strong
7 emphasis on the Pacific avenues, Micronesia,
8 Melanesia and Polynesian and, of course, our
9 Hawaiian peoples.

10 **MR. YEE:** You had mentioned the Hualalai
11 Village and how it interacts with -- by allowing --
12 it interacts with the current campus by allowing you
13 to attract other staff and faculty. Is there a large
14 -- and you mentioned South Africa. Is there a fairly
15 large number of them that come from out-of-state as
16 well?

17 **MR. HAMILTON:** I don't have the exact
18 percentages of the housing. Dr. Curry, our medical
19 doctor, is also the president of that, so at some
20 point if you would ask him that question, he could
21 give you better numbers on that. But, yeah, we have
22 people who are both American citizens and non-
23 American citizens living in Hualalai Village.

24 **MR. YEE:** Okay. And some of them would be
25 perhaps from the mainland and coming to Hawai'i?

1 **MR. HAMILTON:** That would be true as well.

2 **MR. YEE:** And you may not know the answer
3 to this question, but let me just ask. When I read
4 the original 2003 Decision & Order, it referenced
5 Hualalai Village, which I understood to be
6 constructed within the petition area. You today
7 mentioned Hualalai Village which is located outside
8 the petition area and mauka of the petition.

9 So did I either misunderstand the D&O, or
10 are these two different projects, or did you move
11 the project? Do you -- can you explain? Or is that
12 someone else I should direct this to?

13 **MR. SIMON:** If the commission doesn't
14 mind, I can assist. So the petition area is supposed
15 to be later phases of the Hualalai Villages Project.
16 So the portion of Hualalai Village that was built
17 was outside of the petition area. Later phases,
18 along with the cultural center and some educational
19 facilities, were planned for the petition area, and
20 that's what was approved under the 2003 Decision &
21 Order.

22 **MR. YEE:** Okay. So -- and I'm sorry to --
23 if you could just clarify?

24 **MR. HAMILTON:** Yes. Perhaps I can add to
25 that.

1 **MR. YEE:** Yeah.

2 **MR. HAMILTON:** So that original petition
3 was by -- as you have in your record, by U of N
4 Bencorp. So Bencorp is a separate entity which the U
5 of N supported, because the idea was to build
6 housing, lots of condos, in order to provide
7 resources to complete the campus on the 45 acres.

8 What transpired is that we opted to close
9 Hualalai to that Phase 1 and to not seek to do a
10 commercial venture on the rest of that land, to
11 really increase the scope of the university so that
12 we could have the service that we need for the
13 students and the programs that we needed on the
14 university. So that, I believe, is all in the record
15 that you have before you, so.

16 **MR. YEE:** And I may say this wrong again,
17 so correct me again. What I hear you saying is the
18 Hualalai Village that was originally proposed was --
19 encompassed areas both inside and outside the
20 petition area, and you only completed the mauka
21 portion outside the petition area. Is that correct?

22 **MR. HAMILTON:** Yes. That is correct. So --

23 **MR. YEE:** And then eventually --

24 **MR. HAMILTON:** So it would have been
25 phases 2, 3, 4, whatever the numbers were, were

1 within the petition area. And that was the change,
2 that instead of building condos to sell to benefit
3 the university, we would just expand the university
4 and not try to do a commercial venture on that land.

5 **MR. YEE:** So the reference in the D&O in
6 2003 to the Hualalai Village encompassed areas
7 within the petition area, but your status report,
8 which referred to Hualalai Village, is only
9 referencing areas outside of the petition area; is
10 that right?

11 **MR. HAMILTON:** That is correct, sir.

12 **MR. YEE:** Okay. The Kama'aina Hale. That
13 wasn't existing. Was it a state or a county
14 affordable housing project initially?

15 **MR. HAMILTON:** My understanding is that
16 was a state housing.

17 **MR. YEE:** Okay. Thank you. So thank you.
18 And so you took it over to help renovate and put
19 more investments in it and provide more services.
20 Just for the record, because it's an existing
21 facility, I take it that it is not used as a credit
22 by other developers for their new projects; is that
23 right?

24 **MR. HAMILTON:** That is correct.

25 **MR. YEE:** And --

1 **MR. HAMILTON:** So we took it over in 2014,
2 and it's -- but again, this was a service. We
3 created a separate legal entity, so it's not
4 technically the University of the Nations, but we're
5 the ones who did that, so that.

6 **MR. YEE:** And then you referenced changes
7 to the master plan or revisions to the master plan,
8 and I just want to clarify. Is that a change to the
9 2020 master plan, or is that a change to the master
10 plan that was before the commission in 2003?

11 **MR. HAMILTON:** It's some of both.

12 **MR. YEE:** Some of both. Okay. Among the
13 changes to the master plan from 2003 is the
14 elimination of the housing within the petition area;
15 is that right?

16 **MR. HAMILTON:** That master plan is a
17 significant change to what was in 2020, and there's
18 yet some site modifications that are happening now.

19 **MR. YEE:** Okay.

20 **MR. HAMILTON:** Jeff will be talking about
21 at this time.

22 **MR. YEE:** Okay. So what we're referring to
23 now are the slight modifications, not sort of the
24 major changes that occurred between 2003 and today;
25 is that right?

1 **MR. HAMILTON:** That's correct. Just
2 adjusting some buildings down to meet more realistic
3 population estimates.

4 **MR. YEE:** Okay. I just wanted to be clear
5 that I'm not -- that you're not explaining all the
6 changes that were made to the 2003 master plan.

7 **MR. HAMILTON:** That's correct.

8 **MR. YEE:** Okay. Thank you very much. I
9 have no further questions.

10 **MR. HAMILTON:** Thank you, sir.

11 **CHAIR GIOVANNI:** Thank you.

12 And thank you, Mr. Yee.

13 Commissioners, questions for the witness?

14 **COMMISSIONER CHANG:** I do.

15 **CHAIR GIOVANNI:** Commissioner Chang?

16 **COMMISSIONER CHANG:** Thank you. Good
17 morning.

18 Thank you, Mr. Yee. I thought maybe I was
19 the only one that was not really -- that I needed
20 some clarification.

21 Thank you so much, Mr. Hamilton, for your
22 presentation. I have two questions.

23 The first question deals with the
24 financing. Is UNK a separate entity that finances
25 just UNK, or do you get support from YWAM?

1 **MR. HAMILTON:** It is a separate entity.
2 It's a standalone entity, so we don't -- thank you
3 for your question, Commissioner Chang.

4 We do not -- Youth With A Mission,
5 University of the Nations has a very flat structure.
6 It does not have a hierarchical structure. There's
7 not some global center that is providing finances.
8 Every one of those 800 locations that run University
9 of the Nations courses are responsible for their own
10 legal and financial structures, their own
11 development. And we're connected through common
12 academic programs.

13 **COMMISSIONER CHANG:** I see. Okay. Thank
14 you for that clarification. I wasn't sure if in
15 addition to the academic integration, you're
16 connected financially. But you are totally
17 independent, and you are -- you will finance your
18 own -- the development of this project.

19 **MR. HAMILTON:** That is correct, ma'am.

20 **COMMISSIONER CHANG:** I want to go back to
21 the line of questioning regarding the affordable
22 housing. As I understand it, the way that I read the
23 original D&O in 2003, the Hualalai condo villages of
24 400 units was a major component of the proposed
25 project; is that correct?

1 **MR. HAMILTON:** It was at that time. And
2 that was what changed so that only Phase 1, the 62
3 units, completed. And that's all that. So that
4 project was reduced down significantly to about one-
5 seventh of its size.

6 **COMMISSIONER CHANG:** Okay. Because I am
7 wondering. When I look at the affordable housing
8 condition and apparently you got an opinion from the
9 county -- and I'll ask the county this as well --
10 from the county that your proposal does not trigger
11 an affordable housing requirement; is that correct?

12 **MR. HAMILTON:** I think it's the proposal
13 for the current situation, because we're not
14 building luxury condos for sale at the market price.
15 That's not what we're doing at this point.

16 So that is my understanding, and you can
17 help me if I'm missing something here, but it's when
18 you have that kind of a project that you must make
19 sure that there's some housing available for those
20 who have -- can't afford those -- that level of
21 housing.

22 And so we are no longer doing any housing
23 of that nature. That's why it is not required of us
24 to do affordable housing. But my earlier statements
25 were intended to communicate our desire to -- all

1 because we want to be good neighbors in the
2 community where we live, and we know just prices in
3 Hawai'i are just really high, and lots of people
4 have struggles with housing.

5 **COMMISSIONER CHANG:** Okay. And I'm not
6 making a judgment call on whether your new proposal
7 is better or -- but my concern is that in 2003, when
8 this proposed project was presented to LUC, and the
9 community had certain expectations, including
10 affordable housing based upon the project that was
11 being presented.

12 **MR. HAMILTON:** Mm-hmm.

13 **COMMISSIONER CHANG:** And because this
14 affordable housing condition is quite, in my mind,
15 kind of vague. It kind of depends upon the county
16 and depends upon the project.

17 But there must have been certain
18 expectations in the community about an affordable
19 housing component. And because you have, in my mind,
20 dramatically changed what was presented -- and
21 again, I'm not making a judgment on whether it's
22 better or it's worse, but it is substantially
23 different, at least in my mind, than what was
24 presented, that I am -- I will share with you I am
25 concerned about the change.

1 In my mind, there are substantially
2 changed circumstances in the proposed project, and
3 that the D&O may not necessarily match what you are
4 proposing to do now. So I am really interested to
5 see how you're planning, the EIS, what's being
6 proposed, and how you're planning to proceed
7 forward.

8 But I am -- and I'm not too sure if the
9 community feels the same way. They may like this new
10 campus that's being developed, but it is changed
11 from what was originally proposed and presented.

12 So that is my concern, and I just want to
13 raise that, because I wanted to get a -- I'm glad I
14 wasn't the only one who needed clarification as Mr.
15 Yee, because I was wondering what happened to
16 Hualalai, the 400 units. And so thank you for that
17 clarification.

18 But that then leads me to, as I shared, my
19 concerns regarding what was presented to LUC in 2003
20 versus what we're looking at right now.

21 **MR. SIMON:** Commissioner Chang, can I
22 follow up on that real quick? And I know you,
23 Commissioner Ohigashi, and Commissioner -- or Chair
24 Giovanni were there, but I want to just -- in 2020,
25 not 2003, in 2020. I'm just going to remind how we

1 got here.

2 So the university did file a Motion to
3 Amend to update the Decision & Order to reflect the
4 change in vision for the project. And it was during
5 the course of that process, preparing studies,
6 looking at infrastructure, refining the master plan,
7 that they discovered this Chapter 343 trigger.

8 So the EIS is really the first step that
9 the university must undertake before we can actually
10 present the commission with something to do, you
11 know, to do a thumbs up or a thumbs down vote on. So
12 this is -- this is sort of the necessary first step
13 before the commission can address a Motion to Amend,
14 before it can look at approving what's being
15 presented, you know, both by Mr. Hamilton and later
16 by Mr. Overton.

17 **COMMISSIONER CHANG:** And I appreciate that
18 clarification. I am going to be very curious how the
19 community has been informed about the changed
20 vision, the changes, and again what's their
21 comments, so. Because I -- like I said, I'm not
22 making a judgment about whether what you're
23 proposing now is better than what was before, but it
24 is different from what the community commented on in
25 the original LUC Decision & Order.

1 **MR. SIMON:** Understood. And we certainly
2 appreciate that. You know, that, of course, is part
3 of the EIS Chapter 343 process, is engagement and
4 receiving and responding to comments, and also
5 responding to, you know, reports or studies or
6 aspects of the project in response to those
7 comments. So thank you very much, commissioner.

8 **COMMISSIONER OHIGASHI:** Mr. Chair?

9 **CHAIR GIOVANNI:** Commissioner Ohigashi?

10 **COMMISSIONER OHIGASHI:** 2020 was a long
11 time ago. I have a question that's kind of like the
12 financing. Normally, within our orders, more recent
13 orders, D&Os, we include provisions that require the
14 development of backbone infrastructure within a
15 certain period of time. Has there been any estimate
16 done by UNK as to what the backbone infrastructure
17 cost would be in the modifications that are
18 presented?

19 **MR. SIMON:** Commissioner Ohigashi, perhaps
20 I can help address that question. So part of what we
21 presented to the commission back in 2020 and what we
22 tried to emphasize in the Motion to Amend is that,
23 while it is a three-phase project, really to build
24 it out properly and correctly, the majority of the
25 backbone infrastructure will be going in in the

1 first phase.

2 That's going to provide access throughout
3 the campus. That's going to provide sort of the
4 basis to extend utilities and other infrastructure
5 aspects. So the intent and the goal of Phase 1 of
6 the master plan is to provide a lot of that upfront.

7 Again, the scheduling has changed because
8 of the EIS, and so obviously, we need to get the
9 commission an updated timeline. But that's sort of
10 the -- that's how the backbone infrastructure is
11 envisioned for the master plan.

12 **COMMISSIONER OHIGASHI:** So going back to
13 my actual question, it was has there been estimates
14 prepared to determine what would be the cost of that
15 backbone infrastructure?

16 **MR. SIMON:** Oh, I apologize. I missed the
17 cost piece. I wasn't trying to squirm out of your
18 question there. I believe there was. I know there
19 were some preliminary construction estimates that
20 were presented in 2020. I don't have those before
21 me. I think Ms. Garson may have them with her, if
22 you want to look at those.

23 **COMMISSIONER OHIGASHI:** Are those -- will
24 be subject to the nonprofit type of fundraising?

25 **MR. SIMON:** I believe that is -- that is

1 the intent.

2 **COMMISSIONER OHIGASHI:** And has that
3 nonprofit, that fundraising begun by UNK?

4 **MR. SIMON:** I'll let David speak to that,
5 but my understanding is it's difficult to launch a
6 capital campaign for a project like this with
7 pending approvals, but I'll let David speak to that.

8 **COMMISSIONER OHIGASHI:** I'm just asking if
9 -- because I remember Mr. Hamilton's last comment
10 was "then we can start on our capital campaign." So
11 what I want -- what I'm curious is have you already
12 started, or have you not started on the campaign?

13 **MR. HAMILTON:** So currently, we are
14 involved in a capital campaign for areas on our
15 existing campus where we already have zoning and
16 permitting processes with the county. So we are --
17 our goal is continued development of the university,
18 and we still have more stuff to do on the initial
19 property that we have. So that is our focus at this
20 time.

21 Parallel to that as we walk through the
22 process with the Land Use Commission and things
23 become clearer, then we will have that language and
24 the projects defined with a certainty that we can go
25 to potential donors and supports and present that

1 campaign. So we are doing development, but not on
2 this -- not on these 62 acres. As we do this
3 parallel, then that campaign will come afterwards,
4 later on.

5 **COMMISSIONER OHIGASHI:** I just wanted to
6 know if you started. The answer apparently is you
7 haven't started because you're already doing some
8 capital campaigns for the existing land.

9 **MR. HAMILTON:** On the existing land.
10 That's correct, sir.

11 **COMMISSIONER OHIGASHI:** So my question,
12 then, is how does it work, then? Assuming that you
13 get your capital campaign or the 62 acres started in
14 the NGO process, do you set up a separate account?
15 Do you set up a separate so that you can show
16 financially able to develop this particular parcel?
17 Because I think that's one of the criteria that the
18 Land Use Commission will be looking at is to make
19 sure that you're financially able to develop the 62
20 acres.

21 So are you going to set up separate
22 accounts so that there'll be clear accounting for
23 that? Or is it all mushed into one fund and that it
24 will be your guys' determination how to divide it
25 up?

1 **MR. HAMILTON:** No. You can be sure that we
2 have a very comprehensive and sophisticated
3 accounting system. From the very beginning, we have
4 annual external audits. Those reports are made
5 public. If you would like to have access to that --

6 **COMMISSIONER OHIGASHI:** No, no. I'm not
7 asking that. I'm asking how it works. Is there going
8 to be a separate account here, you know?

9 **MR. HAMILTON:** Yes, sir.

