

COUNCIL OF THE COUNTY OF MAUI

**ECONOMIC DEVELOPMENT, ENERGY,
AGRICULTURE, AND RECREATION
COMMITTEE**

March 11, 2014

Committee
Report No. _____

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

Chair and Members:

Your Economic Development, Energy, Agriculture, and Recreation Committee, having met on February 18, 2014, makes reference to County Communication 13-326, from Councilmember Don S. Guzman, relating to the matter of the Economic Development Revolving Fund ("EDRF").

By correspondence dated February 7, 2014, the Chair of your Committee requested the Department of the Corporation Counsel approve as to form and legality a proposed bill, entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.81, MAUI COUNTY CODE, RELATING TO ADMINISTRATION OF THE ECONOMIC DEVELOPMENT REVOLVING FUND".

The purpose of the proposed bill is to establish procedures for the administration of the EDRF and require a nonrefundable application processing fee as set forth in the annual budget.

Your Committee revised the proposed bill to delete the mandatory requirement for the application fee but requests entities to submit an application to the Director of Economic Development to initiate the use of the EDRF.

According to the Director of Economic Development, businesses and nonprofit organizations would be able to apply for funds from the EDRF to expand economic development program opportunities in the County. The Director noted funds would be available as a matching grant at a minimum of \$50,000. The EDRF program currently has \$1 million available to entities wishing to pursue economic development activities.

The Director informed your Committee that no fee will be charged until the Office of Economic Development is able to assess and justify an amount. The Chair of your Committee emphasized that the revised proposed bill would allow the Office to submit proposed legislation with its suggested fee after the Office has determined an appropriate amount.

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Your Committee voted 5-0 to recommend passage of the revised proposed bill on first reading and filing of the communication. Committee Chair Guzman and members Baisa, Crivello, Victorino and White voted "aye". Committee Vice-Chair Carroll and member Cochran were excused.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions.

Your Economic Development, Energy, Agriculture, and Recreation Committee RECOMMENDS the following:

1. That Bill _____ (2014), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.81, MAUI COUNTY CODE, RELATING TO ADMINISTRATION OF THE ECONOMIC DEVELOPMENT REVOLVING FUND", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 13-326 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



DON S. GUZMAN, Chair

ORDINANCE NO. _____

BILL NO. _____ (2014)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.81,
MAUI COUNTY CODE, RELATING TO ADMINISTRATION OF THE ECONOMIC
DEVELOPMENT REVOLVING FUND

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Section 3.81.030, Maui County Code, is amended to read as follows:

“Administration. A. The director of finance shall establish a separate account to record all revenues and expenses as a result of the economic development programs established in the County.

B. There shall be deposited into the economic development revolving fund any council appropriations to the fund and all moneys donated to the County for economic development programs.

C. [Any] Except for application processing fees deemed appropriated pursuant to subsection E, any proposed appropriation shall be submitted to the [Council] council for approval as a budget appropriation in either the annual budget or a proposed amendment to the budget ordinance. In adopting each fiscal year’s budget and capital program, the council may make appropriations to the fund.

D. The director of finance with the coordinator for the office of economic development may adopt administrative rules necessary to carry out the purpose of this chapter. Prior to the adoption of any administrative rules, pursuant to section 91-3, Hawaii Revised Statutes, the council shall have an opportunity for review of the proposed administrative rules.

E. A request for use of the fund shall be initiated by filing an application with the director of economic development. Applications may include a non-refundable application processing fee as set forth in the annual budget ordinance. The fees collected pursuant to this section are deemed appropriated upon receipt and are authorized to be expended for processing of the application.”

SECTION 2. Section 3.81.040, Maui County Code, is amended to read as follows:

“Use of Fund. [Council] Except for application processing fees deemed appropriated pursuant to subsection 3.81.030(E), council appropriations from the economic development revolving fund shall be for the public purposes set forth in section 3.81.020. Such appropriations may include authorizing grants or loans to any nonprofit or for-profit organization; leveraging funds provided by federal,

state, nonprofit, or for-profit organizations and other non-County entities to expand economic development program opportunities in the County; and other economic development initiatives.”

SECTION 3. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui

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