# BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

November 7, 2025	Committee	
	Report No.	

Honorable Chair and Members of the County Council County of Maui Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on October 21, 2025, makes reference to the following:

1. Resolution 25-193, entitled "AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO DESIGNATE THE NAPILI ENTERPRISE ZONE ON THE ISLAND OF MAUI FOR TWENTY YEARS BECAUSE OF THE EXPIRATION OF THE PRIOR WEST MAUI ENTERPRISE ZONE DESIGNATION, UNDER SECTION 209-E, HAWAII REVISED STATUTES, CHAPTER 6 OF TITLE 15, HAWAII ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE."

Resolution 25-193's purpose is to authorize the Mayor to request that the Governor designate the proposed Nāpili Enterprise Zone on Maui Island for a 20-year period.

2. Resolution 25-194, entitled "AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO REDESIGNATE THE GREATER ENTERPRISE ZONE ON THE ISLAND OF MAUI, WITH PROPOSED ADJUSTMENTS, FOR TWENTY YEARS BECAUSE OF THE EXPIRATION OF THE PRIOR ENTERPRISE ZONE DESIGNATION, UNDER SECTION 209-E, HAWAII REVISED CHAPTER 6 OF TITLE 15, ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE."

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Resolution 25-194's purpose is to authorize the Mayor to request that the Governor redesignate the Greater Maui Enterprise Zone on Maui Island, with proposed adjustments, for a 20-year period.

Your Committee notes the following:

- The proposed Nāpili Enterprise Zone is part of the West Maui Enterprise Zone and is the only tract within the West Maui Enterprise Zone eligible for redesignation.
- The proposed Nāpili Enterprise Zone and existing Greater Maui Enterprise Zone are depicted in maps attached to Resolutions 25-193 and 25-194, respectively.
- The West Maui and Greater Maui Enterprise Zone designations will expire on April 30, 2026.

Your Committee notes that the Hawaii Enterprise Zones Program is administered by the State Department of Business, Economic Development and Tourism. The program promotes private investment and job creation in economically distressed areas.

Your Committee further notes the following qualifying criteria for businesses in an Enterprise Zone:

- Operating an eligible activity and earning at least 50 percent of gross receipts from zone operations in the same county.
- Increasing full-time employment by 10 percent in the first year and maintaining that level thereafter, or, for agricultural producers or processors, increasing agricultural sales by two percent each year.

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Benefits for qualified businesses may include:

- State income tax credits beginning at 80 percent in year one and decreasing to 20 percent by year seven.
- A General Excise Tax exemption on eligible activities. Licensed contractors performing work for a qualified business would also be eligible for the GET exemption.
- Additional benefits for manufacturing and agricultural producing or processing participants for three years, to include:
  - o 100 percent GET exemption on revenues.
  - o 20 percent State income-tax credit.
  - o 20 percent credit on unemployment insurance premiums.

Your Committee also notes that the Hawai'i State Legislature selects eligible industries for the program, which includes agriculture, manufacturing, information technology, biotechnology, aviation, and related sectors.

The Economic Development Director said the Administration has not finalized a request to the State Legislature to expand the list of industries. To support higher-wage jobs, the Administration is considering adding artificial intelligence, software and data science, aerospace, and creative and digital media.

Your Committee also discussed the need to include slaughterhouses and other food-processing facilities, commercial kitchens, call centers, and support for cooperatives.

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Your Committee noted that Nāpili residents and businesses had not been informed of the request to designate the Nāpili Enterprise Zone and requested that the Administration prioritize community outreach before submitting an application.

Your Committee expressed support for the Hawaii Enterprise Zones Program, a State-County partnership that boosts economic development opportunities and assists eligible businesses with job creation and tax incentives.

Your Committee voted 6-0 to recommend adoption of Resolutions 25-193 and 25-194. Committee Chair Sugimura and members Cook, Johnson, Paltin, Sinenci, and U'u-Hodgins voted "aye." Committee Vice-Chair Kama and members Lee and Rawlins-Fernandez were excused.

Your Committee is in receipt of the following, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions:

- 1. Resolution 25-193, CD1, entitled "AUTHORIZING THE MAYOR TO REQUEST THE GOVERNOR DESIGNATE THE NĀPILI ENTERPRISE ZONE ON THE ISLAND OF MAUI FOR A 20-YEAR PERIOD UNDER CHAPTER 209E, HAWAI'I REVISED STATUTES, CHAPTER 6 OF TITLE 15, HAWAI'I ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE"; and
- 2. Resolution 25-194, CD1, entitled "AUTHORIZING THE MAYOR TO REQUEST THE GOVERNOR REDESIGNATE THE GREATER MAUI ENTERPRISE ZONE ON THE ISLAND OF MAUI, WITH PROPOSED ADJUSTMENTS, FOR A 20-YEAR PERIOD UNDER CHAPTER 209E, HAWAI'I REVISED STATUTES, CHAPTER 6 OF TITLE 15, HAWAI'I ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE."