10 **COMMISSIONER OHIGASHI:** Like, lawyers like
11 Mr. Simon will tell you that we have separate trust
12 accounts that we put money into. I'm just trying to
13 see if we have differentiation in capital accounting
14 for the existing development and a new capital
15 account to fund the backbone infrastructure that
16 we'll be requiring to be done within a certain
17 period of time.

18 **MR. HAMILTON:** Thank you for the question.
19 Every project that we undertake, every capital
20 campaign, we track it. And people give for a
21 particular reason, for a particular cause, and we
22 keep that designation, and that money is separate
23 from general operating funds or from other campaigns
24 that we have done at other times.

25 So that was my effort to explain that we

1 have a comprehensive accounting system, and we have
2 -- that is a normative way of doing things. So to
3 answer your question is, yes, that will be tracked.
4 It would be very separately -- it would be tracked
5 separately, and we would be able to report that
6 separately to you.

7 **COMMISSIONER OHIGASHI:** For example, five
8 years from now -- if, for example, five years from
9 now when I'm no longer, and you're developing your
10 capital campaign, this commission could ask for
11 specific accounting and a status report as to
12 whether or not, what is the status of the capital
13 campaign and whether or not you have sufficient
14 funds to develop the backbone infrastructure.

15 **MR. HAMILTON:** Yes. Our accounting systems
16 would be able to provide you with that information,
17 sir.

18 **COMMISSIONER OHIGASHI:** You know, I'm not
19 trying to put a -- I'm not trying to accuse you. I'm
20 just trying to understand it.

21 **MR. HAMILTON:** No. I appreciate the
22 question. It's helpful that we clarify that. Because
23 we do things as a public trust, people give to us in
24 order to accomplish certain services. We are
25 extremely careful about always tracking every

1 designation that is given to its final usage.

2 **COMMISSIONER OHIGASHI:** I, too, am
3 concerned about the amount of affordable housing
4 that is made available. Even if the commission in
5 2003 granted a lot of condos to be built on this
6 property, there was an expectation that there would
7 be affordable housing to the community.

8 And from what I gather is that you're not
9 going to generate the need for affordable housing
10 because, essentially, you're handling your own
11 demand that you project. In other words your
12 additional students, you have dorm rooms for them.
13 Faculty housing, you're working on that so you'll be
14 meeting the existing demand.

15 Is there anything that will benefit the
16 community present demand for affordable housing that
17 you are considering, specifically?

18 **MR. HAMILTON:** What we have mentioned is
19 that where we have put the efforts up till now has
20 been in the Kama'aina Hale and the Phase 1 of
21 Hualalai. There is nothing, no additional housing
22 planned at this time in the master plan for people
23 who are not students or staff on the University of
24 the Nations.

25 **COMMISSIONER OHIGASHI:** So the community

1 -- I just want to be sure. So what you're saying to
2 me is that if we pass this, the community benefit
3 for affordable housing will be essentially zero.
4 Because what you've done in the past, it seems to be
5 a separate issue. It was to -- you took over an
6 existing state housing project. You helped make it
7 run. All kudos for that, but it's under a separate
8 corporation. You're not asking for it under this
9 corporation.

10 I'm just trying to get at what is the
11 community benefit in approving this particular
12 project as you go forward in regard to housing.

13 **MR. SIMON:** Commissioner Ohigashi, if I
14 could just add in, you know, there is a public
15 benefit to the university being able to provide more
16 housing on campus, because that takes university
17 students, faculty, and staff out of the local Kona
18 community housing rental pool.

19 **COMMISSIONER OHIGASHI:** You create
20 yourself.

21 **MR. SIMON:** Yeah, but I'm --

22 **COMMISSIONER OHIGASHI:** I'm talking about
23 existing demand. There's existing demand. So that's
24 my question.

25 **MR. SIMON:** Yeah. Okay. Thank you.

1 **MR. HAMILTON:** We'd hope that those
2 additional people that we bring, like the other ones
3 that we've mentioned and illustrated a few examples,
4 that our service to the community is in multi-
5 faceted ways. And some of the care that we provide
6 for our high school students, our middle school
7 students, our foster care families, the homeless
8 people, that those things are services that are
9 real. It's not measured in the traditional
10 affordable housing, but we are trying to serve our
11 community.

12 Normally, on these meetings we would have
13 Leina'ala Fruean here. Leina'ala you maybe would
14 know already is leadership to our Wai'aha Community
15 Advisory Committee, and so we meet regularly with
16 them. Tom Waddle, who is here, is also on that
17 committee to listen carefully to the local kupunas
18 and to understand the needs of the community and to
19 engage in a way that is meaningful.

20 She is not here because you may be aware
21 that tomorrow we launch "The Wind & the Reckoning"
22 in O'ahu, and that's a film that highlights a very
23 important era of Hawai'i's history, and it's 70
24 percent in ancient Hawaiian, first film of its kind
25 in that area. And that has been done, again, with

1 lots of support from our U of N Kona campus to make
2 that film.

3 So I apologize. I should probably -- would
4 have an answer that I don't have.

5 **COMMISSIONER OHIGASHI:** Mr. Hamilton, the
6 only reason why I bring this up is that actually,
7 you're like a developer. Anyone who comes before --
8 Mr. Simon knows it well.

9 Now, anyone comes before us, and then what
10 they do is they say we will help the community. This
11 is how we're going to help the community. We're
12 going to help them by building additional low-cost
13 homes so we can get our project through, because we
14 believe our project is good for us, whether --

15 And I understand you're an NGO. I
16 understand you're nonprofit. And I understand you
17 have your Christ-based mission. But the Land Use
18 Commission deals with granting, technically, rights
19 to develop property. And in that scheme, we hope
20 that the developers -- and I've seen Mr. Simon's --
21 some of his clients come up with really good plans
22 on how to help and address the affordable housing
23 issue over and above the requirements, the minimal
24 requirements.

25 So I understand that the county is saying,

1 no, no, no, we don't have to worry; you don't have
2 to provide it. But if I'm thinking like a regular
3 developer, a regular developer before us, I'm going
4 to say, well, maybe you should. That's my only --
5 and that's just my concern.

6 **MR. HAMILTON:** Okay.

7 **COMMISSIONER OHIGASHI:** And because we got
8 to treat everybody equally, the big developers,
9 nonprofits, the small guys who come up in front of
10 us. And that's just my -- that's my comment for
11 today. You don't have to respond to that. I'm sure
12 your lawyer will talk to you about what I'm talking.

13 **MR. HAMILTON:** Just to express, I thank
14 you. Your concern for the well-being of the
15 community is a concern that we share, and we are
16 always open to advice and counsel. I do hope that
17 our 44 years of being in the community and serving
18 is not just something we hope to do, but we have
19 some track record of doing that. And we want to keep
20 learning how to do that better and better.

21 So thank you for your concern. We want to
22 -- we want to do what we can to align ourselves with
23 that very concern.

24 **CHAIR GIOVANNI:** Thank you.

25 Commissioners, anything further?

1 Commissioner Chang, you're recognized.

2 **COMMISSIONER CHANG:** I have a follow-up.

3 In the past I have asked, because as Commissioner
4 Ohigashi talked about infrastructure, too often
5 communities, there are promises, and some of the
6 infrastructure is not fully met. Developer builds
7 the market housing and then leaves.

8 So one of the things that I've been asking
9 for is a deposit into an escrow account of a
10 percentage of the infrastructure cost. What I hear,
11 your financing program contemplates you do a capital
12 campaign when you get all the approvals. This is a
13 very unique situation that you're presenting to us.

14 And I guess for me, this is -- it's not
15 like we're starting from ground zero. This decision
16 was issued 20 years ago, and it may not be built for
17 another five years. Twenty-five years, and the
18 property's been land banked. So it's not -- I
19 realize you're coming in with somewhat of a
20 different proposal, different -- but if --

21 It depends upon, I guess, what the cost
22 for the infrastructure is, but do you have funds to
23 put some kind of a bond to ensure that your
24 infrastructure is going to be developed in a timely
25 fashion?

1 Anyone can answer that.

2 **MR. SIMON:** If that's a question you can
3 answer.

4 **MR. HAMILTON:** So you're proposing a
5 methodology which is reasonable, which we have not
6 contemplated to this point, so I would need to --

7 **COMMISSIONER CHANG:** Okay.

8 **MR. HAMILTON:** I would just need to
9 explore that possibility.

10 **COMMISSIONER CHANG:** Very good. I'd
11 appreciate that. I mean, again, it's one thing if
12 we're starting on you've just been issued the
13 Decision & Order and you're coming to us with the
14 first phase of your project. But this is 20 years
15 later, so think about it. But that is -- there's got
16 to be some assurances that the community has that --
17 and I'm not in any way suggesting that you wouldn't.

18 You have demonstrated a history in your
19 organization of goodwill and doing good work around
20 the world, so I am not questioning your intentions.
21 But I think there is a desire to ensure timely
22 development, in particular the infrastructure, given
23 just the needs of the Kona community. So all right.
24 I appreciate your thinking about it. Thank you.

25 **CHAIR GIOVANNI:** Thank you, Commissioner

1 Chang.

2 **COMMISSIONER YAMANE:** Mr. Chair?

3 **CHAIR GIOVANNI:** Commissioner Yamane?

4 **COMMISSIONER YAMANE:** Hi. Thank you. New
5 commissioner questions here, so please excuse the
6 questioning.

7 So 2003, the difference between 2003 and
8 the amendment in 2020, what is the difference in
9 amount of units that were proposed?

10 **MR. SIMON:** Do you mind if I --

11 **COMMISSIONER YAMANE:** Sure.

12 **MR. SIMON:** Thank you, Commissioner
13 Yamane. I think it's a bit of an apples to oranges
14 comparison. Again, the project approved in 2003 was
15 the later phases of the Hualalai Village. It's going
16 to be a market rate condominium development, and
17 there's going to be a cultural center piece down
18 towards the highway at the makai end of the
19 property.

20 And that's what was approved, and there
21 were some other facilities, but that's kind of a big
22 picture look at what that was. You had units. They
23 don't have that unit economy.

24 What is now being proposed and what was
25 shown to the commission at the status report July

1 23, 2020, and what they've been proceeding with the
2 EIS process on, is actually not units. It's an
3 expansion of their existing campus, which again is
4 immediately next door onto the petition area, and
5 there will be some dorms on the petition area.

6 There'll be classrooms, sports fields, normal
7 support facilities for an educational institution.

8 So not to -- not to, you know --

9 **COMMISSIONER YAMANE:** Okay. So just --
10 well, how much you -- I mean, besides the
11 classrooms, what type of housing unit quantities are
12 we talking on the --

13 **MR. SIMON:** For the -- for the new
14 project?

15 **COMMISSIONER YAMANE:** For the new project.

16 **MR. SIMON:** I believe all the housing are
17 dorm- style housing. I don't have those numbers.
18 Jeff Overton from G70 can probably help explain that
19 more. He's the land use planner, environmental
20 planner.

21 **COMMISSIONER YAMANE:** But the numbers I
22 saw on the presentation was 65 units for staff, 10
23 out of 65 units. Is that relating to this proposed
24 project when that was on the presentation you
25 presented?

1 **MR. SIMON:** That was up here?

2 **COMMISSIONER YAMANE:** Yeah.

3 **MR. SIMON:** Oh, I think --

4 **COMMISSIONER YAMANE:** What was that
5 related when it says 10 out of 65 units for staff.
6 Is that the 65? Is that the number?

7 **MR. SIMON:** I'm sorry. So this is -- this
8 is where -- and Mr. Yee hit on this earlier. It's a
9 little confusing. So Hualalai Village is this
10 primary project that's above the petition area.
11 Phase 1 of that was built. Later phases were
12 supposed to come down the hill. They stopped there.
13 That was the original approval, and the D&O was
14 these later phases. Those were not built.

15 The units that were built, 62 of those are
16 owned by a land trust formed by the university and
17 rented to staff. So that's not on the petition area.
18 That's above the petition area.

19 **COMMISSIONER YAMANE:** Okay. And then the
20 petition area doesn't have any housing in it, then.

21 **MR. SIMON:** There's no housing units on
22 the petition area.

23 **COMMISSIONER YAMANE:** So as far as the
24 condition for affordable housing to the state of
25 Hawai'i residents, where is that obligation within

1 this development? Or is there any, I guess?

2 **MR. SIMON:** You know, sir -- and
3 Commissioner Chang hit on this earlier, you know. We
4 understand -- I know the university understands and
5 appreciates the expectation that comes with an
6 affordable housing condition being imposed.

7 But the affordable housing condition is --
8 the terms that satisfy that are basically decided by
9 the Maui -- or Hawai'i County Code. They have a
10 housing code. And that takes a type of development
11 you're proposing and helps calculate how many
12 affordable housing units that should be required.

13 Because the nature of the project has
14 changed from a market rate condominium development
15 to a campus, under the county code there's not a
16 requirement to provide affordable housing units.

17 **COMMISSIONER YAMANE:** Okay. I guess is
18 that -- when you mentioned in your status report
19 about talks being ongoing with the county of Hawai'i
20 and affordable housing credits, is that -- when you
21 say talks are ongoing, is there any agreement that's
22 seeing anything like that? Or is that something
23 different?

24 **MR. SIMON:** No. Not with respect to the
25 petition area. That relates to the Phase 1 of

1 Hualalai Village. It's outside the petition area.
2 It's not covered by the Decision & Order. I think
3 that was just a note to the commission to inform the
4 commission that the university is still working on
5 affordable housing issues. But again, it perhaps
6 caused more confusion, I think, than -- than, you
7 know, did anything else.

8 **COMMISSIONER YAMANE:** Okay. And then from
9 a -- you know, we're talking about financial,
10 balance sheet, and about ability to fund this. So
11 what are we talking about funding when we're -- the
12 commissioners are asking questions about the
13 financial ability to develop this project? What is
14 the project that we're asking about to have the
15 financial ability to do? Is it Hualalai? Is it in
16 the landed area or --?

17 **MR. SIMON:** Yeah. I did a bad job. I tried
18 to kind of set the lay of the land when I
19 introduced. So the master plan relates to the
20 petition area. That's what's being proposed now as
21 an amendment to the 2003 approval. That master plan
22 is what -- when we talk about financing the project,
23 we're talking about the campus expansion.

24 **COMMISSIONER YAMANE:** Okay. And is there
25 estimated costs for the expansion?

1 **MR. SIMON:** There were old estimated costs
2 that were submitted to the commission in 2020. Yeah,
3 and so obviously, there's been some refinements.
4 There's less dorms. So those are being -- those need
5 to be updated.

6 **COMMISSIONER YAMANE:** Okay. No estimate --

7 **MR. SIMON:** No. I don't have --

8 **COMMISSIONER YAMANE:** Just order of
9 magnitude or anything.

10 **MR. SIMON:** I don't have a current
11 estimate.

12 **COMMISSIONER YAMANE:** Okay. Because my
13 next question would be, like, how the funding goes
14 relative to the estimated costs related to the
15 fundraising. How is that going to be met? You know,
16 if you don't -- let's say that number is X dollars.
17 How are your funding goals and milestones measured
18 to meet that estimated expenditure?

19 **MR. HAMILTON:** So what was submitted in
20 2020, which is being clarified and adjusted
21 somewhat, had a price tag of \$161 million to
22 complete it, all of that on the master plan. Because
23 there'll be reduced numbers of dorms, reduced number
24 of classrooms, that figure will be lower. The exact
25 new number is not known until G70 and Jeff will give

1 a full report of that, completes the revisions, and
2 the EIS and all of that will become clearer.

3 So once we have that clearer -- so I don't
4 know if that's 20 or 30 or 40 percent less than that
5 because of the adjustments from that price that was
6 given in 2020 -- then we will go into the various
7 phases, what needs to be done first. And so the
8 structural elements, the infrastructure that
9 supports the whole, is always the first parts.

10 I developed a campus in Chile, and you
11 build the roads and the utilities, you build
12 everything that you don't see before you start
13 building the stuff that you do need. So we will do
14 those elements, whatever is necessary there, and
15 then we'll put that out in phases and see whatever
16 that total amount is in phases that can be achieved,
17 and we'll go forward.

