

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

November 16, 2001

Committee
Report No.

01-220

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 October 30, 2001, makes reference to County Communication No. 01-284, from the Economic Development Coordinator, transmitting the following:

1. A proposed resolution entitled "AUTHORIZING THE APPLICATION FOR, AND ACCEPTANCE OF, GRANT FUNDS FROM THE UNITED STATES DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION, RELATING TO A PRODUCE PROCESSING FACILITY".

The purpose of the proposed resolution is to authorize the acceptance of a \$905,100 grant for a Produce Processing Facility from the U.S. Department of Commerce, Economic Development Administration.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2002 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE OFFICE OF THE MAYOR".

The purpose of the proposed bill is to amend Appendix A, Part I, of the Fiscal Year (FY) 2002 Budget, relating to grant revenues, to appropriate \$905,100 for a Produce Processing Facility in the Office of the Mayor.

At its meeting, your Committee met with the Budget Director, an Economic Development Specialist, and a Corporation Counsel.

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

November 16, 2001
Page 2

Committee
Report No. 01-220

The Budget Director informed your Committee that this grant is a Federal grant in the amount of \$905,100 for a produce processing facility in the Kula area. She stated that this grant is associated with the \$250,000 in County matching funds provided by the Council in the FY 2002 Budget. She further noted that as a condition of the grant, the U.S. Department of Commerce, Economic Development Administration required matching funds from both County and private sector sources.

The Economic Development Specialist provided an overview of the project. She stated that the funds would be used to construct a produce processing facility on the site of the current vacuum cooling plant on Omaopio Road in Kula. She informed your Committee that the project is a cooperative effort of the County, the private sector farmers, and the Federal government. In addition, she noted that the project combines the efforts of two cooperatives, the Maui Farmers' Cooperative Exchange (a marketing focus) and the Produce Processing Cooperative Upcountry (a services focus). The new facility will address the needs of various agriculture groups within the community, including the veggie-crops, the flower industry, and value-added products. The objective of the project is to repair and improve facilities and equipment at the existing vacuum cooling plant, and to enhance the facility by constructing the produce processing plant and expanding the services provided.

Your Committee recognized the importance of helping the agriculture industry to market their products and that this facility is long overdue. In addition, further expansion to include a sister facility near the airport or harbor area would provide the full circle needed in order to meet the transportation requirements for exporting the agriculture products and assisting this important part of the local economy.

Your Committee noted that the Mayor and the Maui Chamber of Commerce have started a marketing promotion, which includes red and yellow bumper stickers that say "Buy Maui First".

After a brief discussion, your Committee voted to recommend adoption of the proposed resolution, passage of the proposed bill on first reading, and filing of the communication.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

November 16, 2001
Page 3

Committee
Report No. 01-220

Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution No. _____, attached hereto, entitled "AUTHORIZING THE APPLICATION FOR, AND ACCEPTANCE OF, GRANT FUNDS FROM THE UNITED STATES DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION, RELATING TO A PRODUCE PROCESSING FACILITY" be ADOPTED;
2. That Bill No. _____ (2001), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2002 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE OFFICE OF THE MAYOR" PASS FIRST READING and BE ORDERED TO PRINT; and
3. That County Communication No. 01-284 be FILED.

Adoption of this report is respectfully requested.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

November 16, 2001
Page 4

Committee
Report No. 01-220

G. RIKI HOKAMA Chair

PATRICK S. KAWANO Member

ALAN M. ARAKAWA Member

MICHAEL J. MOLINA Member

ROBERT CARROLL Member

WAYNE K. NISHIKI Member

JO ANNE JOHNSON Member

CHARMAINE TAVARES Member

DAIN P. KANE Member