

COUNCIL OF THE COUNTY OF MAUI
ECONOMIC DEVELOPMENT AND
BUDGET COMMITTEE

February 21, 2020

Committee
Report No. _____

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

Chair and Members:

Your Economic Development and Budget Committee, having met on February 6, 2020, makes reference to County Communication 20-47, from the Economic Development Director, transmitting a proposed resolution entitled "AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO RE-DESIGNATE THE ISLAND OF LANAI AS AN ENTERPRISE ZONE FOR TWENTY YEARS DUE TO EXPIRATION OF THE PRIOR ENTERPRISE ZONE DESIGNATION, PURSUANT TO SECTION 3.80.030, MAUI COUNTY CODE."

The purpose of the proposed resolution is to authorize the Mayor to submit an application to the State Department of Business, Economic Development and Tourism, for processing and recommendation to the Governor, to re-designate Lanai Island as an enterprise zone for a 20-year period.

Businesses can receive State general excise tax exemptions and income tax credits if approved for an Enterprise Zone Partnership. Furthermore, a business may also receive benefits from the County, such as real property tax adjustments. Various kinds of businesses are eligible, ranging from manufacturers to firms that conduct biotechnology research or produce wind energy. Businesses must also satisfy certain hiring requirements.

Your Committee stated a desire to change the benefits structure for businesses in enterprise zones to enhance the quality and quantity of economic development. The Economic Development Director said she would work with the State to identify opportunities to make adjustments.

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Your Committee expressed concern that more Lanai businesses be able to qualify as enterprise zone partners. Your Committee noted that only one Lanai business is currently listed as an Enterprise Zone partner.

Your Committee discussed the need to improve the program and ensure businesses are aware of enterprise zone benefits.

Your Committee expressed concern that the current enterprise zone on Lanai could not be adjusted based on program results.

Your Committee expressed further concern on designating the entire Lanai Island as an enterprise zone because economic development activity may not be suitable in agriculture and conservation areas.

Your Committee recommended supporting the resolution because of the importance to promote economic development countywide. Your Committee urged the Administration to engage the Lanai community to promote the program to improve program results.

Your Committee voted 9-0 to recommend adoption of the proposed resolution and filing of the communication. Committee Chair Rawlins-Fernandez, Vice-Chair King, and members Hokama, Kama, Lee, Molina, Paltin, Sinenci, and Sugimura voted "aye."

Your Economic Development and Budget Committee RECOMMENDS the following:

1. That Resolution _____, attached hereto, entitled "AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO RE-DESIGNATE THE ISLAND OF LANAI AS AN ENTERPRISE ZONE FOR TWENTY YEARS DUE TO EXPIRATION OF THE PRIOR ENTERPRISE ZONE DESIGNATION, PURSUANT TO SECTION 3.80.030, MAUI COUNTY CODE," be ADOPTED; and
2. That County Communication 20-47 be FILED.

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This report is submitted in accordance with Rule 8 of the Rules of the Council.



KEANI N.W. RAWLINS-FERNANDEZ, Chair

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Resolution

No. _____

AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST
THE GOVERNOR OF HAWAII TO RE-DESIGNATE THE ISLAND OF
LANAI AS AN ENTERPRISE ZONE FOR TWENTY YEARS
DUE TO EXPIRATION OF THE PRIOR ENTERPRISE ZONE
DESIGNATION, PURSUANT TO SECTION 3.80.030,
MAUI COUNTY CODE

WHEREAS, the State of Hawaii previously designated the Island of Lanai as an enterprise zone pursuant to Chapter 209E, Hawaii Revised Statutes, and Chapter 6 of Title 15, Hawaii Administrative Rules, for a twenty-year period, as depicted in Exhibits "1" and "2", attached hereto and made a part hereof; and

WHEREAS, the designated Lanai Enterprise Zone's twenty-year period will expire on March 31, 2020; and

WHEREAS, the criteria for designating the Island of Lanai as an enterprise zone remains applicable and such designation has proven to stimulate economic development on the Island of Lanai and the County of Maui; and

WHEREAS, the County of Maui desires to continue to encourage sound economic development and generate employment by providing tax incentives to approved businesses within such an enterprise zone by

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having the Island of Lanai again designated as an enterprise zone for another twenty-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 of the County of Maui by resolution; now, therefore,

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

1. That it does hereby authorize the Mayor to submit an application to the State Department of Business, Economic Development and Tourism, for processing and recommendation to the Governor, for re-designation of the Island of Lanai as an enterprise zone for a twenty-year period; and

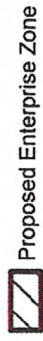
2. That certified copies of this resolution be transmitted to the Mayor and the Director of the Office of Economic Development.