18 But I think that is dependent a lot upon
19 what you will be hearing from Jeff and the G70
20 shortly.

21 **COMMISSIONER YAMANE:** I guess I'm kind of
22 curious on the mechanics of funding a development
23 project with donations. Like, what comes first? Is
24 there any type of cushion that you go into for
25 reserves? Or is it strictly as you get your

1 donations, then you start development? How does that
2 work in this type of project?

3 **MR. HAMILTON:** It works wonderfully,
4 actually.

5 **COMMISSIONER YAMANE:** So you got money.
6 Just ask and you got enough.

7 **MR. HAMILTON:** It looks different in each
8 project but, you know, sometimes the funding comes
9 from 2,000 people giving small amounts, and
10 sometimes it's two people step up and cover the
11 whole thing. So it's -- in the stories that we have
12 with all those facilities that we showed around the
13 world, and even in the 30 buildings that we built on
14 the campus over these last 40-some years, each story
15 is unique.

16 But that's part of the -- but the good
17 news is it happens. We do accomplish it in this way.
18 So it is a pattern that may be different each time,
19 but it's -- we can attest to 60 years of the
20 mission, that this process works.

21 **COMMISSIONER YAMANE:** Do you ever in those
22 processes have to go and -- into, like, I guess,
23 borrow and go into your other funding donations to
24 get this? Or is it, like, every funding donation is
25 dedicated to a specific project? Or is there, like

1 Commissioner Ohigashi was mentioning, like a fund of
2 --

3 **MR. HAMILTON:** Thank you for the question.
4 We have some funds that are given for general
5 accounts that we have a wide range of discretion how
6 to use that. But given for particular aspects that
7 are given -- to build a gymnasium on a sports field,
8 say -- then that in its entirety is used for that
9 project.

10 **COMMISSIONER YAMANE:** Okay. No more
11 questions. Thank you, chair.

12 **CHAIR GIOVANNI:** Thank you, Commissioner
13 Yamane.

14 Commissioners, anything further?

15 So I have a few questions, and ideally,
16 it'll take five minutes, but I doubt it will. It'll
17 probably go a little longer, so I'm inclined to take
18 a lunch break at this point in time. So it's
19 currently 11:34. So how much time we need for you
20 folks? Our lunch has been delivered, so we'll
21 probably be ready to go in about --

22 **MR. SIMON:** You guys didn't get lunch for
23 us?

24 **CHAIR GIOVANNI:** I did not. I don't think
25 we got lunch for you. I hope you don't have to go to

1 Maui to get lunch.

2 **MR. SIMON:** I think 30, 45 minutes. I know
3 you guys are on a schedule to get out of here, so
4 what works well for you guys?

5 **CHAIR GIOVANNI:** Let's go for 12:15 we'll
6 return.

7 **MR. SIMON:** That's great.

8 **CHAIR GIOVANNI:** And we'll pick up with
9 Mr. Hamilton.

10 **MR. SIMON:** Thank you, chair.

11 **MR. HAMILTON:** Thank you, sir.

12 **(Recess from 11:34 a.m. - 12:15 p.m.)**

13 **CHAIR GIOVANNI:** 12:15. We're back on the
14 record. I have a few questions for the witness.
15 Hopefully, I'm going to try to ask yes/no questions,
16 and we can move this thing around pretty quickly,
17 but if you want to elaborate, you've got the freedom
18 to do that.

19 Simple question. All these people from all
20 over the world. What language do you conduct your
21 business in?

22 **MR. HAMILTON:** Great question.

23 Internationally, we run our university courses in 97
24 different languages. I don't think any other
25 university does that. In Kona we usually are

1 bilingual or trilingual. We usually do English and
2 Korean. We have a significant number of Korean. At
3 different times we run courses with
4 English/Portuguese or English/Spanish,
5 English/Japanese. So there -- but English is our
6 main language, and we'll supplement it with --
7 depending on the student body of a given quarter.

8 **CHAIR GIOVANNI:** So you made it clear that
9 you're funding locally for the projects that you
10 want to implement locally for Kona, and that's kind
11 of a business model across the -- what do you call
12 it, YWAM or YMAM or whatever it is?

13 **MR. HAMILTON:** Yes.

14 **CHAIR GIOVANNI:** And you do not derive
15 funds from outside the Kona operation for the
16 projects in Kona; is that correct?

17 **MR. HAMILTON:** Perhaps I can communicate
18 this way a little more clearly. We raise money for
19 our projects in Kona not only from within Kona but
20 where all of our relational networks go, from people
21 who have come and studied here and have been a part
22 of this. They may be back in France or they may be
23 in California, and we'll be in contact with those
24 alumni wherever they are in the world.

25 **CHAIR GIOVANNI:** Yeah. So --

1 **MR. HAMILTON:** But that is -- so we are
2 reaching out globally to that large network for our
3 projects locally. But we're responsible for that in
4 Kona.

5 **CHAIR GIOVANNI:** Do any of the funds that
6 you raise go up the chain to some parent
7 organization or other parts of your organization?

8 **MR. HAMILTON:** No, sir.

9 **CHAIR GIOVANNI:** So each of the campuses
10 is independent and self-sufficient.

11 **MR. HAMILTON:** That's correct, sir.

12 **CHAIR GIOVANNI:** All right. You had \$4.5
13 million surplus after you paid off your mortgage and
14 did your fundraising at the end of last fiscal year.
15 Did I interpret that correctly?

16 **MR. HAMILTON:** We raised an additional 4.5
17 million. That wasn't all surplus. End of the fiscal
18 year balance was 2.7 million that we had in our
19 balance at the end of our fiscal year this year.

20 **CHAIR GIOVANNI:** Any of that \$2.7 million
21 going to go towards this project on the petition?

22 **MR. HAMILTON:** That has not been earmarked
23 or decided at this point, but we -- it shows the
24 health of our economic situation, and it very well
25 could be.

1 **CHAIR GIOVANNI:** When will we know that?
2 When will this commission know how, if any, of that
3 money might come forward? When and how do you decide
4 that?

5 **MR. HAMILTON:** Again, sir, usually the way
6 we see the fundraising is when the project is at
7 hand, we are able to communicate that to people. At
8 this moment, while we're still getting final
9 definitions on the master plan and getting your
10 approval or the county's approval and walking
11 through the steps, it's premature for us to cast a
12 vision and say we're going to do this, if we've not
13 had -- we want to honor the process and make sure
14 that all the boxes are checked and everything is
15 done in appropriate protocols so that when we
16 communicate, we can communicate with full integrity
17 and honesty what we're proposing.

18 **CHAIR GIOVANNI:** So at this point --
19 excuse me, were you finished?

20 **MR. HAMILTON:** I'm fine. Yes, sir.

21 **CHAIR GIOVANNI:** So at this point in time,
22 do you have any funds earmarked for this project?

23 **MR. HAMILTON:** Not for the 62 acres, sir,
24 no.

25 **CHAIR GIOVANNI:** So at this point, how are

1 you -- how are you funding G70 and your attorney?

2 **MR. HAMILTON:** I'm sorry. That is -- that
3 last statement of mine was incorrect. Obviously,
4 there are expenses that we are incurring now to take
5 care of our lawyers and G70, all of those
6 developmental things, and so we carry that within
7 our operational costs, within what we have from --
8 not from a needed extra fundraising, but through the
9 tuition and elements. So those are built into our
10 system.

11 But we haven't begun raising money for
12 Building A or infrastructure this or that. And we
13 will do that at a future time. But we are spending
14 money on this now. Yes.

15 **CHAIR GIOVANNI:** So back to Commissioner
16 Ohigashi's questions about how you organize your
17 financials. From the expense side, have you already
18 started tracking the expenses for this project, like
19 G70 expenses, et cetera? Are they part of your
20 central expenses?

21 **MR. HAMILTON:** They would be tracked as
22 being related to the LUC and G70 and related
23 expenses.

24 **CHAIR GIOVANNI:** Okay. So I was interested
25 in looking at the photographs you showed from other

1 campuses. I presume that there's some common theory
2 or vision or fundamental approach to what you're
3 trying to achieve that's consistent among the
4 campuses, even though each might have their own
5 unique challenges. Is that a fair representation?

6 **MR. HAMILTON:** Yes. So we have a common
7 academic system and process, a common vision,
8 purpose and values in the software part of the
9 program. But as you can see, our campuses each look
10 very different, so that they can accomplish those
11 common goals in a contextualized way that's
12 appropriate to the culture or to the setting in
13 which they find themselves.

14 **CHAIR GIOVANNI:** Are you aware if at any
15 of those other campuses there are commercial real
16 estate as part of them that offer housing to other
17 than staff or students?

18 **MR. HAMILTON:** That would not occur in any
19 one of the campuses.

20 **CHAIR GIOVANNI:** So when you proposed it
21 in 2003, it was a one-off first of its kind for the
22 organization?

23 **MR. HAMILTON:** So again, this brings
24 perhaps added clarity. In 2003, a separate
25 corporation was at that time called Bencorp, which

1 was short for a benefit corporation to aid the
2 university, but it was a separate corporation.
3 Because of their own financial challenges, the
4 university when they were -- in a moment of
5 challenge backed it up, so thus you have the U of N
6 Bencorp. But that was a separate procedure from what
7 was normative.

8 And so when that shut down, that's why
9 there's this reality of this dissonance, because
10 we've said we're going to do the university as we
11 know how to do it, and we have a proven track
12 record, and we can -- we're not developers in terms
13 of building facilities for sale. We're developers of
14 people. We're developers of programs. We're
15 developers of training institutions. So it's this
16 educational area.

17 So I think that hiccup that you feel, we
18 have been working with for these nearly two decades
19 since then to realign ourselves with what is true to
20 our mission, our purpose, and our calling, which is
21 building the university.

22 And so we have realized there were
23 commitments made by an earlier generation, which had
24 a bit of a different perspective on that. And if the
25 commitments that -- that was different. Let me just

1 say it that way. That was different.

2 **CHAIR GIOVANNI:** Yeah.

3 **MR. HAMILTON:** And we are trying to do
4 that which we believe is in the best interest of the
5 Kona community and our global mission by building up
6 the university rather than a housing scheme to
7 finance the university.

8 **CHAIR GIOVANNI:** So I understand the
9 history. My question was a little different. My
10 question was among your 100-plus, 200-plus
11 operations around the world, was the concept that
12 was proposed and approved in 2003 for this project
13 with Bencorp raising funds to benefit the university
14 through commercial sales of real estate, was that
15 the first time it was ever used by University of
16 Nations? The only time? Is it unique just to this
17 one project?

18 **MR. HAMILTON:** That's a great question.
19 I'm just -- I'm reviewing my knowledge of the
20 history. I have been through many of the campuses
21 around the world over these 45 years. I am aware of
22 a couple of places that bought a portion of land and
23 took a third of that land and in partnership with
24 other construction companies developed that and sold
25 that out and used that money for helping build that

1 property. I can think of two or three places where
2 that was the case.

3 **CHAIR GIOVANNI:** Commercial properties and
4 not housing?

5 **MR. HAMILTON:** Selling housing
6 commercially. But I think that has been a rare
7 occasion. They purchased the land with that in mind.

8 **CHAIR GIOVANNI:** So I appreciate that. You
9 can appreciate why this commission 20 years later is
10 troubled by how this has evolved. I know you've
11 heard it before from us.

12 **MR. HAMILTON:** I do understand, sir, and I
13 want to honor the concerns of the commission.

14 **CHAIR GIOVANNI:** I'll leave it at that.
15 Thank you. Thank you very much.

16 Commissioners, anything further for the
17 petitioner or his witness?

18 Okay. Thank you, Mr. Hamilton.

19 Mr. Simon, we can proceed with your next
20 witness.

21 **MR. HAMILTON:** Okay.

22 **MR. SIMON:** Thank you, chair. We'll have
23 Jeffrey Overton of G70 come up.

24 **CHAIR GIOVANNI:** One point I want to make,
25 Mr. Simon. I know the -- I think you presented from

1 two different slide decks.

2 **MR. SIMON:** We have one now. Same --

3 **CHAIR GIOVANNI:** They've been

4 consolidated?

5 **MR. SIMON:** Mr. Overton's portion's just
6 within this one deck.

7 **CHAIR GIOVANNI:** My point is is that all
8 of these are part of the record, that we would
9 appreciate if you can make copies available to us.

10 **MR. SIMON:** Of course.

11 **CHAIR GIOVANNI:** Each of the PowerPoint
12 decks.

13 **MR. SIMON:** Of course. Absolutely.

14 **CHAIR GIOVANNI:** Welcome, Mr. Overton.
15 Nice to see you again.

16 **MR. OVERTON:** Aloha, chair.

17 **CHAIR GIOVANNI:** Could you please state
18 your name and affiliation for the record, and I'll
19 swear you in?

20 **MR. OVERTON:** Am I live on this mic?

21 **CHAIR GIOVANNI:** No. You got to press the
22 button.

23 **MR. OVERTON:** How's that?

24 **CHAIR GIOVANNI:** That's good.

25 **MR. OVERTON:** Good afternoon, chair and

1 commissioners. Aloha. Jeff Overton. I'm a principal
2 planner at G70. We're located at 111 South King
3 Street in Honolulu, and I have been a planner with
4 G70 for 34 years. I started at age 13 -- I'm
5 kidding.

6 My background is actually marine biology
7 as an undergraduate at Duke University, and I went
8 to Stonybrook and got a marine environmental science
9 background, got into the EIS field in New York and
10 had a real itch to move to Hawai'i at age 30. So I
11 did my 30. I was released, and I have spent since
12 1988 working with G70. Blessed to be consistently
13 with that firm. They took a chance on a surfer from
14 New York.

15 So it's with great pleasure --

16 **CHAIR GIOVANNI:** Let me swear you in
17 before you go any further.

18 **MR. OVERTON:** Yes.

19 **CHAIR GIOVANNI:** Do you swear that the
20 testimony you'll give today is the truth?

21 **MR. OVERTON:** Yes. The foregoing and what
22 will follow.

23 **CHAIR GIOVANNI:** Okay.

24 **MR. OVERTON:** I do.

25 **CHAIR GIOVANNI:** Thank you. Please

1 proceed.

2 **MR. OVERTON:** So thanks. It's a pleasure
3 to be before the Land Use Commission again today
4 representing University of the Nations Kona and
5 working with their -- I'll kind of walk through some
6 of the background and try to respect your time and
7 get to critical questions.

8 I have testified before the Land Use
9 Commission over those three-plus decades numerous
10 times and have been qualified as an expert witness
11 in land planning and environmental planning.

12 **CHAIR GIOVANNI:** Let me just caution that
13 we do have a time constraint. I should have
14 mentioned it before. We have a hard stop at 2:30, so
15 if necessary, we're going to plow our way through to
16 2:30.

17 **MR. OVERTON:** Absolutely. That would be
18 great. I'll speak quickly.

19 So G70 has helped with master planning and
20 environmental planning going back a couple of
21 decades on this project. At a previous presentation,
22 I believe in 2020, we provided a much deeper update
23 on the history and evolution of the plan.

24 So the master plan really -- that we're
25 working on currently is the realignment of the plan

1 with the mission as President Hamilton mentioned
2 previously. None of the commercial housing aspects
3 or commercial attractions is included on the
4 project. It's very much a campus expansion project.

5 So we've been working on master planning.
6 I pride us on quality control, so there's an "O"
7 missing in environmental planning, but we're --
8 that's what we've been doing as well. There was an
9 environmental report submitted with the 2020 update,
10 and then more recently we've worked on the
11 beginnings of the EIS with a preparation notice that
12 was published roughly a year ago. And we held a
13 public scoping meeting, which I can talk about.

14 Our firm also has a 20-person civil
15 engineering division, and so we've been helping the
16 university with their infrastructure studies as it
17 relates to the campus expansion. Of course, Francis
18 Oda -- you may recall his presentation before the
19 commission going back two decades as well as the
20 update that was done, and he really spent time
21 updating the commission on the vision overall for
22 the campus. And it's a really beautiful concept for
23 the future on this.