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Your Budget, Finance, and Economic Development Committee RECOMMENDS the following:

- 1. Resolution 25-193, CD1, attached, entitled "AUTHORIZING THE MAYOR TO REQUEST THE GOVERNOR DESIGNATE THE NĀPILI ENTERPRISE ZONE ON THE ISLAND OF MAUI FOR A 20-YEAR PERIOD UNDER CHAPTER 209E, HAWAI'I REVISED STATUTES, CHAPTER 6 OF TITLE 15, HAWAI'I ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE," be ADOPTED; and
- 2. Resolution 25-194, CD1, attached, entitled "AUTHORIZING THE MAYOR TO REQUEST THE GOVERNOR REDESIGNATE THE GREATER MAUI ENTERPRISE ZONE ON THE ISLAND OF MAUI, WITH PROPOSED ADJUSTMENTS, FOR A 20-YEAR PERIOD UNDER CHAPTER 209E, HAWAI'I REVISED STATUTES, CHAPTER 6 OF TITLE 15, HAWAI'I ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE," be ADOPTED.

This report is submitted in accordance with Rule 3 of the Rules of the Council.

YUKI LEI K. SUGUNURA, Chair

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## Resolution

## No. 25-193, CD1

AUTHORIZING THE MAYOR TO REQUEST THE GOVERNOR DESIGNATE THE NĀPILI ENTERPRISE ZONE ON THE ISLAND OF MAUI FOR A 20-YEAR PERIOD UNDER CHAPTER 209E, HAWAI'I REVISED STATUTES, CHAPTER 6 OF TITLE 15, HAWAI'I ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE

WHEREAS, the State of Hawai'i previously designated the West Maui Enterprise Zone under Chapter 209E, Hawai'i Revised Statutes, and Chapter 6 of Title 15, Hawai'i Administrative Rules, for a 20-year period; and

WHEREAS, the designated West Maui Enterprise Zone's 20-year period will expire on April 30, 2026; and

WHEREAS, the census tract for the proposed Nāpili Enterprise Zone is currently part of the West Maui Enterprise Zone and is the only tract within the West Maui Enterprise Zone eligible to qualify for redesignation; and

WHEREAS, a description of the proposed Nāpili Enterprise Zone along with various maps depicting relevant land and census tracts is attached as Exhibit "1"; and

WHEREAS, the criteria for designating the Nāpili Enterprise Zone remains applicable and such designation has proven to stimulate economic development on the Island of Maui and the County; and

WHEREAS, the County desires to continue to encourage sound economic development and generate employment by providing tax incentives to qualified businesses by having the Nāpili Enterprise Zone designated for a 20-year period; and

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

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

- 1. That it authorizes the Mayor to request the Governor designate the Nāpili Enterprise Zone on the Island of Maui for a 20-year period under Chapter 209E, Hawai'i Revised Statutes, Chapter 6 of Title 15, Hawai'i Administrative Rules, and Chapter 3.80, Maui County Code; and
- 2. That certified copies of this Resolution be transmitted to the Mayor and the Economic Development Director.

APPROVED AS TO FORM AND LEGALITY:

KRISTINA C. TOSHIKIYO

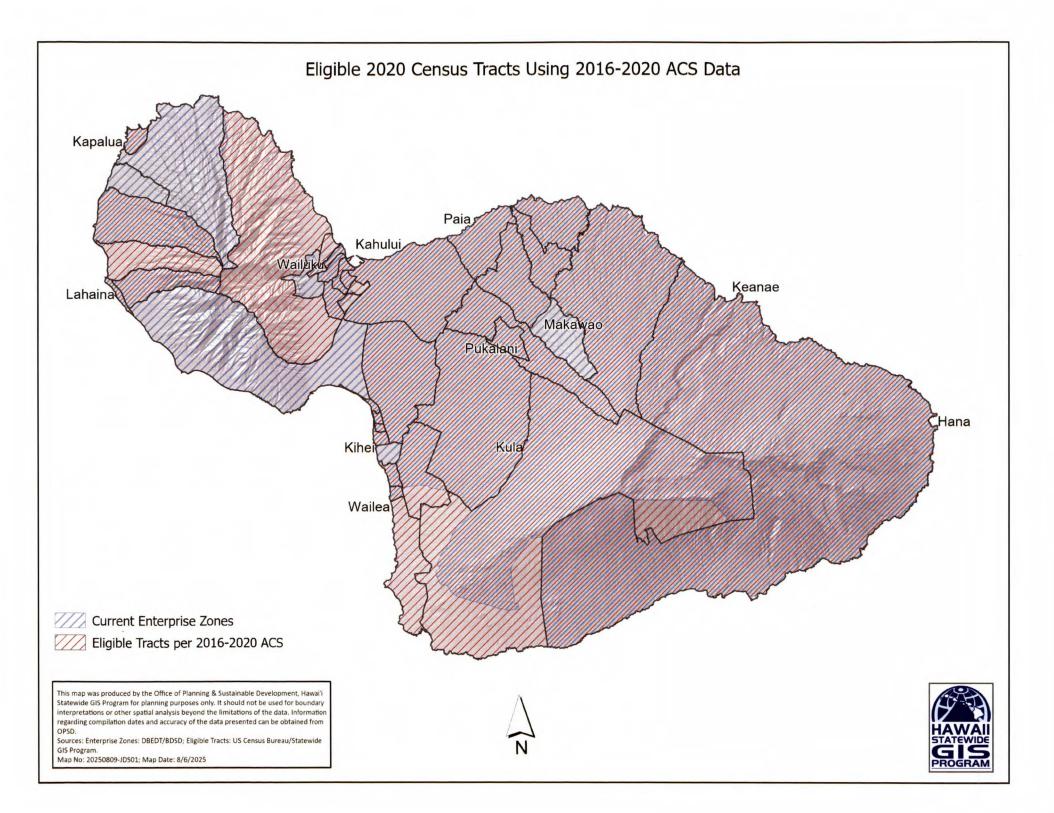
Deputy Corporation Counsel County of Maui

