

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

September 19, 2003

**Committee
Report No.**

03-98

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 September 2, 2003, makes reference to County Communication No. 02-179, from former Mayor James "Kimo" Apana, transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATION FROM THE GENERAL FUND FOR COUNTYWIDE LAND ACQUISITION".

The purpose of the proposed bill is to amend the Fiscal Year (FY) 2003 Capital Improvement Project (CIP) appropriation for Countywide Land Acquisition to add a grant up to \$1 million to the Maui Coastal Land Trust (MCLT) for the acquisition of real property identified as Tax Map Key (TMK) Nos. 3-2-10:1, 3-2-10:2, 3-2-12:1, and 3-2-13:10.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2002 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATION FROM THE GENERAL FUND FOR COUNTYWIDE LAND ACQUISITION".

The purpose of the proposed bill is to amend the FY 2002 CIP appropriation for Countywide Land Acquisition to add a grant up to \$1 million to the MCLT for the acquisition of real property identified as TMK Nos. 3-2-10:1, 3-2-10:2, 3-2-12:1, and 3-2-13:10.

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Your Committee notes that, collectively, the real property represented by the specific TMK numbers are frequently referred to as the "old Waihe'e Dairy site".

Your Committee notes that County Communication No. 02-179 was referred to the prior Council's Budget and Finance Committee at the Council meeting of September 24, 2002.

Your Committee further notes that it previously reported on this matter through Committee Report No. 02-147, which recommended that the proposed bill amending the FY 2002 Budget be passed on first reading and ordered to print. At its meeting of November 15, 2002, the Council adopted Committee Report No. 02-147 (Bill No. 70 (2002)).

Your Committee further notes that the prior Council's Budget and Finance Committee deferred action on the proposed bill amending the FY 2003 Budget because it wanted to retain funding for acquisition options that may be available in other areas of the County.

At its meeting of December 17, 2002, the prior Council recommended that County Communication No. 02-179 be referred to the Council Chair for the term beginning January 2, 2003, for a recommendation as to referral or other disposition.

At its meeting of January 10, 2003, the Council referred County Communication No. 02-179 to your Budget and Finance Committee (County Communication No. 03-7).

By correspondence dated January 29, 2003, your Committee Chair requested that the Budget Director provide a status report on the MCLT grant and acquisition of the old Waihe'e Dairy site.

By correspondence dated February 5, 2003, the Budget Director transmitted correspondence dated February 2, 2003 from Dale B. Bonar, Executive Director of the MCLT, which provided a status report on the project. In addition, the Budget Director informed your Committee that the FY 2002 funds lapsed as of December 31, 2002.

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By correspondence dated August 26, 2003, the Budget Director transmitted a revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATION FROM THE GENERAL FUND FOR COUNTYWIDE LAND ACQUISITION". The purpose of the revised proposed bill is to amend the CIP appropriation for Countywide Land Acquisition to: (1) indicate that the funds will be a grant to Maui Coastal Land Trust; (2) provide TMK numbers for the real property that will be acquired; and (3) include updates of prior budget amendments.

At its meeting, your Committee met with the Budget Director; a Deputy Corporation Counsel; and Dale B. Bonar, Executive Director of the MCLT.

Your Committee received testimony from former Mayor James "Kimo" Apana, expressing support for the grant to the MCLT for the acquisition of the old Waihe'e Dairy site.

Your Committee received written testimony dated September 2, 2003, from Mr. Bonar, attaching copies of the following:

1. Correspondence dated August 28, 2003, from Mr. Bonar, and Maureen Bond, Vice President, Treasurer, Waihe'e Oceanfront Hawaii, Inc., stating that they had reached an agreement on the acquisition terms;
2. Correspondence dated November 21, 2002, from the Acting Regional Director of the United States Department of the Interior, Fish and Wildlife Service (USFWS) to Michael Buck, Administrator, State Department of Land and Natural Resources (DLNR), Division of Forestry and Wildlife, confirming the award of the \$1 million for the acquisition from the USFWS Coastal Wetlands Conservation Acquisition Program;

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3. Correspondence dated October 2, 2002 from the USFWS to Gilbert Coloma-Agaran, Chairperson, DLNR, confirming the award of a second \$1 million for the acquisition from the USFWS Endangered Species Act, Section 6 funds; and
4. An aerial photo of the acquisition area.

Mr. Bonar informed your Committee that the land acquisition will consist of 277 acres, as opposed to the original 313 acres. A site (TMK No. 3-2-12:1), approximately 35 acres, is being purchased by another developer.

Mr. Bonar stated that the MCLT and the seller, Waihe'e Oceanfront Hawaii, Inc., have agreed to a sale price of \$4.8 million. The contract is currently under review by the attorneys for both organizations and will include a six-month closing date. The acquisition will be paid from funds as follows: \$1 million from the County of Maui grant; \$1 million from the USFWS Coastal Wetlands Acquisition Program; \$1 million from the USFWS Endangered Species Act, Section 6 funds; and \$800 thousand from the MCLT capital campaign.

Your Committee requested that Mr. Bonar provide a copy of the Environmental Assessment and a copy of the signed purchase contract when available.

Your Committee notes that although the Council previously voted to reduce the appropriation for the Wailuku-Kahului Community Plan District in Subsection 1.A.4.a(3)(i) of the revised proposed bill, the provision for the Kalana O Maui Building was inadvertently retained in the bill.

Your Committee requested that the Department of the Corporation Counsel further revise the proposed bill to: (1) add brackets around the provision for the Kalana O Maui Building; (2) delete reference to "TMK: 3-2-12:1"; and (3) revise the title and Section 1 of the proposed bill to appropriately reflect the subject matter.

Your Committee voted to recommend the passage of the revised proposed bill on first reading.

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Your Committee is in receipt of a revised proposed bill, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS FROM THE GENERAL FUND FOR WAILUKU-KAHULUI COMMUNITY PLAN DISTRICT GOVERNMENT FACILITIES AND FOR COUNTYWIDE LAND ACQUISITION", approved as to form and legality by the Department of the Corporation Counsel. The revised proposed bill incorporates the changes requested by your Committee.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. _____ (2003), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS FROM THE GENERAL FUND FOR WAILUKU-KAHULUI COMMUNITY PLAN DISTRICT GOVERNMENT FACILITIES AND FOR COUNTYWIDE LAND ACQUISITION" be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication No. 02-179 be FILED.

Adoption of this report is respectfully requested.

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G. RIKI HOKAMA **Chair**

DANNY A. MATEO **Member**

WAYNE K. NISHIKI **Vice-Chair**

MICHAEL J. MOLINA **Member**

ROBERT CARROLL **Member**

JOSEPH PONTANILLA **Member**

JO ANNE JOHNSON **Member**

CHARMAINE TAVARES **Member**

DAIN P. KANE **Member**