24 We're also working with several different
25 technical consultants that help support a project

1 like this. So it would be things like traffic
2 consultants, outside archaeology consultants, and
3 those types of studies that have to be done for the
4 EIS.

5 Here's a list of the different reports in
6 there. I mentioned that environmental planning
7 report, our infrastructure team. There's a concept
8 plan that would be going with that. AECOS is our
9 biologist. Sad to see Snookie Mellow just passed
10 away recently, and I honor the many years of great
11 work she's done in Hawai'i.

12 The Mobility -- that's a fancy name for a
13 traffic study by Fehr & Peers, which is one of the
14 studies we need to update with our water supply
15 study.

16 And then Bob Rechtman with ASM Affiliates,
17 who testified at an earlier hearing, has been
18 involved with the archaeological studies and the
19 follow-through plans, which are really important in
20 preserving cultural resource on the property,
21 preservation plans, et cetera, as well as doing a
22 cultural impact assessment and the Ka Pa'akai
23 analysis. Great. That's what we were talking about.

24 **UNIDENTIFIED:** Boring stuff.

25 **MR. OVERTON:** Yeah. So they're a great

1 firm, and they're very familiar with it. And I think
2 we covered a lot of that in a prior hearing. I'm
3 glad to do my best to respond to questions if we
4 have some, but we did not bring Bob along for
5 today's hearing on that.

6 But all pieces are in place, moving ahead
7 with SHPD on the necessary consents and approvals
8 and, of course, consulting the community as needed
9 throughout this process.

10 Our land use planning overview. So we are
11 in the state urban district -- thank you -- going
12 back to the original reclassification two decades
13 ago. We are consistent with the county's general
14 plan LPUAG map as well as -- which is a medium
15 density urban classification, as well the Kona
16 Community Development Plan, that we're within the
17 urban area, as shown in these exhibits.

18 Here's your state land use district. You
19 can see that we are well within what is the Kona
20 urban area proper and extends further south with the
21 adjacent subdivision. Here's your LUPAG map. So very
22 consistent to have these urban classified lands as a
23 continuity throughout this area. And just a little
24 hard to see, but we're within that red dashed line
25 that reflects the classified area.

1 Going to the petition area. So the
2 agricultural potential for this property is actually
3 quite poor. Soils are not suited for agriculture
4 here. The Land Study Bureau rates it as E, which is
5 very poor, and ALISH is just unclassified in here.
6 We are lacking significant rainfall. As everybody
7 knows, Kona's a bit dry and sloped, not a great
8 place to conduct traditional agriculture on the
9 property, plus we're adjacent to a dense urban
10 subdivision adjacent on both sides.

11 In terms of appropriateness for its
12 classification in the urban district, the petition
13 area is appropriate as the foregoing in terms of the
14 adjacencies and its uses as a site in the urban
15 district, and also appropriate for master plan
16 expansion of the campus in terms of its continuity
17 along the long border and its suitability for the
18 elements that we're talking about for campus
19 support.

20 Our task. As you know, there was a
21 decision looking at the need to go through an
22 environmental impact statement going forward.
23 Previously, there was an environmental report that
24 supported the reclassification as well as the -- in
25 2020, there was an environmental report supported

1 the submittal to the Land Use Commission at that
2 time.

3 It turns out that 343 -- triggers are in
4 place here, and so had to do with infrastructure
5 expansion relating to the wastewater as well as
6 roadway improvements serving the driveways and
7 access to the site. And the decision was best to go
8 forward in compliance with that and take on the
9 environmental impact statement, which is what we've
10 been working on.

11 We did publish a notice of preparation in
12 2021. And under the new rules, we're obligated to
13 have a public scoping meeting at that time, so we
14 held that during COVID virtually. We had some
15 attendance in there. Wasn't big numbers, but I'd say
16 we had about a dozen or so that testified. And
17 several of the neighbors testified, which I think
18 helped to give us some more clarity on concerns by
19 the neighbors.

20 We're adding a noise study, which wasn't
21 previously considered in the analysis, and also back
22 up some of the points that we were paying attention
23 to, such as traffic and all.

24 To the point of some of the prior
25 discussions, there was absolutely no mention of the

1 provision of affordable housing by anyone that
2 spoke, nor did we receive letters that said you
3 absolutely need to come in with affordable housing
4 on this property. So I just wanted to raise that.

5 In terms of the timing for EIS -- and I
6 know that's one of the concerns the commission has
7 is our ability to progress with the EIS -- we have
8 been held up. And I think that was explained by the
9 president in the prior presentation on kind of the
10 reasons for the holdup, and there's some
11 modification to the plan.

12 We want to be correct in how we go out
13 with our numbers in the EIS, and we'll talk a little
14 about some of those details. It's not unusual for an
15 EIS to take three, four, five years to go through
16 that.

17 I've been in this business for 40 years.
18 You know, sometimes things move just perfectly, and
19 there's not any kind of issues that change the plan
20 or controversy that holds things up, and you can get
21 these things done in a two to three-year timetable.
22 But we've put together a couple of pages of typical
23 projects that you might recognize and what the
24 timetable has been.

25 This reflects the publication of the prep

1 notice through the completion, and on the far right
2 side timetables that are ranging from three to five
3 years. It didn't account for the actual preparation
4 of the preparation notice, so you may add six or
5 twelve months on the front end of this to get to the
6 point where they had the plan firmed up and they
7 could actually publish it.

8 So an EIS process, where we're at now, we
9 went through our prep notice. Oh, it was, I guess,
10 February was our scoping. Yeah? Yeah. March, okay,
11 of last year. So we're a little over a year now into
12 the process, a year and a half. We're targeting
13 second quarter of '23 for the publication of the
14 draft EIS, so we're really back on track in terms of
15 this timetable for a normal project.

16 So these are just a couple of examples
17 here that our presentation includes. Okay. So just
18 briefly handle some points. Boy, I got to put my
19 glasses on now.

20 So the 2020 master plan that we presented
21 in the update back then was this graphic, and you
22 can see the nice coloring. Now, for those new to the
23 -- I know we have some new commissioners here, and I
24 won't spend a lot of time walking through the
25 details, but obviously the 42-acre part on the

1 lefthand side of the exhibit is the existing campus;
2 right? That's the 42 acres.

3 The petition area is where we've colored
4 it up, and the coloring reflects phasing of the
5 master plan. This was the presentation exhibit that
6 we used for the update in 2020.

7 And just taking it from the highway up to
8 the top, we enter off Kuakini Highway entrance. We
9 changed around a lot of the access points, so we
10 don't really have dual driveways going in here.
11 We're using the existing driveway, which helps to
12 minimize some of the impacts, and work with that.

13 It ties into a spine road that goes up the
14 lefthand side, or let's say the northern boundary of
15 the petition area, which is pretty much a driveway
16 on the existing campus right now. So it would be
17 formally turned into a spine road, one of the major
18 infrastructure elements that would be handled in
19 Phase 1, and it goes all the way up -- connects up
20 to the intersection with Queen Kaahumanu and the
21 crossroads in there.

22 So we are -- beginning from the bottom,
23 it's a discovery center component, which is both
24 internal and external, where folks have an
25 opportunity to learn more about the mission and some

1 of the history, and also ties in specifics of the
2 Kona region.

3 Next here up again, this land is sloped,
4 so we have to be careful in designing with the land.
5 And one of the big improvements in this master plan
6 as compared to the housing and commercial project
7 that was proposed 20 years ago is this is much more
8 sensitive to the natural topography, so there's much
9 less grading and earthwork in here and potential for
10 erosion. That handles the runoff a lot better.

11 The next increment up is the K-12 school,
12 lower school, middle school, and ultimately a high
13 school in there. And ties in nicely with access
14 along that spine road, and you can see facilities
15 there.

16 Then we reach the center. If Francis were
17 here, he'd more eloquently call this the piko. This
18 is really the heart, the spirit of the campus.
19 There's a student center in there, chapel, and a
20 nice amphitheater. A lot of this is going to be open
21 air settings, just really reflecting the Kona
22 climate and kind of being sensitive to
23 sustainability here, lowering energy use, working
24 with zero scape and a lot of dry landscapes, so
25 we're not pouring a lot of potable water on the

1 land.

2 And then you can see we've tied in
3 instructional spaces, classrooms and dormitories
4 that fit in here, transitioning up to an athletic
5 complex in there. That's really a great need and
6 would be shared with the community in here as well.

7 And then ultimately up at the top and some of the
8 back of house elements and sort of industrial arts
9 training and pieces like that.

10 Now, the coloring starts with the yellow
11 would be the Phase 1, green Phase 2, and an ultimate
12 blue would be the Phase 3. And we're kind of looking
13 at this in five to ten-year increments that stretch
14 out over that, as we reflected in our prep notice.

15 Here's the current plan and some of the
16 reductions that President Hamilton was talking
17 about. Because of the adjustments that were made as
18 described to the enrollment numbers, there are fewer
19 dormitories in here. That's one of the really -- the
20 biggest changes to do this is we won't need as many
21 dormitories as we had originally anticipated.

22 We also dropped out some of the classrooms
23 in here, because we can fit it all better within a
24 kind of a reduced footprint. You can also see we
25 pulled away from the neighbors on the south side --

1 just, I'd say, sensitivity a little bit to some of
2 the concerns about activity, even though it's, you
3 know, the school has been there a long time, so it's
4 not like a new introduction. It's just there was
5 some sensitivity of having dorms right up against
6 that boundary, so we want to be respectful of the
7 community's concerns there. And that kind of is a
8 quick summary of changes in there.

9 Also, let me just back -- thanks, Derrick.
10 You can see the tan areas that are labeled A. It
11 might be a little bit hard to see, but there's
12 actually four major archaeological preserves as well
13 as the Great Wall of Kuakini down here that are
14 represented on here.

15 And so they've had to be worked out,
16 preservation plans as well as burial treatment plans
17 that we've had to go through to protect cultural
18 resources on the property -- again, done in close
19 coordination with the Burial Council and SHPD to go
20 through those. Those places are all maintained in
21 the current plan, of course.

22 This is a nice rendering, depiction, kind
23 of an iwi bird view of the piko, that center area.
24 You can see the chapel in the center, a wonderful
25 student center with a green roof on the lower left

1 in there, this meandering kind of dry streambed
2 that's kind of a connecting theme that goes from the
3 upper campus into the existing campus here, using
4 the slopes for open amphitheater areas, and then
5 surrounding areas for classroom instruction,
6 dormitories beyond.

7 So that's some of the refinements that
8 we're making or actually making currently to the
9 master plan, reduction of the number of dorms,
10 number of constructional buildings. Gives us a
11 little more open space and as I described, some of
12 that less potential for impacts.

13 We're trying to be respectful in here. It
14 will reduce some of the infrastructure requirements
15 and really just being more in harmony with the
16 community. I think we'll have lower traffic numbers
17 than we originally had.

18 Okay. So next steps. We need to amend some
19 of those technical studies that will support the EIS
20 and our timetable. And I thought we might be done by
21 March, but I'd say safely the second quarter of '23
22 back out with the draft EIS.

23 Of course, it'll have to come before LUC
24 for review and that part, so I think we'll have a
25 thorough analysis by the Office of Planning and

1 Sustainable Development. With Katia there, I'm sure
2 we're going to get a full overview. Worked with
3 Katia many years, so looking forward to it.

4 And that would bring us, hopefully, to a
5 final EIS by the end of next year. Again, a chance
6 for comments from the community. We've been really
7 transparent, you know, open with folks, and so
8 people want to contact us. If we need to, we'll go
9 out and meet with folks. It's fine.

10 We'll be addressing agency comments in
11 there as well, so we'll expect all the state and
12 county agencies that are affected will be -- will
13 chime in on the process. And then, of course, coming
14 to the Land Use Commission for acceptance of the
15 final EIS and publication there.

16 That would lead, then, to the next steps,
17 really the formal Motion to Amend at the completion
18 of the EIS process. And what's not on here is a
19 county process that would have to follow.

20 I think we've covered. I would say mahalo.
21 Thank you. Be glad to respond to questions.

22 **CHAIR GIOVANNI:** Thank you, Mr. Overton.
23 County, any questions?

24 **MS. TIAPULA:** Not at this time. Thank you.

25 **CHAIR GIOVANNI:** Thank you.

1 OPSD, any questions for the witness?

2 **MR. YEE:** Just a few. Thank you.

3 Will the EIS include the anticipated
4 amounts needed for each phase -- amounts of money?

5 **MR. OVERTON:** Amounts you mean in terms of
6 program uses or --

7 **MR. YEE:** I'm sorry. What I meant --
8 financing has been an issue today.

9 **MR. OVERTON:** Yes.

10 **MR. YEE:** And there has been a discussion
11 that each phase will need money for construction.

12 Will the EIS contain how much money will be needed
13 in some dollar -- some year dollar for each phase?

14 **MR. OVERTON:** Yeah. We'll have to present
15 approximation the environmental report actually had
16 in 2020, and so we'll be amending those numbers to
17 reflect the current master plan and development
18 program. So the answer is, yes, at a high level.

19 **MR. YEE:** And will there be then also a
20 timing schedule for fundraising for each phase?

21 **MR. OVERTON:** I can't speak to timing for
22 fundraising in there. I'd leave that to the
23 president to speak to the timing on the fundraising.

24 **MR. YEE:** Okay.

25 **MR. OVERTON:** The phases are set up in

1 sort of a five-year first phase piece, which I think
2 has the more definite near-term part to it. Overall,
3 this is kind of a 20-year master plan here for the
4 campus. But the backbone infrastructure, spine road,
5 wastewater, water lines, utilities would all come in
6 in the first phase.

7 Originally, that was targeted for roughly
8 19 million in the first phase in the environmental
9 report. Probably about 20 percent less at this point
10 would be my guess.

11 **MR. SIMON:** And if I could chime in, those
12 are also details that will be provided in a Motion
13 to Amend. They were provided with the motion that
14 was filed in 2020, and whatever update of a new
15 motion, it would be filed upon acceptance for the
16 EIS. It would include the accurate, up- to-date
17 information on those.

18 **MR. YEE:** And so I think you maybe
19 anticipated, but let me just be specific. Will the
20 backbone infrastructure cost be pulled out from any
21 other cost for Phase 1?

22 **MR. OVERTON:** We can segregate that,
23 because there's also some buildings that would be
24 included in that.

25 **MR. YEE:** And by the way, I only ask about

1 the timing of fundraising because I thought Mr.
2 Hamilton said, yes, we're going to do it; it'll be
3 in the EIS. But maybe it'll be somewhere else, and
4 we'll follow up on that.

5 And then will the EIS also contain a
6 proposed timetable for when each phase -- how long
7 each phase will take?

8 **MR. OVERTON:** Yeah. It's a high-level
9 timetable. I think they'll build out each phase
10 similar to what we talked about in the prep notice
11 or prior annual report again. First phase, I think,
12 is more the five-year time horizon buildout of the
13 second phase, which has the largest number of
14 buildings in all. I think it's given a little more
15 flex, more like a 10-year to build out the entire
16 second phase, and then tail on the dog kind of for
17 the third phase, what's needed out there.

18 **MR. YEE:** And in other cases, you know,
19 frankly, we assume commercial leasing or commercial
20 financing. In this case, because they're doing it
21 differently, is that calculated into your timetable?

22 **MR. OVERTON:** Commercial leasing?

23 **MR. YEE:** No. I'm sorry. Is the need to
24 get nonprofit financing for this incorporated into
25 your timetable within the EIS?

1 **MR. OVERTON:** I would assume it's within
2 that five-year window for Phase 1, and I just can't
3 speak to it. It's not my responsibility.

4 **MR. YEE:** Switching topics on the EIS, is
5 there -- obviously, there are some obligatory
6 statutory requirements you have for community
7 outreach. Are there any other efforts you have made
8 or will be making, working to do the outreach,
9 including, you know, anything which is online and
10 available to the public for comment?

11 **MR. OVERTON:** No, that's a good question.
12 I know we had, of course, posted documents such as
13 the EIS prep notice, and I believe we had a link on
14 the university's website. I'm not sure. But it would
15 be a smart thing to do.