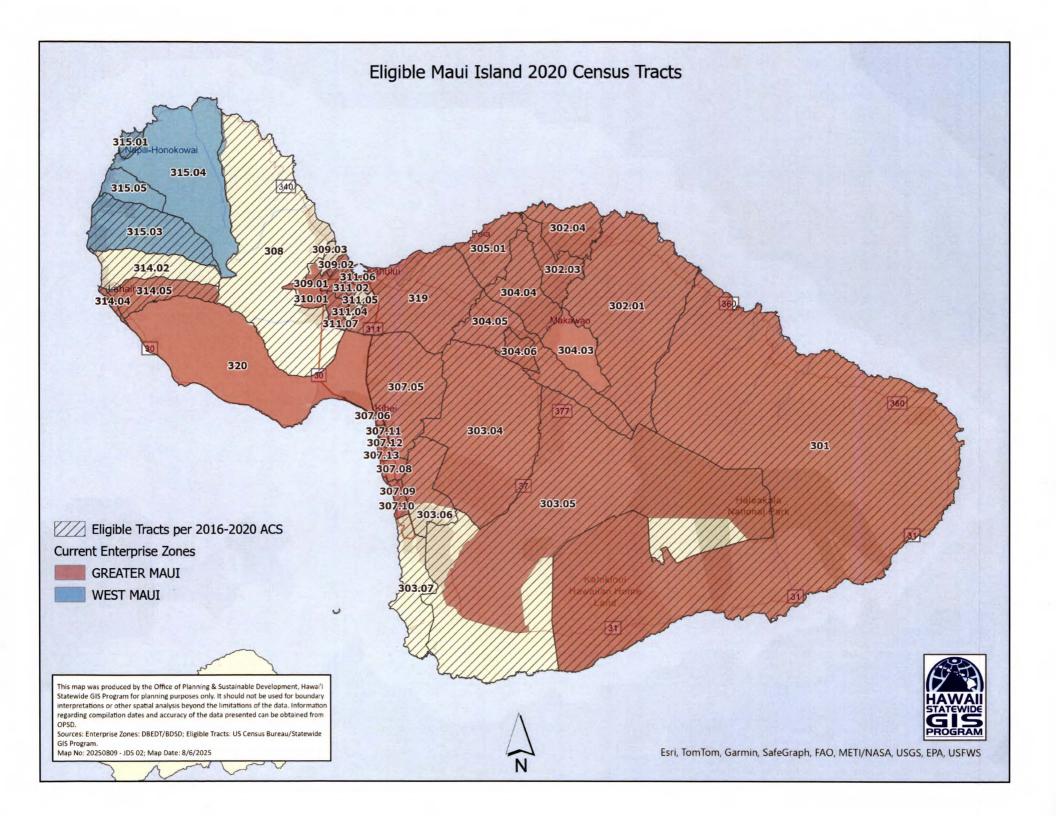
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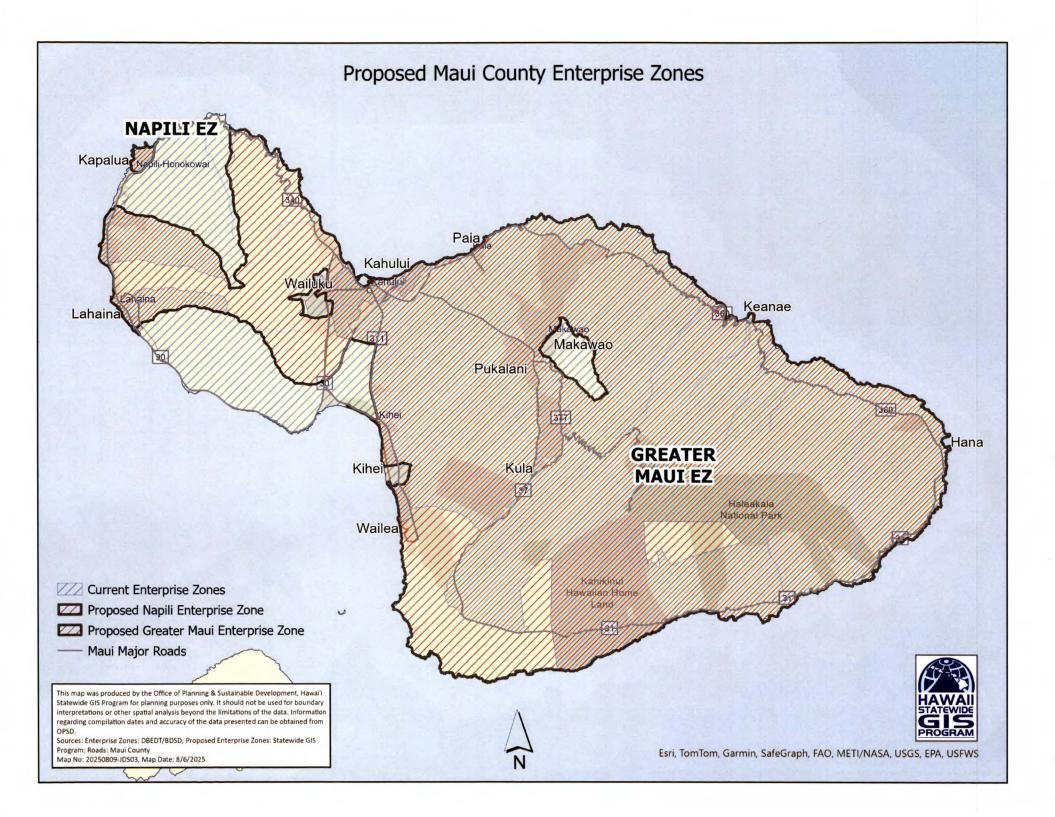
### EXHIBIT "1"