APPROVED AS TO FORM AND LEGALITY:



STEPHANIE M. CHEN
Deputy Corporation Counsel
County of Maui
2019-1848

**Lanai EZ
Maui County**



Proposed Enterprise Zone

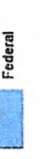


Census Tracts

Government Lands



State



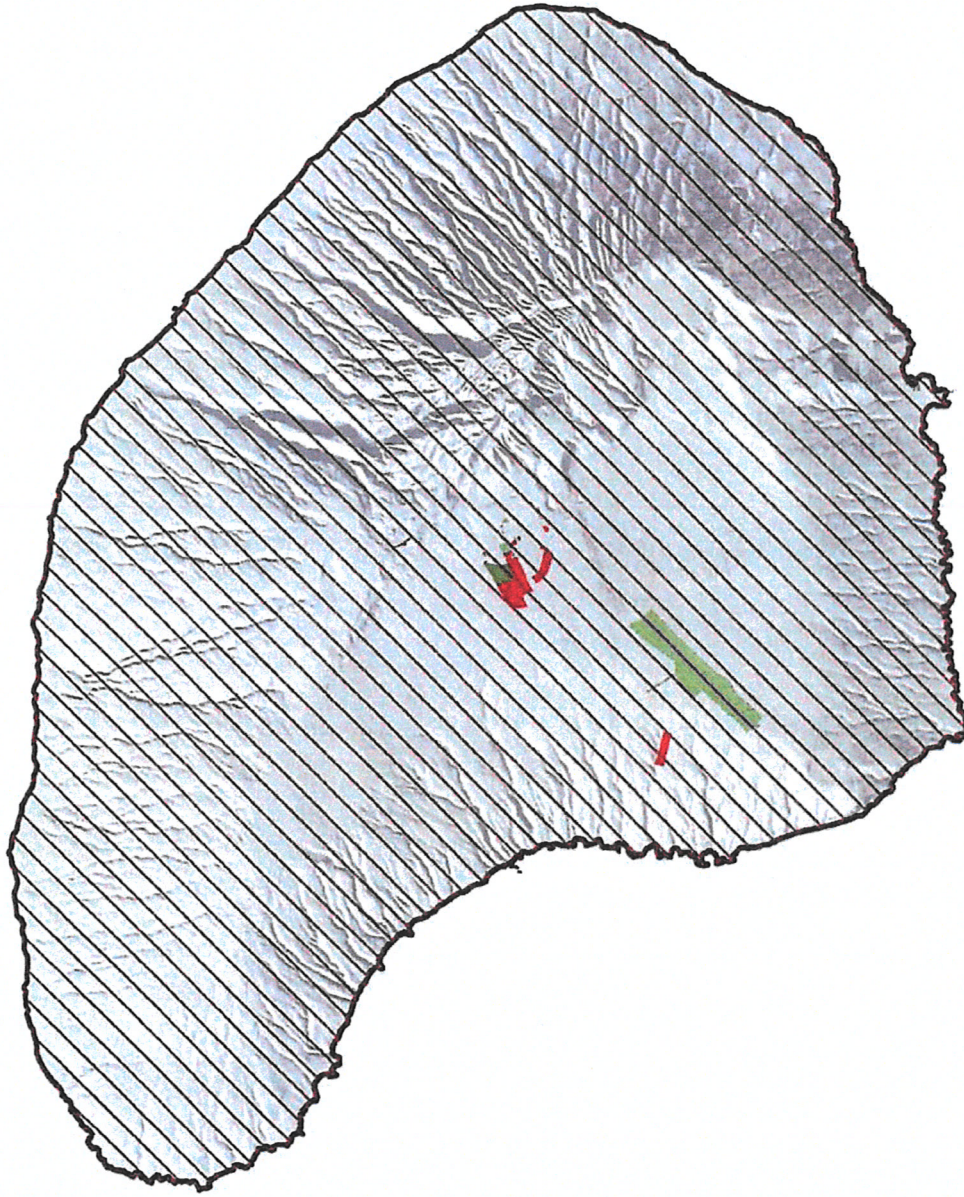
State DHHHL



County









Federal

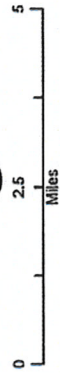
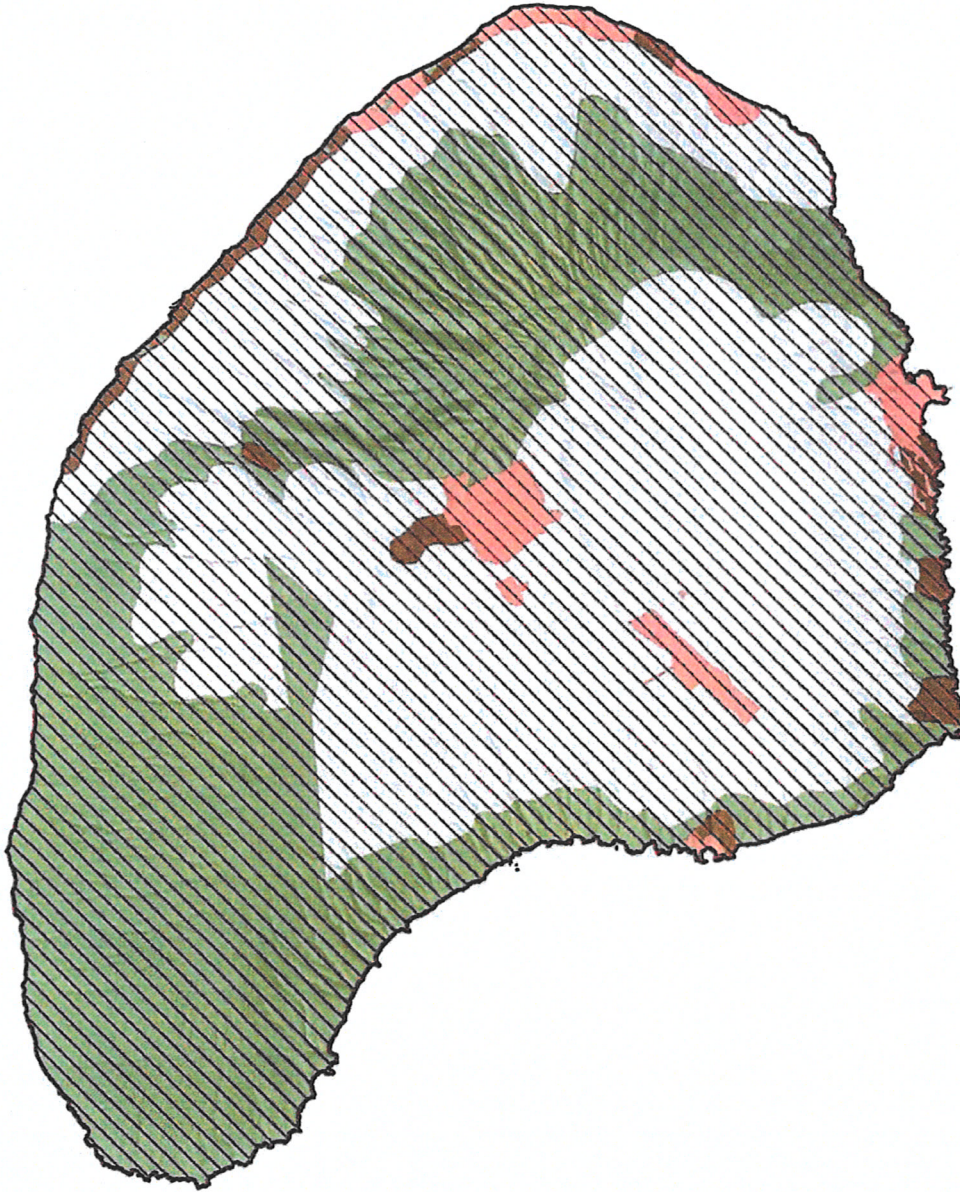


This map was produced by the Office of Planning (OP) for planning purposes. It should not be used for boundary determination or for legal purposes. Beyond the limits of the data, the Office of Planning does not warrant the accuracy of the data presented and can be obtained from OP. Map No. 20100318-05-J03
Date: 08/18/10
Source: 2010 Census, US Census Bureau; DCPAW DNR, 2010; Government Lands, Vector Counties, 2011.

EXHIBIT " 1 "

**Lanai EZ
Maui County**

-  Proposed Enterprise Zone
-  Census Tracts
- State Land Use Districts**
-  Agricultural
-  Conservation
-  Rural
-  Urban



This map was produced by the Office of the State GIS Coordinator and should not be used for boundary interpretations or other spatial analysis beyond the limitations of the data. Information presented on this map is the best available and the data presented can be obtained from OPI.
 Sources: Census 2010 Census, US Census Bureau.
 State Land Use Districts: State Land Use Commission, 2018.