16 Elements of the process are much more
17 outreach. And, of course, we had our scoping
18 meeting, and we made some good contacts through that
19 process. U of N, of course, is very tied in with the
20 community, so we had good participation in that
21 scoping process from those that are, I'd say, you
22 know, tied into the network with the University of
23 the Nations.

24 As well, we've got the cultural impact
25 assessment process, which have specific interview

1 requirements and publication, and Ka Wai Ola, the
2 newsletter. So that process is also part of the
3 outreach.

4 It would be smart for us, I think, to hold
5 a public meeting at the time of the EIS publication,
6 just since it's been -- it'll be about a year and a
7 half, two years at that point. So I know it's not a
8 requirement but, you know, it would probably be a
9 smart thing to do.

10 **MR. YEE:** Thank you very much.

11 **MR. OVERTON:** You're welcome.

12 **CHAIR GIOVANNI:** Thank you, Mr. Yee,
13 Office of Planning.

14 Commissioners, any questions for this
15 witness?

16 Commissioner Ohigashi?

17 **COMMISSIONER OHIGASHI:** I'm sorry. You
18 indicated that there was a \$19 million estimate for
19 backbone infrastructure, but you believe it'll be
20 less because the amount of backbone infrastructure
21 will be scaled back? Is that -- I'm just trying to
22 get that.

23 **MR. OVERTON:** Yeah. So again, I'm relying
24 on numbers that are provided to me from the
25 development team. So to answer your question now, we

1 said 18.7 or roughly was the number in the 2020
2 environmental report for Phase 1, which includes
3 those backbone components.

4 From what I understand, the current
5 estimates for that are closer to 15 million now, so
6 it's probably the extensions to serve dormitories
7 and such that were further distant from the spine in
8 there. I'm just -- I'd have to consult with --

9 **COMMISSIONER OHIGASHI:** In other words
10 it's the same infrastructure requirement. Only
11 thing, some things were not counted into the Phase 1
12 initial backbone infrastructure estimate.

13 **MR. OVERTON:** If I can restate, you're
14 saying the reason we came up with a lower number is
15 because we've reduced the demand on the initial
16 backbone placement with the lighter master plan
17 footprint.

18 **COMMISSIONER OHIGASHI:** So that means that
19 there will actually be less infrastructure
20 requirement for the entire project.

21 **MR. OVERTON:** There are also some
22 buildings in the first phase that are in that 19
23 million number, so I think that's part of the
24 reduction in this.

25 **COMMISSIONER OHIGASHI:** Will the EIS break

1 out that number?

2 **MR. OVERTON:** Yes.

3 **COMMISSIONER OHIGASHI:** Okay. And the
4 other question that I have is why would be believe
5 that the backbone infrastructure number goes down
6 with that? Wouldn't inflation, supply chain problems
7 that we've been suffering, wouldn't that factor into
8 an analysis as to what the backbone infrastructure
9 cost would actually be?

10 **MR. OVERTON:** That's a great point. The
11 numbers were provided to me, and I think it's
12 probably reflecting the elimination of several
13 buildings that were in Phase 1 rather than pipes and
14 pumps and asphalt.

15 **COMMISSIONER OHIGASHI:** So the backbone
16 infrastructure could remain the same or more.

17 **MR. OVERTON:** Yeah. I'd like to see more
18 detail.

19 **COMMISSIONER OHIGASHI:** Versus the actual
20 development of the other areas; is that right?

21 **MR. OVERTON:** Correct. Yeah.

22 **COMMISSIONER OHIGASHI:** Okay. In Phase 1.

23 **MR. OVERTON:** I think what would help is
24 if we had the detail.

25 **COMMISSIONER OHIGASHI:** And what would --

1 that would be broken out into the EIS; is that
2 right?

3 **MR. OVERTON:** Yes.

4 **COMMISSIONER OHIGASHI:** Okay. I just
5 wanted to be clear.

6 **CHAIR GIOVANNI:** Is that it, commissioner?
7 Thank you.

8 Commissioner Chang?

9 **COMMISSIONER CHANG:** Thank you, chair. And
10 I appreciate the efficient presentation. Thank you
11 very much.

12 I am much more of a process person, so I
13 know -- I think you made a comment about we're back
14 on track like a normal project. I think you would
15 have to agree this is a little unusual in the sense
16 that normally the entitlement comes after the EIS
17 process, after we know what the project is.

18 In this case, 20 years later, we've got
19 entitlement, and we're doing the environmental
20 process on a very different project than what was
21 originally proposed in 2003. Would you agree with
22 that one?

23 **MR. OVERTON:** It is very different.

24 **COMMISSIONER CHANG:** It's very different;
25 right? And like I said, I'm not making a judgment on

1 the validity of this new project. But again, I'm
2 process. And this will be a question I'm going to
3 ask the county as well. But 20 years have passed,
4 and at the time this project was approved, it was
5 approved with certain affordable housing potential
6 based upon a 400-unit condominium.

7 Do you, Jeff, know approximately how much
8 affordable housing would have been required if the
9 400 condos were built?

10 **MR. OVERTON:** So I don't know if there was
11 a specific agreement ever arranged with the county
12 or developer. I know that at some point 20 years
13 ago, I remember 30 percent number used to float
14 around a lot, so that was fairly standard. But I
15 just --

16 **COMMISSIONER CHANG:** Yeah. Okay. And it
17 looked like it was somewhat vague. The condition
18 didn't have a specific number. It was to be worked
19 out with whatever the county requirement was.

20 But there was, I think, an anticipation by
21 the community, and some would say a reliance,
22 including by regulatory agencies. And I'm going to
23 -- again, I will ask the county this.

24 When the development plan -- when the
25 development, the county development plan for this

1 area was -- I don't know if you'd call it a
2 development plan, but did it anticipate that these
3 many affordable housing units would be developed?

4 Was there some kind of reliance on the
5 part of the county, assuming this project had gotten
6 their entitlements, and there was going to be a 400
7 condo development? And even if we go conservative,
8 25 percent -- that would have been 100 affordable
9 housing units. And we're no longer going to have
10 that.

11 And I realize you're presenting a very
12 different proposal that does not contemplate any
13 affordable housing units. I realize that the
14 rationale is, well, our residents won't be taking up
15 affordable units in the community. But nonetheless,
16 there is a substantial potential or anticipation of
17 these many units.

18 And I don't know if you know this, Jeff. I
19 maybe should have asked Mr. Hamilton. But workforce
20 housing. How many people work within the campus,
21 service the campus, that are non-faculty members
22 that -- you know, to me workforce housing is as an
23 alternative, not affordable housing, but a lot of
24 people on Hawai'i Island, they work in Kona, but
25 they live in Hilo, because they cannot afford it.

1 I would have hoped that the county would
2 have been creative, and rather than saying you're
3 not required to do anything, perhaps you can do some
4 -- you know, make some contribution. But do you know
5 how many -- what's the employment of non-faculty
6 members that provide service to the campus?

7 **CHAIR GIOVANNI:** Mr. Simon, can you
8 facilitate an answer to that question?

9 So, Commissioner Chang, are you asking
10 that at this point in time or when the project's
11 fully developed, or both?

12 **COMMISSIONER CHANG:** Both. Because the way
13 -- based upon the timeline, we're looking at five to
14 ten years, so it's 30 years later from the original
15 entitlement. But let's say, one, how much do you
16 have now on your existing campus? And what would be
17 the total number of non-faculty members who service
18 your campus at the full build-up of both campuses?

19 **MR. HAMILTON:** Yes. So thank you for the
20 question. All of our staff on the campus -- that is
21 not just faculty, but all of our operational staff,
22 administrative staff, all of them serve on the
23 campus as members of Youth With A Mission and
24 thereby are volunteers.

25 So no one has a salaried position. I do

1 not have a salaried position. Everyone raises their
2 own support. And so there are very -- we're not
3 hiring anyone for any of those functions. We do
4 everything all with our volunteers, with a very --

5 **CHAIR GIOVANNI:** Mr. Hamilton, I think the
6 question is just how many are -- how many people are
7 there, not how are they funded.

8 **MR. HAMILTON:** Altogether, we have about
9 600 staff right now.

10 **CHAIR GIOVANNI:** How many do you expect at
11 full build-up?

12 **MR. HAMILTON:** So we expect there to be
13 about 900--and some staff.

14 **CHAIR GIOVANNI:** So about a 50 percent or
15 more increase.

16 **MR. HAMILTON:** That's correct.

17 **MR. SIMON:** Students or 600 staff?

18 **MR. HAMILTON:** We're talking staff; right?

19 **CHAIR GIOVANNI:** Right.

20 **MR. HAMILTON:** Not students. So we have --
21 we're looking at having 1250 students and about -- I
22 think the number is about 870 to 900 staff, and then
23 the children that are associated with them for those
24 who are family members.

25 **CHAIR GIOVANNI:** Thank you.

1 Commissioner Chang?

2 **COMMISSIONER CHANG:** So, Mr. Hamilton, are
3 you saying that -- well, let me ask you this
4 question.

5 **MR. HAMILTON:** Excuse me. Just to clarify
6 those numbers, not all of the staff reside on this
7 property.

8 **COMMISSIONER CHANG:** Okay.

9 **MR. HAMILTON:** So all of the students --
10 the students don't commute. All the students are
11 expected to be resident on this property, but two-
12 thirds of our staff reside elsewhere.

13 **COMMISSIONER CHANG:** So what --

14 **MR. HAMILTON:** Some in Hualalai Village or
15 in Kama'aina Hale or they'll have their own rental
16 or they have purchased a property themselves.

17 **COMMISSIONER OHIGASHI:** A lot of times
18 community benefits for a proposed project includes
19 employment. So are you telling me that your campus
20 doesn't provide any employment for this community?

21 **MR. HAMILTON:** Not for our staff
22 functions. Obviously, we buy food, and that's
23 trucked in by people. And we spend -- we calculate
24 currently around \$50 million in the community both
25 as a corporation, as the entity, but also all of our

1 individual staff, all of which provides jobs and
2 resources for many people.

3 **COMMISSIONER CHANG:** But as I -- so now,
4 okay, this is beginning to -- now I think I'm
5 beginning to get a picture here. So are you bringing
6 in your staff outside of the state to work on your
7 -- to work and be -- and service your fat campus?

8 **MR. HAMILTON:** Some of staff are people
9 from within the state, and some come from without.
10 But they -- when they -- so they move to Hawai'i.
11 They usually come to be residents, so they put down
12 their roots, and they become a part of the
13 community.

14 **COMMISSIONER CHANG:** You have a very
15 unique little community there, self-contained. They
16 live -- most, many of them live and work there. Not
17 all of them are necessarily from here. They're not
18 -- you're not providing employment, because you
19 don't pay them. So I'm wondering --

20 **MR. HAMILTON:** But they all are bringing
21 resources in, because they raise their own -- they
22 all are financed. It's again -- it's just a
23 different way of being financed. Instead of us
24 charging people and then paying them salaries, they
25 raise their own monies, and we are able to provide

1 tuition for much lower cost for all of our students.

2 So they are being financed. It's just,
3 again, based on, in our language, we are giving and
4 receiving rather than buying and selling in terms of
5 their employable skills. And so -- and those
6 finances that they bring in, just like if they were
7 being salaried by us, are spent in the community.
8 They go to Walmart, they go to Safeway, they go to
9 the local restaurants and all of those other
10 activities, so.

11 **COMMISSIONER CHANG:** I totally understand.
12 But what I'm also hearing you tell me is that you
13 are not providing employment to the residents of
14 Hawai'i Island. Some, but most of your staff are not
15 necessarily from Hawai'i. Most of your students are
16 not necessarily from Hawai'i. I mean, are those
17 accurate statements?

18 **MR. HAMILTON:** We have an international
19 student body.

20 **COMMISSIONER CHANG:** Okay.

21 **MR. HAMILTON:** And we have international
22 staff. And we have a strong focus on Hawai'i. And,
23 yeah, so we have a significant number, but not
24 exclusively Hawaiian. That's correct.

25 **COMMISSIONER CHANG:** Okay.

1 **MR. HAMILTON:** I think we do have times
2 when we employ people. You know, we have these
3 construction areas. We need electricians or
4 engineers or --. At times we have those functions
5 that we can provide within ourselves, but many times
6 when we do employ someone, all the people we employ
7 are Hawaiian. They are local. They're residents.

8 We don't -- when we have a function that
9 we can't provide through our self-sustaining
10 finances, we don't give -- we're not giving money to
11 others coming in from outside. All of that is
12 employment for Hawaiians -- contractors,
13 construction, electrical, and other kinds of service
14 providers.

15 **COMMISSIONER CHANG:** I think when you say
16 Hawaiians, you're not necessarily meaning ethical --
17 ethnic Hawaiians.

18 **MR. HAMILTON:** No. People --

19 **COMMISSIONER CHANG:** Just people from --
20 yeah.

21 **MR. HAMILTON:** People who live in West
22 Hawai'i.

23 **COMMISSIONER CHANG:** Okay.

24 **MR. HAMILTON:** The Kailua-Kona community.

25 **COMMISSIONER CHANG:** Right.

1 **MR. HAMILTON:** Some of whom are Hawaiian
2 or Pacific Islander ethnicity and some that do not,
3 Portuguese background or Japanese background or
4 whatever.

5 **COMMISSIONER CHANG:** Okay. Thank you.
6 You've greatly enlightened me. I didn't quite
7 understand your community.

8 **CHAIR GIOVANNI:** At some point, since you
9 understand, you could explain it to me.

10 **COMMISSIONER CHANG:** But thank you.

11 **MR. HAMILTON:** I thank you for patience
12 and effort to understand. If at some point, like I
13 mentioned earlier today, if the commission would
14 love to have a meeting, we'd love to host you in a
15 future time, if that was -- fit your agenda, and we
16 could serve you in that way.

17 **CHAIR GIOVANNI:** Appreciate it.

18 **MR. HAMILTON:** Perhaps that would help you
19 see things more close and personal. So thank you for
20 your questions.

21 **COMMISSIONER CHANG:** And I appreciate your
22 candor. I guess, like I said, a lot of times we look
23 at community benefits. And in this particular case,
24 it's not like we're looking at workforce housing.
25 It's not like we're looking at employment.

1 I mean, you're doing a lot of volunteer
2 work, and you're adding to sort of the submarket.
3 You buy produce and stuff, but there's not a real
4 direct community benefit from the campus. Most of
5 your students aren't from here.

6 I mean, I think -- and I don't in any way
7 mean to diminish what you -- because you bring great
8 value, undoubtedly, great value, and you have a very
9 successful program. But I guess I am looking at,
10 yeah, kind of community benefit contributions. So
11 thank you very much, Mr. Hamilton.

12 I think, Jeff, a lot of the questions that
13 I have -- I think I get it now. So thank you very
14 much.

15 **CHAIR GIOVANNI:** Thank you, commissioner.
16 Other commissioners?

17 I just have a couple, Jeff or Mr. Simon.
18 Who owns the land?

19 **MR. SIMON:** I believe the land's held in
20 the name of the University of the Nations Kona,
21 Inc., the petitioner before you.

22 **CHAIR GIOVANNI:** Both the partition and
23 the -- I heard a yes, but who owns the land? Just
24 say it for the record.

25 **MR. SIMON:** My apologies for not being

1 clear. The University of the Nations Kona, Inc., who
2 is the petitioner and the stock. It owns both
3 existing campus and the petition area in fee simple.

4 **CHAIR GIOVANNI:** Okay. Mr. Overton, back
5 to the backbone infrastructure, I'm just a little
6 confused. I don't -- I think it's me. I think you
7 can easily clarify this.

8 But there are different phases of
9 development in the petition area, and Phase 1, I
10 think you said is the backbone infrastructure for
11 the entire petition area, not just the portion that
12 would be developed in Phase 1. Is that correct?

13 **MR. OVERTON:** I don't have a planned --
14 when I characterize backbone infrastructure, that
15 would mean, you know, a major connecting roadway in
16 there, so the spine roadway, which is basically kind
17 of a rugged driveway right now, would become an
18 actual formal spine roadway that connect mauka
19 makai.

