

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

February 22, 2008

Committee
Report No.

08-29

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 February 4, 2008, makes reference to County Communication No. 08-4, from the Mayor, regarding a funding source for the Montana Beach Condominium settlement.

By correspondence dated January 28, 2008, the Budget Director transmitted a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2008 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING SPECIAL FUNDS FOR FISCAL YEAR 2008, FOR LAND ACQUISITION, APARTMENT B, MONTANA BEACH CONDOMINIUM, PAIA, MAUI, HAWAII".

The purpose of the proposed bill is to amend Appendix A as it pertains to Part II, Special Purpose Revenues – Schedule of Revolving Special Funds for Fiscal Year 2008, by adding a line item in the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund in the amount of \$3,000,000 for the acquisition of Apartment B, Montana Beach Condominium, Paia, Hawaii, Tax Map Key No. (2) 2-5-005-014 CPR #2.

Your Committee notes that pursuant to Section 9-19, Revised Charter of the County of Maui (1983), as amended, the Council shall appropriate a minimum of 1 percent of the certified real property tax revenues to a fund known as the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation (Open Space) Fund for the acquisition of property and lands in order to preserve and protect public access to, and enjoyment of, public land, open space, and recreational facilities.

Your Committee further notes that Resolution No. 08-3 approved the settlement of the Federal and State lawsuits alleging constitutional violations arising from the rescission of an exemption for a Special Management Area permit for the subject property.

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At its meeting, your Committee met with the Budget Director; the Director of Finance; the First Deputy Corporation Counsel; a Deputy Corporation Counsel; and Dale Bonar, Executive Director, Maui Coastal Land Trust.

Mr. Bonar provided oral and written testimony opposing the use of Open Space funds to acquire Apartment B, Montana Beach Condominium.

The Deputy Corporation Counsel explained that the settlement of the Federal and State lawsuits requires the County to purchase Apartment B of the Montana Beach Condominium property for \$3,000,000 and pay \$1,100,000 in damages.

The Director of Finance stated that the proposed appropriation of \$3,000,000 from the Open Space Fund will be for the purchase of the property. The \$1,100,000 of damages will be paid from the Fiscal Year 2008 Budget appropriation in the Department of Finance for Insurance Programs and Self Insurance.

Your Committee noted that there is \$5,000,000 available in the Open Space Fund and the purchase of the Montana Beach Condominium, consisting of 2.5 acres of beach front property, would allow the County to move forward with its plans for a public beach park in Paia, Maui.

Your Committee voted to recommend passage of the proposed bill and filing of the communication.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Bill No. _____, attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2008 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING SPECIAL FUNDS FOR FISCAL YEAR 2008, FOR LAND ACQUISITION, APARTMENT B, MONTANA BEACH CONDOMINIUM, PAIA, MAUI, HAWAII, be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication No. 08-4 be FILED.

Adoption of this report is respectfully requested.

