

COUNCIL OF THE COUNTY OF MAUI
**ECONOMIC DEVELOPMENT, ENERGY,
AGRICULTURE, AND RECREATION
COMMITTEE**

November 4, 2016

**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 October 18, 2016, makes reference to County Communication 16-234, from Councilmember Stacy Crivello, relating to the Molokai Enterprise Zone.

Your Committee is in receipt of a proposed resolution, entitled "AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO DESIGNATE THE ISLAND OF MOLOKAI AS AN ENTERPRISE ZONE FOR TWENTY YEARS DUE TO EXPIRATION OF THE PRIOR ENTERPRISE ZONE DESIGNATION, PURSUANT TO SECTION 3.80.030, MAUI COUNTY CODE," from the Economic Development Director.

The purpose of the proposed resolution is to authorize the Mayor to submit an application to the State Department of Business, Economic Development and Tourism for processing and recommendation to the Governor for designation of the Island of Molokai as an Enterprise Zone, pursuant to Section 3.80.030(D), Maui County Code.

Your Committee notes Hawaii's Enterprise Zone Program was created by Act 78 (1986) and codified as Chapter 209E, Hawaii Revised Statutes, to increase business activity, job retention, and job creation in areas and industries where they are most needed and most appropriate via tax and other incentives. The program was implemented in Maui County by the enactment of Chapter 3.80, Maui County Code, in 1994.

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The Economic Development Director informed your Committee the program is a collaboration between the State and the County, with each providing some incentives, and allowing each county to select up to six areas meeting unemployment or income criteria for 20-year designations as Enterprise Zones. Eligible businesses within an Enterprise Zone may apply for incentives.

Pursuant to Chapter 3.80, the Council may nominate an area in the County for designation as an Enterprise Zone by adopting a resolution after a public hearing.

Your Committee notes the current Molokai Enterprise Zone designation will expire on December 31, 2016.

Your Committee expressed its support for the Molokai Enterprise Zone designation.

Your Committee is in receipt of a revised proposed resolution, incorporating nonsubstantive revisions.

Your Committee voted 4-0 to recommend filing of the communication. Committee Chair Guzman, Vice-Chair Cochran, and members Crivello and Hokama voted "aye." Committee members Couch, Victorino, and White were excused.

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

1. That County Communication 16-234 be FILED;
2. That a PUBLIC HEARING be HELD on Resolution _____, attached hereto, entitled "AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO DESIGNATE THE ISLAND OF MOLOKAI AS AN ENTERPRISE ZONE FOR TWENTY YEARS DUE TO EXPIRATION OF THE PRIOR ENTERPRISE ZONE DESIGNATION, PURSUANT TO SECTION 3.80.030, MAUI COUNTY CODE"; and
3. That following the public hearing, the resolution shall be SCHEDULED for further consideration.

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



DON S. GUZMAN, Chair

ear:cr:16073aa:scb

Resolution

No. _____

AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO DESIGNATE THE ISLAND OF MOLOKAI AS AN ENTERPRISE ZONE FOR TWENTY YEARS DUE TO EXPIRATION OF THE PRIOR ENTERPRISE ZONE DESIGNATION, PURSUANT TO SECTION 3.80.030, MAUI COUNTY CODE

WHEREAS, the State of Hawaii previously designated the Island of Molokai as an enterprise zone pursuant to Chapter 209E, Hawaii Revised Statutes, and Chapter 6 of Title 15, Hawaii Administrative Rules, for a twenty-year period; and

WHEREAS, the designated Molokai Enterprise Zone's twenty-year period will expire on December 31, 2016; and

WHEREAS, the criteria for designating the Island of Molokai as an enterprise zone remains applicable and such designation has proven to stimulate economic development on the Island of Molokai and the County of Maui; and

WHEREAS, the County of Maui desires to continue to encourage sound economic development and generate employment by providing tax incentives to approved businesses within such an enterprise zone by having the Island of Molokai again designated as an enterprise zone for another twenty-year period; and

Resolution No. _____

WHEREAS, Section 3.80.030, Maui County Code, provides that nomination for designation as enterprise zone requires approval by the Council of the County of Maui by resolution; and

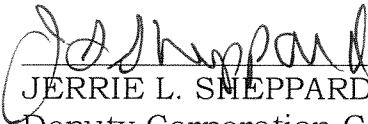
WHEREAS, the County of Maui will offer eligible Molokai businesses a three-year exemption from any increase in property taxes resulting from new construction in the enterprise zone; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it does hereby authorize the Mayor to submit an application to the State Department of Business, Economic Development and Tourism, for processing and recommendation to the Governor, for designation of the Island of Molokai as an enterprise zone; and

2. That certified copies of this resolution be transmitted to the Mayor and the Director of the Office of Economic Development.

APPROVED AS TO FORM AND LEGALITY:



JERRIE L. SNEPPARD
Deputy Corporation Counsel
County of Maui 2014-3080/2016-1203