20 Water lines that serve us, these are the
21 main water mains, the sewer system that would
22 connect upper and lower to the system.

23 **CHAIR GIOVANNI:** Well, let me clarify.
24 Some projects come before this commission in multi-
25 phases, and they divide up the backbone

1 infrastructure by phase also. So if it has four
2 phases, they might only do the backbone that
3 supports the first phase.

4 **MR. OVERTON:** Yeah.

5 **CHAIR GIOVANNI:** And then later do the
6 second phase, and later do the third phase of the
7 backbone infrastructure. Other projects will come
8 before us and do all the backbone infrastructure for
9 all phases.

10 **MR. OVERTON:** All right.

11 **CHAIR GIOVANNI:** What are you proposing to
12 do?

13 **MR. OVERTON:** I think this is the clarity
14 that Commissioner Ohigashi was asking for as well,
15 is he wants more detail on that layup. So I would
16 answer it saying that the Phase 1 component would be
17 the main elements and the Phase 1 sites connected to
18 it. You would not run a roadway and a sewer line to
19 a project that would be built 10 years from now --
20 say, a remote dorm location or something like that
21 -- because that's out there in the future.

22 You size your pipes and your roadway
23 connections to be able to service that, but that
24 would be an incremental phase. That's my
25 understanding of it. I don't have the benefit of a

1 detailed buildout, so it is -- it's the major spine
2 infrastructure and then site development
3 infrastructure for Phase 1. That's my understanding
4 of that.

5 **CHAIR GIOVANNI:** So who in the EIS process
6 is going to be developing that breakdown of what is
7 built when?

8 **MR. OVERTON:** It's going to be a
9 combination of the development team at the
10 University of the Nations. I'm looking over my
11 shoulder at Tom Waddle. He's kind of the boots on
12 the ground developing that. And then our -- Paul
13 Matsuda and our civil engineering group would be
14 putting it together in a preliminary engineering
15 report and presenting it in greater detail than
16 we've shown today.

17 **CHAIR GIOVANNI:** So let me echo
18 Commissioner Ohigashi's desire and request that we
19 have a clear breakdown of not only what will be done
20 but what each element of it will cost and when those
21 investments will be made, a timeline.

22 **MR. OVERTON:** Okay.

23 **CHAIR GIOVANNI:** Commissioner Ohigashi, is
24 that what you're looking for as well?

25 **COMMISSIONER OHIGASHI:** Sure.

1 **CHAIR GIOVANNI:** Yeah. Okay.

2 One thing I didn't see, and it's critical
3 to include, and maybe it's there under another
4 heading, is the impact that this project will have
5 on climate change. We expect that to be a
6 fundamental part of any EIS that comes before this
7 commission on a going forward basis. So that would
8 be during the construction phases as distinguished
9 from the ongoing operation of the campus.

10 And then I see beautiful renderings with
11 big lawned areas with over -- areas which are now, I
12 presume, to be mostly lava rock. So what will be the
13 impact of watering those lawns in the future versus
14 what's going on today?

15 And so, ideally, I'd be looking for
16 lifecycle climate change impacts of this project.

17 **MR. OVERTON:** Greenhouse gas analysis?

18 **CHAIR GIOVANNI:** That's correct.

19 **MR. OVERTON:** Yeah.

20 **CHAIR GIOVANNI:** Broken down by
21 construction phases versus operating phase of the
22 project.

23 **MR. OVERTON:** Our firm actually did one
24 for another project on Kaua'i, which I believe you
25 reviewed.

1 **CHAIR GIOVANNI:** I am very familiar with
2 that. And at the same time, I think that's going to
3 become the norm going forward, and this commission
4 is required and being asked all the time to make
5 sure that we consider that fully. So I'm just giving
6 you a heads up. Don't come here with a draft EIS
7 that doesn't have it.

8 **MR. OVERTON:** Okay. Thank you. We have
9 experience with that, so we'd expect to prepare
10 that.

11 **CHAIR GIOVANNI:** Thank you. I don't have
12 anything further. Commissioners?

13 Okay. Petitioner, anything further you
14 have at this point in time?

15 **MR. SIMON:** Yeah. Nothing further at this
16 time. Thank you.

17 **CHAIR GIOVANNI:** Okay. Thank you.
18 County, it's your turn.

19 **MS. TIAPULA:** Good afternoon. Suzanna
20 Tiapula, corp counsel for the Planning Department.

21 The previous recommendation made by the
22 county that the Land Use Commission not revert the
23 subject area to its former agricultural land use
24 classification or change it to some other
25 classification remains the county's present

1 position. In our previous position statements, we
2 had provided justification for the urban
3 classification, and this reasoning remains accurate
4 at the current time.

5 As previously noted, the county's Land Use
6 Pattern Allocation Guide Map in its general plan
7 designates the subject area as being appropriate for
8 medium density urban land uses such as village and
9 neighborhood commercial, single and multiple family
10 residential, and related functions, up to 35 units
11 per acre.

12 This position is further supported by the
13 fact that the surrounding properties are primarily
14 classified as state land use urban and are zoned by
15 the county as residential or commercial village
16 districts. Based on the Kona Community Development
17 Plan, this project is located within the Kona urban
18 area, and this project is appropriate.

19 Thus, it's the county's position that the
20 present urban classification remains the most
21 appropriate state land use classification. We
22 respectfully request that the commission find the
23 subject area appropriately classified as urban.

24 I do understand that there are questions
25 from the commissioners related to affordable

1 housing. Deputy Director Dorrow is prepared to
2 respond.

3 **CHAIR GIOVANNI:** Thank you. Do you have
4 any prepared statement you want to make in that
5 regard?

6 **MR. DORROW:** Good afternoon.

7 **CHAIR GIOVANNI:** I'll swear you in.

8 **MR. DORROW:** Sure.

9 **CHAIR GIOVANNI:** State your name and
10 affiliation, and then I'll swear you.

11 **MR. DORROW:** Jeff Dorrow, County Planning
12 Department Deputy Director.

13 **CHAIR GIOVANNI:** Mr. Dorrow, do you swear
14 the testimony you're about to give is the truth?

15 **MR. DORROW:** I do.

16 **CHAIR GIOVANNI:** Thank you. Proceed.

17 **MR. DORROW:** Good afternoon, Chair
18 Giovanni, Executive Officer Orodener, and members
19 of the Land Use Commission.

20 **(Audio difficulties between 3:15:10 and**
21 **3:16:17.)**

22 **CHAIR GIOVANNI:** Back on the record, back
23 on the microphone.

24 **MR. DORROW:** Good afternoon, Chair
25 Giovanni, Executive Officer Orodener, and members

1 of the Land Use Commission.

2 Normally, at this stage in the land use
3 process, there is a general condition that's placed
4 on a land use docket requiring affordable housing be
5 considered in the actual land use process. When the
6 application for a change of zone comes in to the
7 Planning Department, we have a standardized
8 condition that the applicant work with our Office of
9 Housing and Community Development to be able to have
10 a housing agreement identifying the affordable
11 housing units that will be required for that
12 project.

13 The information in regards to what
14 percentage that would be falls under our Hawai'i
15 County Code Chapter 11, our housing code. It's
16 normally 20 percent. That's the normal figure. There
17 are times that applicants propose more, and as a
18 response, they got affordable housing credits in
19 regards to those excess affordable housing units.

20 In this particular case, I know that there
21 was questions in regards to what would be that
22 number in regards to the proposal. When you look at
23 Chapter 11, it does not really identify dormitories
24 as a type of housing, and I think that's unique, and
25 so that's something that when the applicant goes

1 through the change of zone and works with the Office
2 of Housing and Community Development to initiate
3 this housing agreement, that's when they will
4 determine whether or not this concept triggers the
5 need for affordable housing requirements or if it
6 does not.

7 As far as I remember, I don't recall an
8 application coming before us with that request for
9 dormitories other than in a university. But that was
10 all part of that particular project, and I don't
11 believe it triggered at that point.

12 **CHAIR GIOVANNI:** Thank you, Mr. Dorrow.

13 **MR. DORROW:** Thank you.

14 **CHAIR GIOVANNI:** Commissioners?

15 I know, Commissioner Chang, you said you
16 were going to ask some questions to the county. Why
17 don't you proceed?

18 **COMMISSIONER CHANG:** Thank you, Mr. Chair.
19 Good afternoon, Mr. Dorrow, thank you for
20 coming.

21 **CHAIR GIOVANNI:** Closer to the phone.

22 **COMMISSIONER CHANG:** Oh, is it? I'm --

23 **CHAIR GIOVANNI:** It's on.

24 **COMMISSIONER CHANG:** Oh, it's on. Okay. I
25 just got to get closer. Hello?

1 **CHAIR GIOVANNI:** Yeah.

2 **COMMISSIONER CHANG:** Okay. Better? All
3 right.

4 So let me just kind of go back. The
5 original D&O back in 2003 contemplated a 400-unit
6 condo. And now the proposal is to essentially
7 eliminate that. If that 400-unit condo was to have
8 been developed, could you give me an estimate of
9 what would have been the affordable housing
10 requirement?

11 **MR. DORROW:** It would have been 20
12 percent, which is approximately 80 units.

13 **COMMISSIONER CHANG:** Eighty units. So when
14 you apply the county ordinance on your affordable
15 housing requirement, are you looking at the type of
16 development that it is in determining what the
17 requirement is?

18 **MR. DORROW:** Correct. And that's all
19 stated within Chapter 11. The trigger is the
20 rezoning itself, and so the type of rezoning will be
21 the trigger in the amount of units that are
22 requested.

23 If you request a rezoning that results in
24 four or fewer homes or lots, it's not a trigger.
25 Anything five or beyond will be a trigger for the

1 affordable housing requirement.

2 **COMMISSIONER CHANG:** So when you say
3 rezoning, it's a county rezoning.

4 **MR. DORROW:** Correct.

5 **COMMISSIONER CHANG:** Okay. So in this
6 case, with the change proposal of dormitory use,
7 you're anticipating that there may not be a housing
8 -- affordable housing trigger.

9 **MR. DORROW:** I apologize. I'm just not
10 sure. This is unique, and I -- this is a call that
11 will be made by the administrator with the Office of
12 Housing and Community Development.

13 **COMMISSIONER CHANG:** Do you have any
14 discretion? Does the county have any discretion in
15 exercising a requirement based -- even if it
16 doesn't, you know, it doesn't necessarily trigger.
17 You know, it's not based upon units, but it is --
18 it's a very large-scale development project. Do you
19 have any discretion on requiring housing?

20 **MR. DORROW:** There -- as we go through the
21 process of rezonings, normally we will receive the
22 application, the Planning Department. We will
23 ultimately start with our standard conditions, which
24 is the applicant has to comply with the affordable
25 housing requirements that would be triggered and to

1 establish an affordable housing agreement with OHCD.

2 As it goes through the process, it goes
3 before the Planning Commission, and ultimately
4 through the county council. I've observed more
5 recently, I should say, projects that are pressured
6 to provide more affordable housing options.

7 And I'm not saying pressure in a bad way.
8 I just think that that's the new norm moving
9 forward, that projects -- the commission and the
10 council are really wanting to see applicants
11 consider that option of either affordable housing or
12 workforce housing. And that's happened recently a
13 number of times.

14 **COMMISSIONER CHANG:** That's good to hear.
15 I mean, I think, obviously, the Land Use Commission,
16 we get challenged with that. That's just a critical
17 issue here in Hawai'i, and more so, so I'm glad that
18 that is something that the county is moving in that
19 direction.

20 **MR. DORROW:** If I may, Commissioner Chang.
21 I'm sorry to interrupt.

22 **COMMISSIONER CHANG:** No, no, no. Go ahead.

23 **MR. DORROW:** We are currently -- Office of
24 Planning -- or Office of Community Development is
25 also preparing to do a major change to that rule. So

1 that is -- they've hired a consultant to look at it
2 and come up with proposals to move forward with that
3 amendment. And so there's going to be quite a big
4 change coming up in the near future with affordable
5 housing requirements under Chapter 11.

6 And I would venture to say that that could
7 have been a result of actions that occurred
8 previously that we're all aware of. So those kind of
9 things are -- we're seeing changes happen.

10 **COMMISSIONER CHANG:** Well, that's -- I
11 appreciate hearing that as well, because, Mr.
12 Dorrow, do you know whether when the county was
13 going through their development planning process of
14 the affordable -- the potential affordable housing
15 requirement for this project in any way contributed
16 to the, you know, the county development plans for
17 the Kona district?

18 **MR. DORROW:** I can't answer that
19 specifically. I would say generally a project that
20 was proposed already and on the books was just
21 accepted as part of the overall review. So if they
22 were -- I mean, when we looked at particular areas
23 in Kona, there was a number of projects that were --
24 that had received entitlements but had not been
25 constructed at that point. And not only in Kona; in

1 other community development plans as well.

2 **COMMISSIONER CHANG:** Okay. Well, thank you
3 for that clarification.

4 **MR. DORROW:** Thank you.

5 **COMMISSIONER CHANG:** I just know that
6 there's a big housing -- just even just workforce
7 housing rental, people from Hilo and Kona having to
8 travel back and forth. So I don't have any further
9 questions.

10 Thank you, Mr. Chair.

11 Thank you, Mr. Dorrow.

12 **MR. DORROW:** Thank you.

13 **CHAIR GIOVANNI:** Thank you, commissioner.

14 **COMMISSIONER OHIGASHI:** Mr. Chair?

15 **CHAIR GIOVANNI:** Commissioner Ohigashi?

16 **COMMISSIONER OHIGASHI:** Mr. Dorrow, maybe
17 I was hearing it wrong and couldn't see too well on
18 the TV, but I thought the county of Hawai'i sent a
19 letter indicating that there would be no housing
20 requirement, affordable housing requirement.

21 **MR. DORROW:** That may be true. And again,
22 that would be a letter that would have come from the
23 Office of Housing and Community Development. But
24 again, until a project ends up going through the
25 change of zone process where -- and the

1 environmental impact statement, that project is
2 solidified and is approved through the change of
3 zone process, and those conditions are placed on it.
4 That's when we see the actual affordable housing
5 requirements come to fruition.

6 **COMMISSIONER OHIGASHI:** So, Mr. Dorrow, it
7 would be wrong for the LUC to rely upon that letter
8 as part of evidence as the case in chief for this
9 particular matter; is that right?

10 **MR. DORROW:** Well, it's part of the
11 record, and it was a statement. I see Derrick's
12 about to speak, but --

13 **COMMISSIONER OHIGASHI:** I know. But you
14 won't get a chance to -- so no problem.

15 **MR. DORROW:** Yeah. What I would say is,
16 again, until the change of zone is approved, as I
17 just mentioned with Commissioner Chang, things
18 happen through the process. And so until that's
19 solidified, we're looking at a project that is -- as
20 being proposed at this time, but until that change
21 of zone is approved, that's when we see the
22 requirement to have to go before the Office of
23 Housing and Community Development and establish that
24 agreement.

25 **COMMISSIONER OHIGASHI:** Let me ask you a

1 hypothetical, then. Let's suppose that the county of
2 Hawai'i -- and again, Mr. Simon's disease, I think -
3 -

4 **MR. SIMON:** Quite a bit.

5 **COMMISSIONER OHIGASHI:** Let's say the
6 county of Hawai'i decides, pass legislation to
7 include a definition of section saying, hey, you
8 have to consider dormitories as part of this
9 tomorrow.

10 **MR. DORROW:** Right.

11 **COMMISSIONER OHIGASHI:** Let's say before
12 this project has even filed a Motion to Amend.

13 **MR. DORROW:** Yeah.

14 **COMMISSIONER OHIGASHI:** And you have the
15 Land Use Commission having that particular part of
16 the D&O saying, hey, you got to -- got to deal with
17 the county for affordable housing.

18 **MR. DORROW:** Affordable housing. Sure.

19 **COMMISSIONER OHIGASHI:** Is that right?

20 **MR. DORROW:** Yeah.

21 **COMMISSIONER OHIGASHI:** That letter would
22 not be applicable to this project. Wouldn't that be
23 true?

