

COUNCIL OF THE COUNTY OF MAUI

GOVERNMENT RELATIONS COMMITTEE

June 18, 2004

Committee

Report No. 04-88

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

Chair and Members:

Your Government Relations Committee, having met on June 2, 2004, makes reference to County Communication No. 04-123, from the Mayor transmitting a proposed resolution entitled "ACCEPTING DEDICATION OF REAL PROPERTY SITUATE AT OMAOPIO, MAKAWAO, MAUI, HAWAII, FROM THE STATE OF HAWAII PURSUANT TO SECTION 3.44.015, MAUI COUNTY CODE".

The purpose of the proposed resolution is to accept the dedication of 3.91 acres of land from the State of Hawaii, by Executive Order No. 4018, located in Omaopio, Makawao, Maui, Hawaii (TMK: (2) 2-3-003:023), and take over the exclusive management and control of the property for the upgrade of the Maui Agricultural Processing & Marketing Center, also known as the "Vacuum Cooling Plant".

At its meeting, your Committee met with the Economic Development Coordinator, an Economic Development Specialist from the Office of Economic Development, and a Deputy Corporation Counsel.

There was no public testimony.

The Office of Economic Development representatives explained that the County is required to secure the property as a condition of receiving Federal Economic Development Administration (EDA) grant funds for the project. They distributed copies of correspondence dated April 23, 2004, from the Economic Development Coordinator to the Chair of your Budget and Finance Committee, transmitting information on the Economic Development Coordinator's request for a \$400,000 appropriation, to provide matching funds for the project. The Council subsequently approved the \$400,000 appropriation.

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The Office of Economic Development representatives further noted that the construction bids for the Vacuum Cooling Plant were due by June 3, 2004, at which time they would have a better idea of the construction cost, and whether additional County funds would be needed to complete the project. The grant requires the County to start construction by September 6, 2004. At a later date, a Request for Proposals will be published for the operation and management of the facility.

The Office of Economic Development representatives further stated that there are no liens, outstanding loans, or title problems associated with the property. They said an updated title search was done. An environmental assessment was also done, and no one came forward to challenge title.

Your Committee discussed at length the advantages and disadvantages of accepting the proposed property from the State, especially regarding the added financial burdens that undertaking this project will place on the County.

Your Committee questioned whether Section 3.44.015 of the Maui County Code, relating to the acquisition of real property, was the appropriate way for the County to accept the transfer of management and control of real property pursuant to a State Executive Order.

The Deputy Corporation Counsel advised that Section 3.44.015 of the Maui County Code provides for the acceptance of "any interest" in a subject property, including management and control.

Based on the information provided at the meeting, your Committee voted to adopt the proposed resolution with the following revisions: (1) revise the title and relevant sections of the resolution to clarify that only exclusive management and control of the property is being granted by the State to the County; (2) insert language to acknowledge that the County must obtain management and control of the property in order to receive the EDA grant funds; and (3) insert language stating that the Council is accepting the condition imposed by the EDA grant to further the public purpose of supporting the local produce farming industry.

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Your Committee is in receipt of a revised proposed resolution entitled "ACCEPTING EXCLUSIVE MANAGEMENT AND CONTROL OF REAL PROPERTY SITUATE AT OMAOPIO, MAKAWAO, MAUI, HAWAII, FROM THE STATE OF HAWAII PURSUANT TO SECTION 3.44.015, MAUI COUNTY CODE". The purposes of the proposed resolution are to: (1) accept exclusive management and control of 3.91 acres of land from the State of Hawaii, by Executive Order No.4018, located in Omaopio, Makawao, Maui, Hawaii (TMK: (2) 2-3-003:023) for the upgrade of the Maui Agricultural Processing & Marketing Center, also known as the "Vacuum Cooling Plant"; (2) acknowledge that the County must retain exclusive management and control of the property in order to receive the EDA grant funds; and (3) acknowledge that the County agrees to the condition imposed by EDA grant fund rules because it serves a public purpose, namely, supporting the local produce farming industry.

Your Government Relations Committee RECOMMENDS the following:

1. That Resolution No. _____, as revised herein and attached hereto, entitled "ACCEPTING EXCLUSIVE MANAGEMENT AND CONTROL OF REAL PROPERTY SITUATE AT OMAOPIO, MAKAWAO, MAUI, HAWAII, FROM THE STATE OF HAWAII PURSUANT TO SECTION 3.44.015, MAUI COUNTY CODE", be ADOPTED; and
2. That County Communication No. 04-123 be FILED.

Adoption of this report is respectfully requested.

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DAIN P. KANE **Chair**

MICHAEL J. MOLINA **Member**

G. RIKI HOKAMA **Vice-Chair**

CHARMAINE TAVARES **Member**

DANNY A. MATEO **Member**