

COUNCIL OF THE COUNTY OF MAUI
**HUMAN SERVICES AND
ECONOMIC DEVELOPMENT COMMITTEE**

March 15, 2002

**Committee
Report No.** 02-41

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

Chair and Members:

Your Human Services and Economic Development Committee, having met on February 28, 2002, makes reference to County Communication No. 02-39, from the Economic Development Coordinator, transmitting a proposed resolution entitled "AUTHORIZING A GRANT OF A LEASE OF COUNTY REAL PROPERTY TO LOKAHI PACIFIC FOR THE WAILUKU SMALL BUSINESS MARKET CENTER".

The purpose of the proposed resolution is to authorize a 30-year lease to Lokahi Pacific, a private nonprofit agency, for \$1.00 per year for the use of County-owned property located at 62 Market Street, Wailuku, for the Wailuku Small Business Market Center.

At its meeting, your Committee met with the Director of Housing and Human Concerns; an Economic Development Specialist; a Deputy Corporation Counsel; and Jo-Ann Ridao, Executive Director of Lokahi Pacific.

Three people provided testimony in support of the proposed resolution.

The Economic Development Specialist and Ms. Ridao provided your Committee with an overview of the proposed project at the subject parcel. They explained that the Small Business Market Center project is part of the County of Maui's plan for economic revitalization of Wailuku town. The project will provide (1) small business incubator shops for start-up retail businesses to test market their products; (2) a commercial kitchen; (3) cooperative and private office space for small business support services and (4) a 4-unit affordable housing project.

The project site shares a parcel with Iao Theater and vacant land, which will be developed into a community park with a police kiosk and public restrooms. The building, also known as the "Blue Hawaii Building", was built in the 1920s and was used primarily for retail and office space over the years. It is currently

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not in use. A recent inspection of the building showed that it was deemed "unsafe" for use due to extensive termite damage.

Lokahi Pacific intends to use approximately \$1.3 - \$1.5 million in grants and other funding sources to demolish all but the façade of the building. Utilizing the existing footprint, Lokahi Pacific will then construct a new building incorporating the existing façade. The architectural plans are consistent with the Wailuku/Market Street Master Plan and Wailuku Design Guidelines as adopted by the Maui Redevelopment Agency.

Your Committee expressed its support of the project, and recommended that the proposed resolution be revised to insert the word "approximately" before the project estimate amount of \$1.3 million. Your Committee voted to recommend adoption of the revised resolution, and filing of the communication.

Your Committee is in receipt of a revised proposed resolution entitled "AUTHORIZING A GRANT OF A LEASE OF COUNTY REAL PROPERTY TO LOKAHI PACIFIC FOR THE WAILUKU SMALL BUSINESS MARKET CENTER" incorporating a non-substantive revision.

Your Human Services and Economic Development Committee **RECOMMENDS** the following:

1. That Resolution No. _____, as revised herein and attached hereto, entitled "AUTHORIZING A GRANT OF A LEASE OF COUNTY REAL PROPERTY TO LOKAHI PACIFIC FOR THE WAILUKU SMALL BUSINESS MARKET CENTER", be ADOPTED; and
2. That County Communication No. 02-39 be FILED.

Adoption of this report is respectfully requested.

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