24 **MR. DORROW:** At this -- again, here's the

25 --

1 **COMMISSIONER OHIGASHI:** So that's a
2 hypothetical question.

3 **MR. DORROW:** It is -- all I could say is
4 that as mentioned, Chapter 11 is going through
5 changes. Things happen through the process. I won't
6 -- anything can happen. And as mentioned, I've never
7 seen a project with dormitories being proposed, so I
8 just -- that administrator back then said
9 dormitories didn't trigger. Things have changed, so
10 we'll just see how the project --

11 **COMMISSIONER OHIGASHI:** In fact, the
12 county of Hawai'i could ask for a Declaratory Ruling
13 as to whether or not the condition that the Land Use
14 Commission has placed in this matter would include
15 dormitories. Isn't that true?

16 **MR. DORROW:** Sure.

17 **COMMISSIONER OHIGASHI:** I don't have --

18 **MR. DORROW:** Whether we will --

19 **COMMISSIONER OHIGASHI:** I don't have more
20 questions, then.

21 **CHAIR GIOVANNI:** Thank you, commissioner.
22 Petitioner, I'll allow questions of this
23 witness, if you would like to make them.

24 **MR. SIMON:** Thank you, chair. I will be
25 brief.

1 So, Jeff, as Commissioner Chang said
2 earlier, she's a process --

3 **CHAIR GIOVANNI:** Please use his last name.

4 **MR. SIMON:** I'm sorry.

5 Mr. Dorrow, Commissioner Chang mentioned
6 earlier she's a process person, and I can appreciate
7 that. What I think you're trying to convey to the
8 commission is that we're on somewhat of a linear
9 track in that the Land Use Commission is looking at
10 a little bit higher of an altitude view of the
11 project. But when the project comes in for zoning,
12 you look at things a little more specifically. And
13 that's when the county can actually make its
14 determination.

15 **MR. DORROW:** Correct.

16 **MR. SIMON:** And that's reflected in the
17 Land Use Commission's condition, which says whatever
18 the county says you will do.

19 **MR. DORROW:** Yeah.

20 **MR. SIMON:** And so, to clarify your point
21 to Commissioner Ohigashi, I don't think the
22 university ever took the position that this letter
23 means, you know, we don't have to go back and talk
24 to the Office of Housing and Community Development,
25 but it was simply an interpretation we obtained from

1 the then-director on Chapter 11.

2 **MR. DORROW:** Correct. And again, there's
3 going to be processes that occur after this, and
4 through those processes things may change, and the
5 condition will remain, and our condition will say
6 you have to comply with your condition, and our
7 condition will say you need to -- if required,
8 you'll need to get an affordable housing agreement.

9 And Chapter 11 may change. It may get very
10 clear that dormitories are a requirement for
11 affordable housing. At this point it's just unclear.

12 **MR. SIMON:** Thank you, Mr. Dorrow.

13 And I just want to clarify for
14 Commissioner Ohigashi that, you know, the commission
15 is going to apply with the law as it's written so,
16 you know, when the rezoning -- when this issue
17 actually has to get worked on with the Office of
18 Housing, that they will comply with the Chapter 11
19 housing code for the county of Hawai'i. Thank you.

20 **CHAIR GIOVANNI:** Office of Planning, do
21 you have any questions for this witness?

22 **COMMISSIONER CHANG:** Chair?

23 **CHAIR GIOVANNI:** We'll get back to --

24 **MR. YEE:** Just no questions. Thank you.

25 **CHAIR GIOVANNI:** Okay.

1 Commissioner Chang?

2 **COMMISSIONER CHANG:** I just want to ask a
3 clarifying with Mr. Simon. I lost my train of
4 thought.

5 **CHAIR GIOVANNI:** While you're thinking,
6 I'll think mine. A senior moment.

7 Mr. Dorrow, I'm not talking specific to
8 this project. I'm just talking in general terms. I
9 think I heard you say that if the county is
10 reviewing a project, and that project doesn't
11 trigger any affordable housing requirements, that
12 the county may still impose affordable housing
13 requirements on the developer for other reasons.

14 For example, hypothetically, if it creates
15 350 new jobs in the area, it may require some
16 workforce -- do some workforce housing as part of
17 their project. Is that correct?

18 **MR. DORROW:** I would say yes. And again,
19 just using previous examples that have occurred
20 recently, projects have come before the commission
21 and the council, and they questioned the amount of
22 affordable housing or workforce housing that were
23 connected to that project and the overall project
24 that it was a part of.

25 And so in discussions, the applicant, as

1 well as the commission and council, were able to
2 come up to increase those numbers as part of an
3 approval for the project.

4 **CHAIR GIOVANNI:** Understood.

5 **MR. DORROW:** Yeah.

6 **CHAIR GIOVANNI:** So in the instant case,
7 we have a situation in which the developer -- or the
8 petitioner is not proposing any housing whatsoever,
9 so there's no luxury housing, and so there's no
10 automatic trigger of affordable housing as a
11 percentage of those housing.

12 Nonetheless, they are proposing a
13 development that will increase the number of staff
14 members by as many as 350 to 450 people, families
15 perhaps, which will increase demand on housing in
16 the area. In consideration of that, what you're
17 testifying says to me is that the county may or may
18 not take that into consideration to impose some
19 additional affordable housing or workforce housing
20 requirement.

21 **MR. DORROW:** I think the -- my point is
22 that it's premature for me to answer that at this
23 time, because again, I've never seen a requirement
24 placed on dormitories.

25 **CHAIR GIOVANNI:** I'm not asking if it will

1 or will not.

2 **MR. DORROW:** Right.

3 **CHAIR GIOVANNI:** Just that it has the
4 discretion to consider things other than the
5 trigger.

6 **MR. DORROW:** Sure. Right. So that's what
7 happens through the process, is as a part of that,
8 those questions come up, and usually as a result of
9 that, there is collaboration between the applicant
10 and the commission and the council to be able to
11 come up with a win-win.

12 **CHAIR GIOVANNI:** Okay.
13 Commissioners, any other questions?

14 **COMMISSIONER CHANG:** I remembered.

15 **CHAIR GIOVANNI:** Uh-oh.

16 **COMMISSIONER CHANG:** In my senior moment.
17 Thank you.

18 **CHAIR GIOVANNI:** Commissioner Chang?

19 **COMMISSIONER CHANG:** Okay. I just wanted
20 to get a -- make sure I got a clarification or
21 concurrence from Mr. Simon that you would agree that
22 if the Land Use Commission, assuming you go through
23 the EIS and there's a -- Land Use Commission
24 approves a modification and amendment, that the Land
25 Use Commission could also change any one of those

1 conditions as well.

2 **MR. SIMON:** I would agree that the Land
3 Use Commission has discretion in the conditions it's
4 imposed. I'd have to think as -- I think I'd have to
5 think a minute about how that relates to affordable
6 housing. You know, under the system and how the
7 commission approaches it, it's a matter enforced by
8 the county. So I don't want to give you an answer
9 that's not well thought out there.

10 **COMMISSIONER CHANG:** I guess my only point
11 was I think you were suggesting to Mr. Dorrow that
12 -- that's okay.

13 But I think, going back to Mr. Dorrow's
14 point, it's just not ripe. We don't have the EIS. We
15 don't have what the final plan will be. We know that
16 it's different from what we originally approved. So
17 it's just not ripe. Everything that we're talking
18 about is quite stuck. Things may change. The law may
19 change. Your ordinance may change. The project may
20 change. And we may hear different comments from the
21 commission.

22 So I think we would all agree there are
23 some parameters and guidelines, but nothing at this
24 point in time is set in stone. We still have to
25 await your EIS.

1 **MR. SIMON:** I would completely agree with
2 that. So I think both myself and my client greatly
3 appreciate the commission's concerns over affordable
4 housing. It's on the forefront of -- even people
5 with young kids like myself, you think about it, and
6 it's very real.

7 But we're doing -- you know, what we're
8 talking about right now is environmental impact
9 statement. The Motion to Amend will follow that.
10 That's when the commission can really get into the
11 nitty gritty of that, look at the project that's,
12 you know, actually up for approval.

13 You know, part of the EIS process is you
14 can't stay rigid through it. You have to take
15 information. You have to respond to new information
16 and concerns. And so, yeah, I would agree that it's
17 too early to kind of put a final note on this,
18 including the fact that there could be changes in
19 the law.

20 And again, we didn't file that letter from
21 the Office of Housing and Community Development to
22 rub anybody's nose in it. It was just to say, like,
23 we engaged with the county. We wanted to get an
24 answer, and that was the answer we got.

25 **COMMISSIONER CHANG:** Yeah. Appreciated

1 that. It obviously led to a lot more discussion
2 here. And I think Mr. Overton has gotten some really
3 good information during our discussion today about
4 alternatives that should be considered as part of
5 the EIS. So I think worthy conversations today. So
6 thank you very much.

7 **MR. SIMON:** Thank you, Commissioner Chang.

8 **CHAIR GIOVANNI:** Thank you.

9 Commissioners, anything further?
10 Commissioner?

11 **COMMISSIONER KAMAKEA-'OHELO:** Mahalo,
12 chair. I have a question for Mr. Dorrow.

13 What would be -- if this land is rezoned,
14 what would be the classification that the city --
15 the county of Hawai'i would give to this parcel of
16 land under the petition?

17 **MR. DORROW:** It would actually be the
18 applicant's request, but in speaking to them, it
19 appears that there are two possibilities because of
20 the mixed use nature of the project. And that would
21 be to keep it in commercial, village commercial, or
22 possibly project district, which provides quite a --
23 a flexibility for the design of the project.

24 That might be more appropriate as well
25 because the Kona Community Development Plan

1 identifies half of this parcel being in the transit-
2 oriented development area for the Pua'a Wai'aha
3 Village neighborhood center.

4 So those two -- I'm guessing those are the
5 two that they would consider.

6 **COMMISSIONER KAMAKEA-'OHELO:** Yeah.
7 Mahalo. The reason why I asked is because the
8 conversations are on workforce housing or affordable
9 housing. Currently, the land classification that the
10 University of the Nations has for the facility that
11 is currently standing is apartments.

12 So my next question, my follow-up question
13 is what is the county's definition of that land
14 classification?

15 **MR. DORROW:** Of -- of multiple family?

16 **COMMISSIONER KAMAKEA-'OHELO:** No. The land
17 classification is apartments.

18 **MR. DORROW:** Our classification is
19 multiple family residential.

20 **COMMISSIONER KAMAKEA-'OHELO:** So that --

21 **MR. DORROW:** RM. You'll see RM on the land
22 use map, and that stands for multiple family
23 residential.

24 **COMMISSIONER KAMAKEA-'OHELO:** I just had
25 to ask for the record because of the conversations

1 around affordable housing, that if in fact this land
2 is classified apartments, and your definition of
3 that is multiple family homes --

4 **MR. DORROW:** Yeah.

5 **COMMISSIONER KAMAKEA-'OHELO:** -- I ask why
6 would we award that classification if it is in fact
7 not going to service the families in Hawai'i.

8 **MR. DORROW:** Okay. I mean, they're kind of
9 two separate. We're speaking about the first part
10 that's already developed; correct? Okay.

11 Yeah. This sounds like it's going to take
12 a little different direction. But those particular
13 zonings that we're talking about will allow not only
14 the multiple family, but much more flexibility as
15 far as design as well.

16 **COMMISSIONER KAMAKEA-'OHELO:** Mahalo for
17 your time.

18 **MR. DORROW:** Thank you.

19 **CHAIR GIOVANNI:** Thank you, Commissioner
20 Kamakea-'Ohelo. Sorry to struggle with that.

21 **COMMISSIONER YAMANE:** Mr. Chair?

22 **CHAIR GIOVANNI:** Yes. Commissioner Yamane?

23 **COMMISSIONER YAMANE:** A question for the
24 petitioner and Mr. Simon. Thank you. A new
25 commissioner question again.

1 As I look at your Motion to Amend, you're
2 projecting a 30-year buildout in 10-year phases, as
3 I read that correctly. Is it fair to say that, you
4 know, if we go through this process, that maybe in
5 five years this project is still connected to the
6 original order that said there was going to have 400
7 affordable homes?

8 **MR. SIMON:** Well, that's certainly not our
9 hope. You know, I mean, that's why we're today, is
10 because we want to amend the Decision & Order.

11 Sorry. I don't know if you can hear me. We
12 want to amend the Decision & Order. You know, that's
13 not aligned with the goals of the university or its
14 values.

15 **COMMISSIONER YAMANE:** I'm understanding
16 that, but as you look through the procedural
17 history, would you say that -- like me as a new
18 commissioner, I'm going back, and I see the 2003
19 order. If we go five years, ten years from now, on
20 our current path, would you say that if you look
21 back, it's still connected to this original?

22 **MR. SIMON:** Yeah. I won't hedge anymore.
23 You know, I will say this. Kathy -- Ms. Garson --
24 myself and the current leadership at the university
25 got involved in this project in 2019, and there's

1 really been a significant amount of work. I think
2 you saw the list of studies. You saw the past
3 archaeological work, which is very thorough.

4 You know, there was momentum, you know,
5 and COVID was just -- it hit the university hard.
6 But they had momentum.

7 I think they can get that back. I think
8 they're ready to go, that, you know, they understand
9 the situation they're in. They want to carry out the
10 purpose. They want to continue to serve the
11 community. So, you know, I can't give you a
12 percentage, but, yeah, I don't think so. I think
13 this project is going to keep moving along.

14 **COMMISSIONER YAMANE:** Yeah. I think I'm
15 not denying that the project is going through. I
16 guess my concern is no matter what happens, as long
17 as it's connected to the original order,
18 procedurally people will look back. And even I was
19 looking at the order signed, it was signed from
20 someone from Kaua'i 20 years ago that I know.

21 **MR. SIMON:** Yes.

22 **COMMISSIONER YAMANE:** And it'll say, hey,
23 you guys rescinded what we did. What are you guys
24 doing, not going all the work --

25 **MR. SIMON:** Yeah.

1 **COMMISSIONER YAMANE:** -- the revisions
2 that you guys been doing. And I guess my question is
3 to -- even to the commission. Would it have been
4 cleaner to just file a new petition for a volunteer
5 amendment instead of doing a Motion to Amend?

6 **MR. SIMON:** You know, I respect that
7 question. I don't think so. I think that's just --
8 you know, if the concern is delay and the lapse of
9 time, that's just going to cause further delay and
10 more time to lapse. I think it's a step backwards
11 instead of a step forward. And there might be
12 situations in which that would be appropriate. I
13 don't think that's the situation here.

14 Again, significant studies have been done.
15 They've started the EIS process. You know, you heard
16 Mr. Overton earlier. We're hoping and anticipating a
17 final draft output, you know, end of 2023, which
18 would, you know, assuming that process goes well,
19 that would put us before the commission in 2022 on a
20 Motion to Amend, most likely.

21 So I think we're in striking distance. I
22 think we're in striking distance. I think -- I don't
23 think the commission's going to have to wait five
24 years to get that answer you're looking for. I think
25 we're there.

1 **COMMISSIONER YAMANE:** Okay. Thank you for
2 your question. No more questions.

3 **MR. SIMON:** Thank you, commissioner.

4 **CHAIR GIOVANNI:** Thank you.

5 Okay. If no further questions, OPSD, what
6 do you have to say?

7 **MR. YEE:** Thank you very much. Good
8 afternoon, everyone. We're here today on a status
9 conference, so let me try to limit my discussion to
10 those particular issues. Let's start with a very
11 abbreviated overview of where we are.

12 In 2003, a District Boundary Amendment was
13 granted. Seventeen years later, nothing had been
14 done, and a Motion to Amend was filed because,
15 obviously, after 17 years, things change, plans
16 change. So did this file. It admittedly took a
17 while, but in 2020, the issue was addressed, and it
18 was determined that an EIS needed to first be done.
19 So where are we now?

20 We need to get an EIS approved. Then a
21 Motion to Amend needs to be filed. You're either
22 going to approve it or you're going to deny it. If
23 you grant the Motion to Amend, they will then need
24 to do fundraising, and after the fundraising, they
25 will then need to do construction. That would be the

1 order in which things are done.