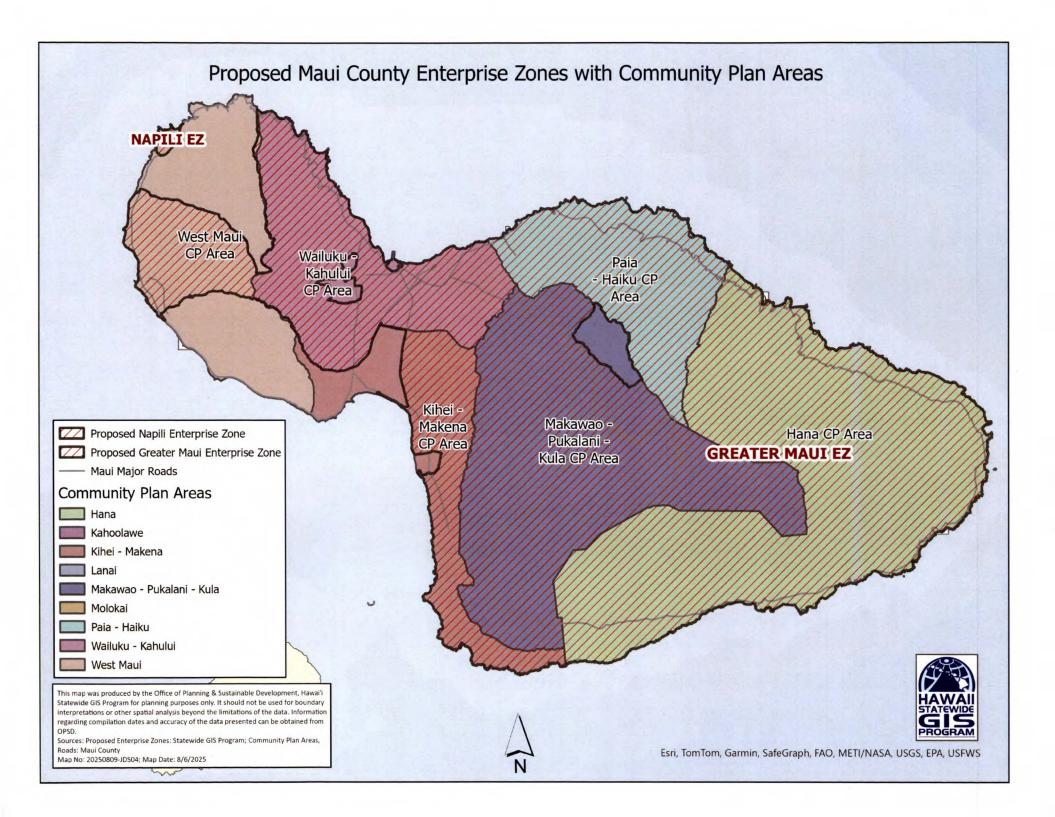
### Napili Enterprise Zone

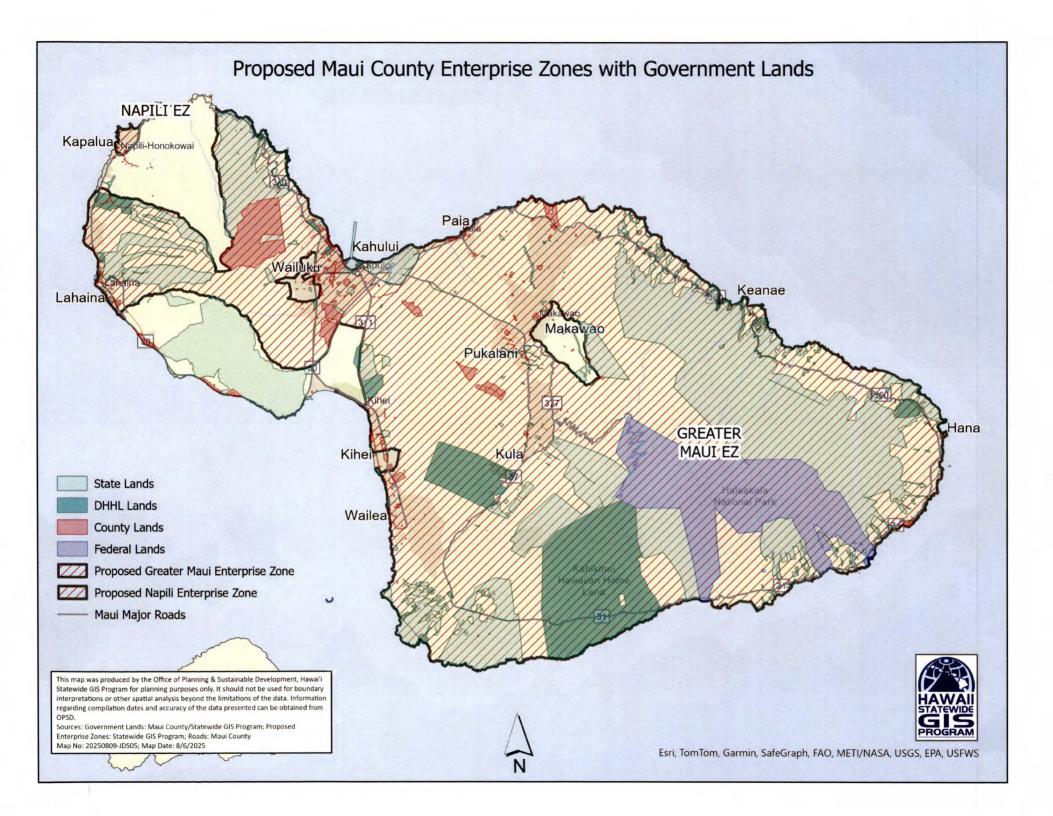
The Napili Enterprise Zone (EZ) consists of the entire 2020 Maui Island Census Tract number 315.01. Beginning at the intersection of Honoapiilani Highway and Napilihau Street at the southwest edge of Census Tract 315.01, the Napili EZ follows Napilihau Street in a northwesterly direction until it intersects with Lower Honoapiilani Rd, where it continues along the road in a northwesterly direction until it intersects with Papaua Place, where it continues along the road in a northwesterly direction until it meets the coastline. The Napili EZ continues to follow the coastline in a clockwise direction until it reaches the western boundary of Census Tract 315.04, which it follows in a southerly direction until it reaches Honoapiilani Highway. It continues to follow Honoapiilani Highway in a clockwise direction until it reaches the starting point, at the intersection of Honoapiilani Highway and Napilihau Street. *Note: All census tracts cited refer to the 2020 US Census tracts*.

