

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

March 11, 2005

**Committee**  
**Report No.**

05-11

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 15, 2005 and February 22, 2005, makes reference to County Communication No. 05-68, from the Budget Director, transmitting the following:

1. A proposed resolution entitled "AUTHORIZING ACCEPTANCE OF A DONATION FROM SVO PACIFIC, INC., TO THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT, COUNTY OF MAUI, PURSUANT TO SECTION 13-8, REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, AND CHAPTER 3.56, MAUI COUNTY CODE".

The purpose of the proposed resolution is to authorize acceptance of a \$1.5 million donation from SVO Pacific, Inc. for the Keawe Street Extension Project.

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT".

The purpose of the proposed bill is to amend Appendix A, Part I, of the Fiscal Year 2005 Budget, as it pertains to the Department of Public Works and Environmental Management by appropriating the \$1.5 million donation from SVO Pacific, Inc. for the Keawe Street Extension Project.

Your Committee notes that the donation is a requirement of Condition No. 23 of the Special Management Area (SMA) permit for the Westin Kaanapali Ocean Resort, Lot. 2 project.

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

March 11, 2005  
Page 2

Committee  
Report No. 05-11

Your Committee further notes that on October 8, 2004, the Maui Planning Commission approved the SMA permit by requiring that the applicant initially contribute \$1.5 million toward funding the County's construction of the Keawe Street Extension Project. Condition No. 23 also required that if \$1.5 million in Federal funds are not available for the project, the applicant shall pay up to an additional \$1.5 million, for a total of \$3.0 million. If the Federal funds are available and used for the project, the applicant shall, if necessary, contribute up to an additional \$300,000 for cost overruns, or up to a total contribution of \$1.8 million.

By correspondence dated February 14, 2005, the Chair of your Committee transmitted copies of correspondence relating to SVO Pacific, Inc. submitted by the Department of Planning.

At its meeting of February 15, 2005, your Committee received public testimony from the Executive Director of the West Maui Taxpayers Association in support of receiving the funds for the Keawe Street Extension Project.

Your Committee received a document entitled "COUNTY OF MAUI KEAWE STREET EXTENTION PROJECT APPROPRIATIONS/AUTHORIZATIONS CHANGES" from the Department of Finance.

Your Committee deferred the matter without discussion.

At its meeting of February 22, 2005, your Committee met with the Budget Director, the Director of Finance, the Accounting Systems Administrator from the Department of Finance, the Director of Public Works and Environmental Management, a Civil Engineer from the Department of Public Works and Environmental Management, the Administrative Planning Officer of the Department of Planning, and the First Deputy Corporation Counsel.

Your Committee received public testimony from the Executive Director of the West Maui Taxpayers Association in support of the Keawe Street Extension Project.

The Director of Public Works and Environmental Management stated that the intent of the donation was to provide the County's matching share of funds

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

March 11, 2005  
Page 3

Committee  
Report No. 05-11

needed for the Keawe Street Extension Project. He noted that Keawe Street will intersect with the State's Phase IA of the Lahaina Bypass and will help alleviate traffic congestion on Lahainaluna Road.

The Administrative Planning Officer provided an overview of Condition No. 23 of the SMA permit for the Westin Kaanapali Ocean Resort, Lot 2 project. He noted that the authority for specific conditions for SMA approval lies with the Maui Planning Commission. Condition No. 23 was negotiated and approved by the Maui Planning Commission. He further noted that there is no relationship between the Keawe Street Extension Project and Condition No. 23.

Your Committee notes that Chapter 3.56 of the Maui County Code, relating to gifts and donations, defines "gifts and donations" as "...money, personal property and real property, including alterations thereto, offered to the County for less than fair market value but shall not include personal services or grants from other governmental agencies".

Since the "donation" is a requirement of Condition No. 23, your Committee requested that the proposed resolution be revised as follows:

1. In the first "WHEREAS" clause, substitute "desires to donate" with "is required to donate a minimum of";
2. In the first "WHEREAS" clause, add a reference to the permit number or condition which is referenced in Exhibit "A"; and
3. In the first "BE IT RESOLVED" clause, delete "expresses its appreciation and".

Your Committee voted to recommend adoption of the revised proposed resolution, passage of the proposed bill on first reading, and filing of the communication.

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

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

March 11, 2005  
Page 4

Committee  
Report No. 05-11

Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution No. \_\_\_\_\_, as revised herein and attached hereto, entitled "AUTHORIZING ACCEPTANCE OF A DONATION FROM SVO PACIFIC, INC., TO THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT, COUNTY OF MAUI, PURSUANT TO SECTION 13-8, REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, AND CHAPTER 3.56, MAUI COUNTY CODE" be ADOPTED;
2. That Bill No. \_\_\_\_\_ (2005), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2005 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT" be PASSED ON FIRST READING and be ORDERED TO PRINT; and
3. That County Communication No. 05-68 be FILED.

Adoption of this report is respectfully requested.

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

March 11, 2005  
Page 5

Committee  
Report No. 05-11

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**DAIN P. KANE** **Chair**

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**DANNY A. MATEO** **Member**

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**G. RIKI HOKAMA** **Vice-Chair**

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**MICHAEL J. MOLINA** **Member**

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**MICHELLE ANDERSON** **Member**

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**JOSEPH PONTANILLA** **Member**

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**ROBERT CARROLL** **Member**

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**CHARMAINE TAVARES** **Member**

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**JO ANNE JOHNSON** **Member**