2 Where are we now? We're still at the EIS
3 stage. So the EISP has been granted. A number of
4 consultants have completed their portion of the EIS,
5 which is significant and does show things have moved
6 forward. And we certainly understand the extenuating
7 circumstances of the pandemic, which has made the
8 completion of the EIS problematic. So we are happy
9 to see that they are anticipating that the draft EIS
10 will be filed in the first or second quarter of
11 2023.

12 There is still more to be done. They still
13 need to get further public comments. A final EIS
14 must be drafted, submitted to you, and you need to
15 approve it. And then we can do the Motion to Amend.

16 So there's a lot more to do. We certainly
17 have to acknowledge that this project has taken some
18 time. It's taken more time than it should. Projects
19 should not take 20 years to get done. That's not how
20 the system is made. It anticipates that projects
21 will be done actually in 10 years.

22 But we are here today, and I think the way
23 we're looking at this is we're ready to move
24 forward. We're ready to look forward. But we are not
25 forgetting the past.

1 We know the context of this matter is
2 within this long timeframe of inactivity, so while
3 we certainly want to give a reasonable amount of
4 time to get these things completed, I think the
5 status conference has, if nothing else, made clear
6 to everyone that feet will be held to the fire and
7 that this needs to move forward, that if there's any
8 thought that we're going to take two years or five
9 years to finish the EIS, that should not be anyone's
10 goal.

11 Everyone should be moving forward as
12 quickly as reasonably possible to complete this
13 process, because it really has taken too long. We'll
14 look to take however much time it takes to complete
15 it. Don't want to take any more of that time.

16 With that said, we are satisfied that --
17 of the current status, and we will look forward to
18 receiving the EIS next year soon. And then I think
19 after we receive it, I think more can be decided at
20 that point.

21 I think I will just have one other
22 comment, and that is with respect to Commissioner
23 Chang's question on amendments, on a Motion to
24 Amend, just to give you a preview. I think OPSD
25 generally believes that the Land Use Commission has

1 the authority to impose conditions on a Motion to
2 Amend when it is in reaction to or to -- when it is
3 because of the amendment.

4 So if there's a vision to the plan, and
5 that plan has different impacts, certainly
6 additional conditions can be placed to mitigate
7 those impacts.

8 We don't think, actually, the LUC is
9 allowed to impose additional conditions just because
10 it's reconsidering. That decision got made. You can
11 certainly deny the motion, but if you grant the
12 Motion to Amend, it's really not an opportunity to
13 look back and say, you know, on this other part of
14 the project, which is not being changed at all, we
15 want to impose additional conditions because we've
16 changed our minds. That, unfortunately -- that
17 decision got made in 2003, and we all just, I think,
18 need to live with it.

19 And with that, I am available for
20 questions.

21 **CHAIR GIOVANNI:** Thank you.

22 Commissioners, questions for Mr. Yee?

23 Commissioner Chang?

24 **COMMISSIONER CHANG:** Obviously, I can't
25 let that one go, Mr. Yee. I mean, I think you would

1 agree with us that, based upon the presentations by
2 the petitioners, the project has changed
3 substantially. The major two components of the
4 project, the 400 condo affordable housing units
5 connected. The cultural center, which was the
6 primary focus of the LUC D&O, is no longer the
7 focus. It is really going to be an educational
8 institution and a campus.

9 So I think I would, unfortunately,
10 disagree, that I think we have some latitude in --
11 and it depends upon what the EIS comes up with. It
12 depends upon on what the community says. But I think
13 that we do have latitude, that this is a -- the
14 alternative is we would deny, and you come back, and
15 we start all over again.

16 And I suspect that the petitioner does not
17 want us to do that. It's better to modify some of
18 the conditions rather than starting it. So I -- and
19 by that time, I'll be off the commission, so you
20 won't have to worry about me. But I think the LUC
21 would have some latitude in making some changes to
22 conditions, modifying conditions appropriately,
23 depending upon the new project that's approved.

24 **CHAIR GIOVANNI:** Thank you.

25 **MR. YEE:** Could I just briefly respond?

1 **CHAIR GIOVANNI:** Was it -- did she ask you
2 a question?

3 **MR. YEE:** I believe -- I just want to be
4 clear about where the disagreement is or is not,
5 because there's a certain extent that I agree with
6 her, but I always want to be clear.

7 **CHAIR GIOVANNI:** I will give you the
8 opportunity to comment further.

9 **MR. YEE:** I think, for example, if the new
10 amendment proposes additional campus housing or
11 additional campus staffing and additional students
12 that were not originally anticipated, the impacts of
13 that upon affordable housing or housing generally
14 could be considered, because it's an amendment. It's
15 revision. And that's the basis by which the LUC
16 would want to base any additional conditions on.

17 It would not want to simply say, for
18 example, traffic is not being impacted at all, but I
19 would really want you to put in this intersection.
20 So it's not a time to sort of just incorporate
21 something in a relevant part of it just because you
22 want something else. That's all I'm trying to say,
23 that when you base your decision, base it upon the
24 revision. Thank you.

25 **CHAIR GIOVANNI:** Thank you. It's limited

1 there as far as what's going to happen down the
2 road.

3 Anybody else?

4 Commissioner Ohigashi?

5 **COMMISSIONER OHIGASHI:** I just want to
6 make a comment, not to Mr. Yee's statement, but to
7 what has been going on today. And I appreciate the
8 petitioner and their attorneys coming here and
9 giving us an update. I appreciate President
10 Hamilton. I think he got to the position when his
11 namesake, I guess, never got there.

12 But what is important to me is this, is
13 that there is a signal to the petitioner as well as
14 a copy, that we really need something, affordable
15 housing. And it's much more healthier than to come
16 up with an agreement between the parties about that
17 than be forced upon it in a condition.

18 And to solve problems by being proactive
19 and recognizing that this is something good for the
20 community may be a mechanism that we can go forward
21 with to assist in this matter, to get this matter
22 resolved. Otherwise, you know, I was, you know, like
23 in a practical body, you're always told that it's
24 much better that people reach an agreement, because
25 they won't go through the loopholes.

1 If there is a forced-upon condition that
2 the LUC may feel it is necessary, it will be much
3 more difficult to deal with than something that the
4 parties can agree to and come up with to help
5 alleviate what everybody agrees is a pressing
6 problem. That's my only comment.

7 **CHAIR GIOVANNI:** Thank you, commissioner.

8 The chair has no questions at this time,
9 so, Mr. Simon, give you the last opportunity for
10 rebuttal or further comments.

11 **MR. SIMON:** No, I just wanted to take a
12 brief moment to thank the county and the Office of
13 Planning and Sustainable Development for their
14 positions today. You know, we look forward to
15 working closely with them throughout the EIS project
16 and what may come after that.

17 I also want to thank the commission,
18 commission staff, and everybody for their time. You
19 know, I know this is -- it's a big lift to get
20 everybody here in one place with all this equipment
21 and however many mics working. And it's a lot, and
22 so -- and our client appreciates it.

23 You know, I think I kind of summed it up
24 earlier. I think the project really had momentum. I
25 think a lot of work's been done. I think they're

1 back in stride again, and so I'm, you know, I'm
2 optimistic that this is going to proceed as it
3 should.

4 And so I don't have a ton to add beyond
5 that. Again, I think the university is a good
6 organization. It's intended to do good. That's its
7 mission. That's its purpose. This campus expansion
8 will allow it to do more good, and I think that's
9 something that we should all support. And I don't
10 have anything further than that. Thank you, chair.

11 **CHAIR GIOVANNI:** Thank you.

12 Commissioners, any further questions or
13 comments for any of the parties before we consider
14 deliberations?

15 Hearing none, I'm going to once again see
16 if there's anyone from the public that wishes to
17 testify at this point in time. Do we see anyone from
18 the public? Is there anyone in the public?

19 Hearing none, we'll proceed.

20 Commissioners, this is a status report. We're not
21 required to take any action at this time. If no
22 action is taken, the requirement of continued annual
23 status reports will remain.

24 However, if the commission feels that its
25 concerns have not been addressed based on the

1 comments and responses provided by the petitioner,
2 the chair will entertain a motion that either the
3 petitioner's status report has not sufficiently
4 addressed the commission's concerns and that further
5 meetings or status updates are necessary to provide
6 the opportunity to do so at a future date to be
7 determined by the LUC staff. So that's one option.

8 Or you may make a motion that there is
9 reason to believe that the petitioner will not
10 adhere to the conditions set forth in the Decision &
11 Order and request that the staff move forward with a
12 former order for a show cause proceeding.

13 So those are the options 1, 2, and 3. Take
14 no action or to take one of those two actions. So is
15 there further discussion, commissioners, or
16 questions at this point?

17 Hearing none, we will enter into
18 deliberations. Commissioners, the chair will
19 entertain a motion regarding how the commission
20 shall proceed on this matter. What is your pleasure?

21 Commissioner Ohigashi?

22 **COMMISSIONER OHIGASHI:** I move that we
23 accept the status report and that this matter be
24 moved on with yearly status reports. However, I
25 would like to know if -- would hope that the EIS is

1 delivered to us in the first half of 2023.

2 **CHAIR GIOVANNI:** Do I have a second to
3 that motion?

4 **COMMISSIONER CHANG:** Mr. Chair, I'll
5 second the motion.

6 **CHAIR GIOVANNI:** So I have a motion by
7 Commissioner Ohigashi which has been seconded by
8 Commissioner Chang. So the motion is to continue
9 with the status reports on an as-scheduled basis. I
10 think that, simply said, that's the motion.

11 In his commentary, I'm going to give
12 Commissioner Ohigashi the opportunity to expand on
13 his comments in support of the motion. And all
14 commissioners will comment as well, if they so
15 choose. And you'll also hear what we're looking for
16 on a going forward basis as we consider this motion.

17 Commissioner Ohigashi, would you like to
18 speak further in support of your motion?

19 **COMMISSIONER OHIGASHI:** Yes. The only
20 reason why I said that I would like to have,
21 hopefully, the EIS done is based upon Group 70's
22 presentation, the first half of 2023. The other
23 thing, too, is if it's not done within 2023, I think
24 that the commission on its own motion can ask for
25 another status hearing.

1 **CHAIR GIOVANNI:** Thank you.

2 Commissioner Chang, would you like to
3 comment on your second?

4 **COMMISSIONER CHANG:** Thank you, Mr. Chair.

5 I did appreciate the summation by Mr. Yee
6 on where we are, and I think that accurately
7 reflects our way.

8 I also appreciate Mr. Simon. I think there
9 is reason to be optimistic. You have a good team. I
10 think -- I appreciated the presentation by Mr.
11 Hamilton. It gave me a better understanding of your
12 institution and your method of financing. I think
13 Mr. Overton's presentation was very helpful in
14 giving us a status report on all of the studies that
15 have been completed and he anticipates that are
16 completed.

17 You seem to have a very good team, and the
18 momentum is moving forward. I think this status
19 conference in person was necessary. As we can tell,
20 I think it really helped, at least for me, to
21 clarify some of the questions that I had.

22 But I think you now know what our concerns
23 are, at least what my concerns are. I generally
24 don't hold those back. You know where I'm coming
25 from.

1 But thank you very much. This was
2 extremely helpful. I think also the county
3 understands what our concerns are. So thank you.

4 I have nothing further, Mr. Chair. Thank
5 you.

6 **CHAIR GIOVANNI:** Thank you.

7 Commissioners? Other commissioners?
8 Comment on the motion?

9 Commissioner Yamane?

10 **COMMISSIONER YAMANE:** Thank you, Mr.
11 Chair.

12 Thank you, everybody, petitioners, Mr.
13 Simon, county, OPSD for putting up with my
14 questions, trying to get up to speed. So I
15 appreciate all of the insight and the context that
16 you provided. I'll be voting in favor of this
17 motion.

18 Thank you, Mr. Chair.

19 **CHAIR GIOVANNI:** Thank you.

20 Commissioner?

21 **COMMISSIONER KAMAKEA-'OHELO:** Mahalo, Mr.
22 Chair.

23 I appreciate everyone today, so mahalo. I
24 will also be in support of the motion. I'm satisfied
25 with the status report.

1 **CHAIR GIOVANNI:** Thank you.

2 So the chair will also be supporting the
3 motion. I absolutely agree with Commissioner Chang.
4 This status report, this update today was absolutely
5 necessary. In its absence, there were growing
6 concerns and questions about this project and
7 whether it would ever go anywhere, or was going
8 anywhere.

9 I think it's unusual to, as Mr. Yee tried
10 to bring out in his questioning, to take on a
11 project of this magnitude, over \$100 million, and
12 not have a -- and just depend on the financing that
13 will come through if and when we need it.

14 Nonetheless, that seems to be a business
15 model that has worked for the University of the
16 Nations around the world. And I credit you for that.
17 I have the faith that you're going to get the money.
18 I don't where I get it, but I have the faith that
19 you're going to get the money.

20 But you need a good plan. And I'm with
21 Commissioner Ohigashi. I want to see a bomb-proof
22 EIS. And that's what we'll be looking for, and the
23 sooner the better. We want to see that.

24 And as far as -- our primary concern is --
25 which is what happened to the housing that was

1 originally planned for this development? I took the
2 testimony of the petitioner to say that it was --
3 that the final design of the project is still
4 somewhat fluid. And I would really encourage you to
5 find a way, if possible, to incorporate some
6 workforce housing in your plans.

7 You're taking on 300 people. I don't care
8 how you fund their jobs. You got 300-plus new jobs
9 coming into that piece of property. They got to live
10 somewhere. And you're going to put an increased
11 demand on that area if you don't help.

12 So you haven't triggered it. As Mr. Dorrow
13 said from the county, it doesn't seem that you've
14 triggered the requirement for that housing. But I
15 would really encourage you, if you want to do what
16 you want to do in this particular part of the world,
17 we really need you to take care of some housing
18 along the way. So please consider that as you
19 finalize your plans and work it into it.

20 I will support this motion.

21 Hearing nothing else, Mr. Orodener, would
22 you take a roll call vote?

23 **MR. ORODENKER:** Thank you, Mr. Chair. The
24 motion is to accept the status report and move the
25 matter on with annual status reports and a timely

1 presentation of the environmental impact statement
2 by 2023.

3 Commissioner Ohigashi?

4 **COMMISSIONER OHIGASHI:** Aye.

5 **MR. ORODENKER:** Commissioner Chang?

6 **COMMISSIONER CHANG:** Aye.

7 **MR. ORODENKER:** Commissioner Atta?

8 **COMMISSIONER ATTA:** Aye.

9 **MR. ORODENKER:** Commissioner Kamakea-
10 'Ohelo?

11 **COMMISSIONER KAMAKEA-'OHELO:** Aye.

12 **MR. ORODENKER:** Commissioner Yamane?

13 **COMMISSIONER YAMANE:** Aye.

14 **MR. ORODENKER:** Chair Giovanni?

15 **CHAIR GIOVANNI:** Aye.

16 **MR. ORODENKER:** Thank you, Mr. Chair. The
17 motion passes unanimously with six votes.

18 **CHAIR GIOVANNI:** Thank you. And thank you.
19 Mahalo to all the parties who've made the trip here
20 today and participated in good faith with us. We
21 really appreciate it. It was -- and I also want a
22 special thanks to LUC staff for pulling this off
23 here in Hilo in one day. So thank you guys, all of
24 you.

25 And thank you to the public that did

1 choose to participate and for all of your
2 presentations.

3 There's no further business. That
4 concludes are meeting. The meeting is adjourned.

5 **(Meeting concluded.)**

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1 CERTIFICATE

2
3 I, Davilyn Payne, do hereby certify that the
4 proceeding named herein was professionally transcribed on
5 the date set forth in the certificate herein; that I
6 transcribed all testimony adduced and other oral
7 proceedings had in the foregoing matter; and that the
8 foregoing transcript pages constitute a full, true, and
9 correct record of such testimony adduced and oral
10 proceeding had and of the whole thereof.

11
12 IN WITNESS HEREOF, I have hereunto set my hand this
13 17th day of November, 2022.

14
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16 

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19 _____
20 Davilyn Payne
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