

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

August 24, 2004

Committee
Report No. 04-123

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 June 29, 2004, makes reference to Contract No. G1377-2, between the County of Maui and the Maui County Farm Bureau, Inc. (MCFB), relating to the Maui Agriculture Processing and Marketing Center (hereinafter referred to as "the Project").

Your Committee notes that the purpose of the second amendment to Contract No. G1377 is to decrease the grant amount by \$231,400 from \$287,723 to \$56,323.

Your Committee further notes that the original contract, Contract No. G1377, awarded a one-year grant (from June 27, 2002 to June 27, 2003) to the MCFB to develop and implement a plan for the Maui County agriculture industry for the Project. The Project would provide needed services for Maui farmers to ensure an adequate income from farming. The grant amount was \$287,723.

Your Committee further notes that the first amendment extended the contract period of performance from June 27, 2003 to January 31, 2005.

Your Committee further notes that the second amendment deletes the architectural design portion of the Project. A separate contract was issued for the architectural design. The grant to MCFB includes only the consultant's fees for the project manager's salary.

At its meeting, your Committee met with the Director of Finance, the Economic Development Coordinator, and the First Deputy Corporation Counsel.

There was no public testimony.

The Economic Development Coordinator provided a brief overview of the Project. She informed your Committee that the Project's scope has changed

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from the original contract, and that the cost estimate for construction has increased significantly. In addition, she stated that the Project's design is not in compliance with new regulations from the United States Food and Drug Administration (FDA).

The Economic Development Coordinator stated that the Mayor has reviewed the current situation with representatives of the Economic Development Administration (EDA), an agency in the United States Department of Commerce, which is providing funding for construction of the Project. The EDA has suggested that the grant for \$287,723 be cancelled, that the facility be redesigned for compliance with EDA and FDA regulations, and that the County reapply for funds when the Project is ready.

Your Committee voted to recommend filing the contract.

Your Budget and Finance Committee RECOMMENDS that Contract No. G1377-2 be FILED.

Adoption of this report is respectfully requested.

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