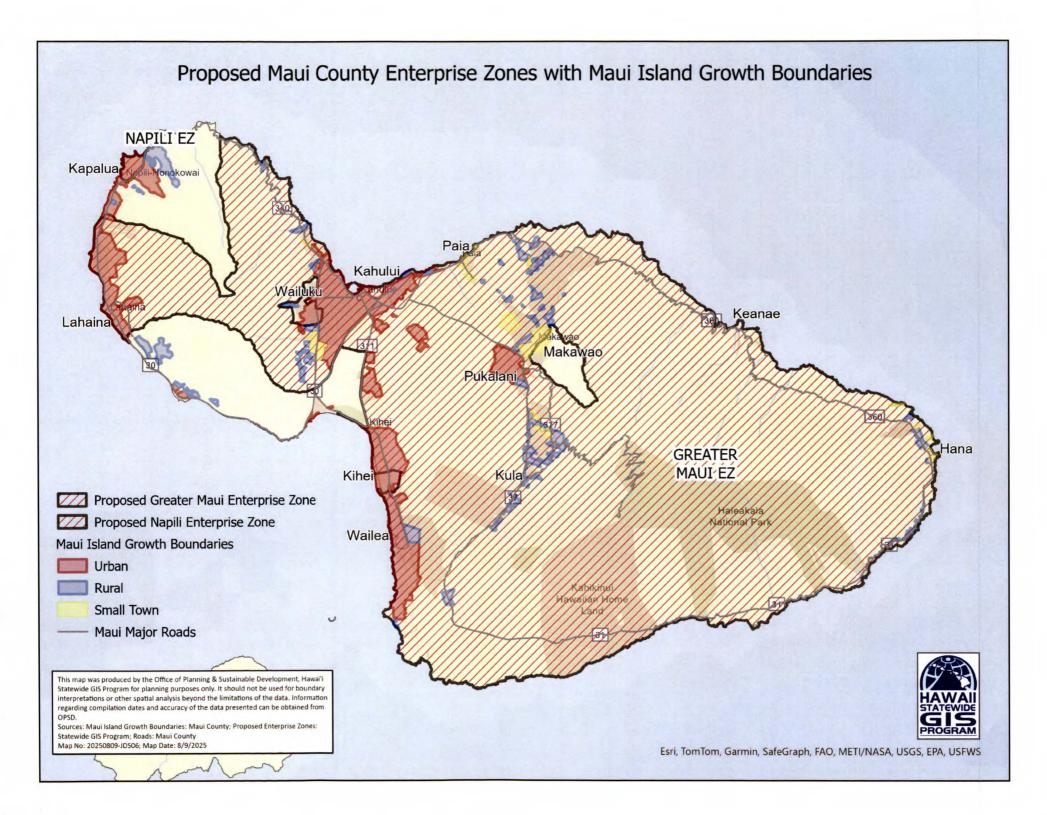


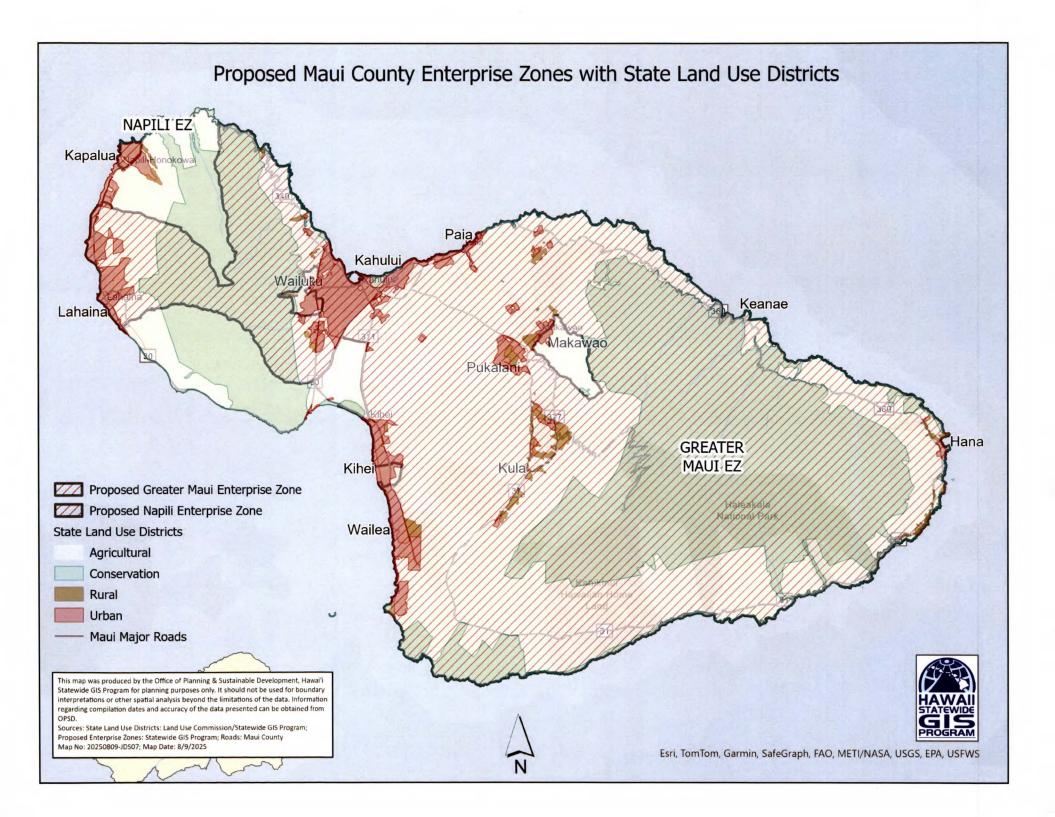


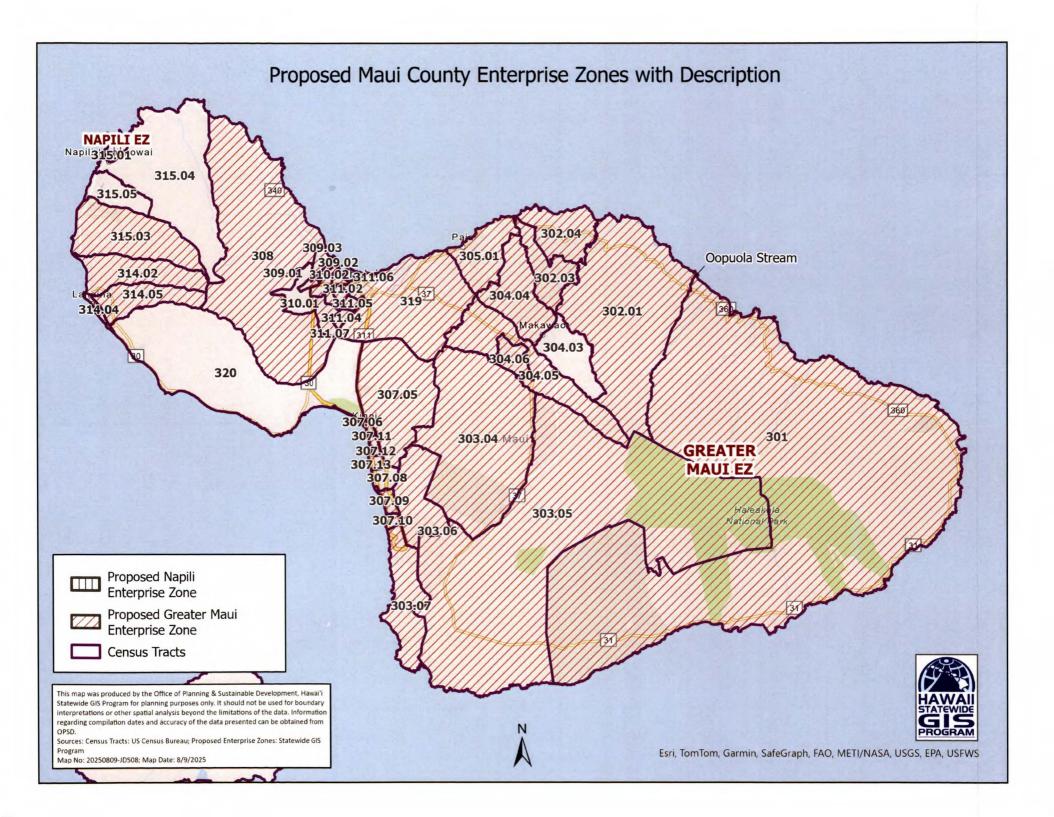


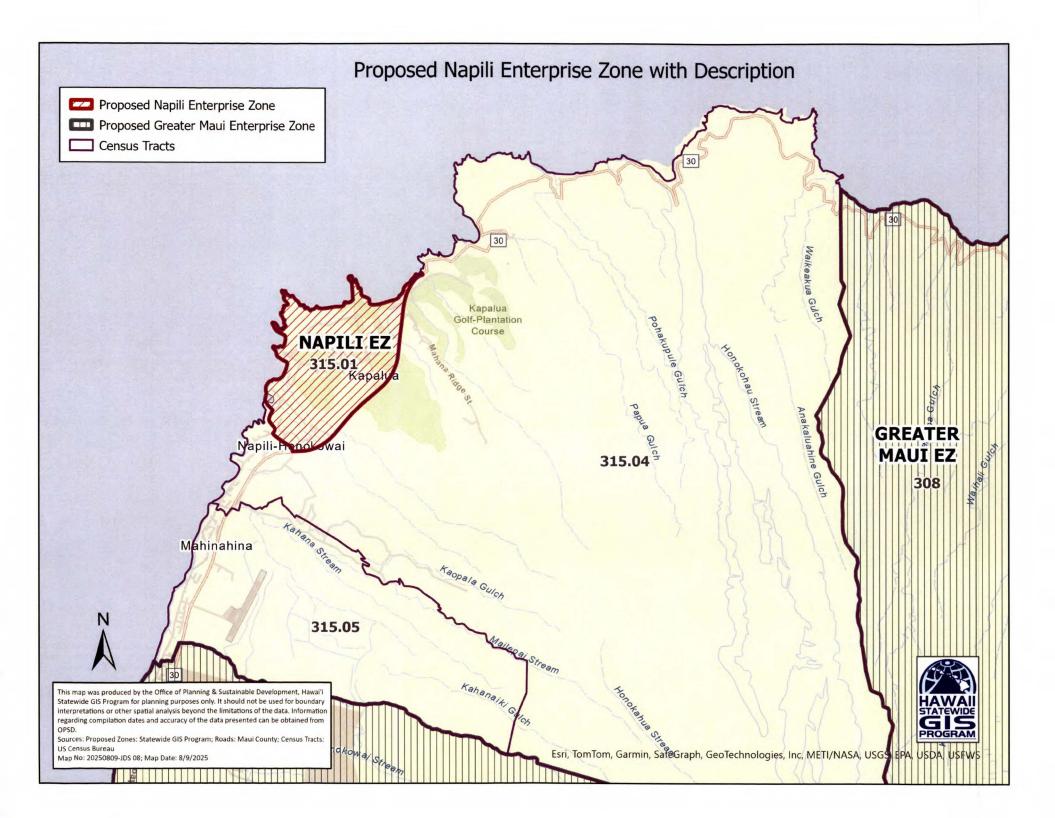












## Resolution

## No. 25-194, CD1

AUTHORIZING THE MAYOR TO REQUEST THE GOVERNOR REDESIGNATE THE GREATER MAUI ENTERPRISE ZONE ON THE ISLAND OF MAUI, WITH PROPOSED ADJUSTMENTS, FOR A 20-YEAR PERIOD UNDER CHAPTER 209E, HAWAI'I REVISED STATUTES, CHAPTER 6 OF TITLE 15, HAWAI'I ADMINISTRATIVE RULES, AND CHAPTER 3.80, MAUI COUNTY CODE

WHEREAS, the State of Hawai'i previously designated the Greater Maui Enterprise Zone under Chapter 209E, Hawai'i Revised Statutes, and Chapter 6 of Title 15, Hawai'i Administrative Rules, for a 20-year period; and

WHEREAS, the designated Greater Maui Enterprise Zone's 20-year period will expire on April 30, 2026; and

WHEREAS, a description of the proposed Greater Maui Enterprise Zone along with various maps depicting relevant land and census tracts is attached as Exhibit "1"; and

WHEREAS, the criteria for redesignating the Greater Maui Enterprise Zone, with proposed adjustments, remains applicable and such designation has proven to stimulate economic development on the Island of Maui and the County; and

