

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

February 16, 2001

Committee
Report No.

_____ 01-6

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on January 30, 2001, makes reference to the following:

1. County Communication No. 00-285, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2001 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATION FROM THE LAPSED BOND FUND FOR THE LAHAINA COMMUNITY PLAN DISTRICT".

The purpose of the proposed bill is to recognize \$425,000 in lapsed bond proceeds from the Fiscal Year 1997 Budget for the Lahaina Visitor Center/Public Restrooms Project and reappropriate the funds to The Friends of Moku`ula, Inc. ("Friends") for the Moku`ula Restoration Project ("Moku`ula").

2. County Communication No. 00-286, from the Mayor, transmitting the following:
 - a. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 2867, BILL NO. 49 (2000), PERTAINING TO THE DETERMINATION THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI".

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The purpose of the proposed bill is to reauthorize the use of lapsed bond proceeds for Moku`ula.

- b. A copy of Resolution No. 00-171 entitled "AUTHORIZING A GRANT OF A LEASE TO OCCUPY COUNTY REAL PROPERTY TO FRIENDS OF MOKU`ULA, INC.", which was adopted at the Council meeting of December 1, 2000.

The purpose of the resolution was to authorize a grant of a lease to the Friends to occupy County real property located in the Lahaina Community Plan District.

- c. A copy of Resolution No. 00-172 entitled "AUTHORIZING A GRANT OF A LICENSE TO OCCUPY COUNTY REAL PROPERTY TO FRIENDS OF MOKU`ULA, INC.", which was adopted at the Council meeting of December 1, 2000.

The purpose of the resolution was to authorize a grant of a license to the Friends to occupy County real property in the Lahaina Community Plan District.

Your Committee notes that County Communication Nos. 00-285 and 00-286 were referred to your Committee at the Council meeting of January 12, 2001 (County Communication Nos. 01-7 and 01-9, respectively).

By memorandum dated January 25, 2001, your Committee Chair transmitted a revised proposed bill from the Budget Director entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2001 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATION FROM THE LAPSED BOND FUND FOR THE LAHAINA COMMUNITY PLAN DISTRICT". The revised bill changes the date from 2000 to 2001 and the totals to reflect a prior amendment.

At its meeting, your Committee met with the Budget Director; the Director of Finance; the Director of Parks and Recreation; a Deputy Corporation Counsel; and Mr. Akoni Akana, Executive Director of the Friends.

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Your Committee received the following documents at the meeting:

1. A handout dated October 4, 2000, entitled "Moku`ula in the Millennium...the future is now", prepared by the Friends for the former Council's Human Services and Parks Committee;
2. A Moku`ula Restoration Project, Phase I, Description and Budget dated October 11, 2000, prepared by the Friends for the Mayor;
3. A copy of a letter dated October 17, 2000, from James L. Bersson, United States Department of the Army to the Planning Director, regarding a project restoration plan; and
4. A copy of a letter dated August 20, 2000, from Michael Freeland to Akoni Akana, regarding an evaluation of the site visit.

The Director of Finance informed your Committee that the lapsed bond proceeds were originally part of a grant to the LahainaTown Action Committee to construct a visitor center and restroom complex on Front Street. After review of a revised plan submitted by the LahainaTown Action Committee, the Department of Finance recommended that the money be lapsed because it did not meet the original intent of the project. He further stated that the proposed bills reappropriate the funds to the Friends for the restoration project.

The Director of Parks and Recreation added that the \$425,000 lapsed bond proceeds are to be utilized to move the existing parking lot in order to restore the island. He stated that the parking lot was originally intended for the Malu Ulu O Lele Park users. However, since vendors and the public visiting 505 Front Street use the park, it is the intent of the Friends to charge for parking. He further noted that the Friends have assured the County that park users will not be charged. The Director of Parks and Recreation stated that the lapsed bond proceeds will show the community's support and assist the Friends when they seek funding from foundations for Moku`ula.

Mr. Akana provided your Committee with a summary of the funding request. He informed your Committee that the \$425,000 is part of the funding required to initiate Phase I of a three-phase project. Phase I is the parking lot

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and basic infrastructure, Phase II is the archaeological development, and Phase III is the interpretive center. Mr. Akana stated that the Friends have generated \$879,000 without the County money. The revenues from the parking lot will provide additional funding as well as assist in the Friends' efforts to seek private and grant monies. He stated that both the United States Administration for Native Americans and the Office of Hawaiian Affairs are sharing the cost for a project manager and assistant.

The Budget Director informed your Committee that the Administration will propose a total of \$500,000 for Moku`ula, the proposed \$425,000 of lapsed bond funds and \$75,000 in the upcoming Fiscal Year 2002 Budget.

During the extensive discussion that ensued, your Committee raised concerns about the statement on the Sacred Sites International Foundation website, which is linked to the Friends' website. The Sacred Site states "The island area will be strictly for sacred and secular ceremonial use by Native Hawaiians; however, it may be open once a year to invited outsiders".

Mr. Akana made several points including the following: (1) that the County money is going to be used for the relocation of the parking lot; (2) that a community hale will be constructed that can be used by anyone; (3) that the island is Hawaiian and needs to be interpreted by Hawaiians; (4) that they are asking that the sacred site be limited to the Native Hawaiian population; and (5) that 14 remaining acres will be available to the public.

Your Committee requested that a memorandum be sent to the Corporation Counsel requesting a legal review of the Lease Agreement and the planned restriction on visitation to the restored island by the Friends in regards to possible discrimination to non-Hawaiian people.

Your Committee received testimony from two members of the Board for the Friends: Ms. Caroline Egli, President of the Board and Ms. Mahina Martin, a member of the Board and current Program Director. Both attested to the value of Moku`ula for the community of Lahaina, for the island of Maui, and for the State of Hawaii. They said that this is an opportunity to marry the culture, the community, and the commerce aspects of the area.

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Your Committee voted to recommend passage of the revised proposed bills on first reading.

Your Committee is in receipt of a revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 2867, BILL NO. 49 (2000), PERTAINING TO THE DETERMINATION THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI". The revised bill changes the date from 2000 to 2001.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. _____ (2001), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 2867, BILL NO. 49 (2000), PERTAINING TO THE DETERMINATION THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI" PASS FIRST READING and BE ORDERED TO PRINT;
2. That Bill No. _____ (2001), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2001 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATION FROM THE LAPSED BOND FUND FOR THE LAHAINA COMMUNITY PLAN DISTRICT" PASS FIRST READING and BE ORDERED TO PRINT;
3. That County Communication No. 00-285 be FILED; and

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4. That County Communication No. 00-286 be FILED.

Adoption of this report is respectfully requested.

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G. RIKI HOKAMA Chair

PATRICK S. KAWANO Member

ALAN M. ARAKAWA Member

MICHAEL J. MOLINA Member

ROBERT CARROLL Member

WAYNE K. NISHIKI Member

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