WHEREAS, the County desires to continue to encourage sound economic development and generate employment by providing tax incentives to qualified businesses by having the Greater Maui Enterprise Zone, with proposed adjustments, redesignated for a 20-year period; and

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

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

- 1. That it authorizes the Mayor to request the Governor redesignate the Greater Maui Enterprise Zone on the Island of Maui for a 20-year period under Chapter 209E, Hawai'i Revised Statutes, Chapter 6 of Title 15, Hawai'i Administrative Rules, and Chapter 3.80, Maui County Code; and
- 2. That certified copies of this Resolution be transmitted to the Mayor and the Economic Development Director.

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel
County of Maui

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### EXHIBIT "1"

### **Proposed Greater Maui Enterprise Zone**

Beginning at the western boundary of 2020 Maui Island Census Tract 301, at Oopuola Stream, the Greater Maui Enterprise Zone (EZ) follows the coastline in a clockwise direction until it reaches the boundary between Census Tracts 307.08 and 307.09, at Waimahaihai St. Tract 307.08 is excluded. The Greater Maui EZ continues to follow the coastline again, beginning at the boundary between Census Tract 307.08 and 307.13 near W. Lipoa Street, where it follows the coastline in a clockwise direction until it reaches the boundary between Census Tracts 307.06 and 320, near the Kealia Pond National Wildlife Refuge. Tract 320 is excluded. The Greater Maui EZ begins again at the boundary between Census Tract 320 and 314.04 near the southern portion of Pualei Drive, where it continues to follow the coastline in a clockwise direction until it reaches the boundary of Census Tracts 315.03 and 315.05. Tracts 315.04 and 315.05 are excluded. Census Tract 315.01 is in the Napili EZ. After the 315.01, 315.04 and 315.05 Census Tract exclusions, the Greater Maui EZ picks up again at the boundary of Census Tracts 315.04 and 308, where it continues along the coastline in a clockwise direction until it meets the starting point, at the western boundary of CT 301, at Oopuola Stream. Interior Census Tracts 310.01 and 304.03 are excluded. Note: All census tracts cited refer to the 2020 US Census tracts.

