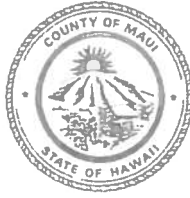


ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

October 17, 2016

The Honorable David Y. Ige
Governor
Hawaii State Capitol
Honolulu, HI 96813

Dear Governor Ige:

Pursuant to Chapter 209E, Hawaii Revised Statutes (HRS), and Chapter 6 of Title 15, Hawaii Administrative Rules, we request your approval to designate Molokai as an Enterprise Zone for twenty years. The current Enterprise Zone designation will expire on December 31, 2016.

The Enterprise Zone designation has proven to stimulate economic development and generate employment while providing tax incentives and giving priority in business permit processing to qualified and enrolled businesses.

The County of Maui will offer eligible Molokai businesses in agriculture, manufacturing, wholesaling, and other businesses engaged in Enterprise Zone eligible activities, a three-year exemption from any increase in property taxes resulting from new construction in the enterprise zone.

The designated boundaries, as depicted in Exhibit A, attached hereto, proposed are: Beginning at the eastern point where Kalawao County District boundary meets the ocean, the boundary follows clockwise around the Molokai coastline until it meets the western point where Kalawao County District meets the ocean. The EZ boundary then follows the Kalawao Molokai District boundary until it meets the starting point.

According to the 2010 census, the island of Molokai (Census Tracts 317 and 318.01) qualifies for enterprise zone status under the following conditions, as depicted in Exhibit B, attached hereto: low median income and the high unemployment rate. Molokai has an unemployment rate of 7.9%, which is almost 2 times the State's average unemployment rate of 3.9%, according to Exhibit C, attached hereto.

The Maui County Council is recommending, and I concur, that Molokai is designated as an enterprise zone for a new twenty year term pursuant to Chapter 209E, HRS. The Maui County Council passed a Resolution in support of designating the island of Molokai as an enterprise zone, a copy of which is provided as Exhibit D.

RECEIVED AT BAR MEETING ON 10/18/16

Should you have any questions, please contact Teena Rasmussen, Director of the Office of Economic Development, at (808) 270-7724, or teena.rasmussen@mauicounty.gov.

Sincerely,

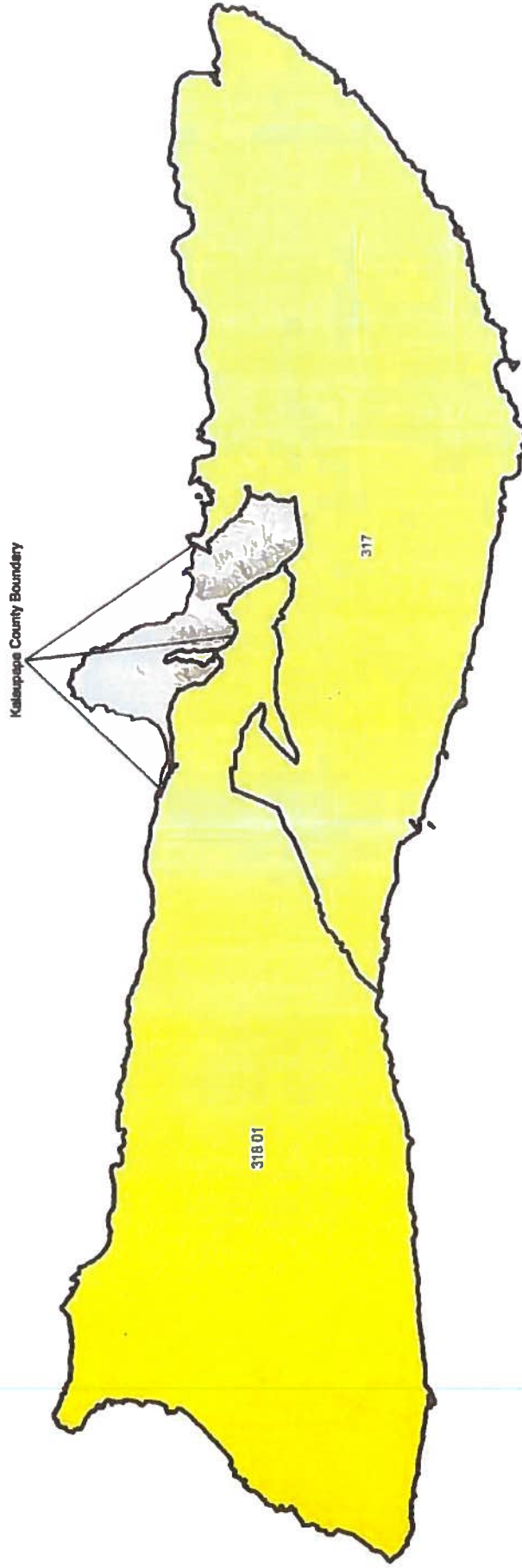
Alan M. Arakawa
Mayor

Attachments

CC: Luis Salaveria
Teena Rasmussen

Molokai

 Proposed Enterprise Zone for 2017



Proposed Molokai EZ:

Beginning at the eastern point where Kalawao County District boundary meets the ocean, the boundary follows clockwise around the Molokai coastline until it meets the western point where Kalawao County District boundary meets the ocean. The EZ boundary then follows the Kalawao/Molokai District boundary until it meets the starting point.

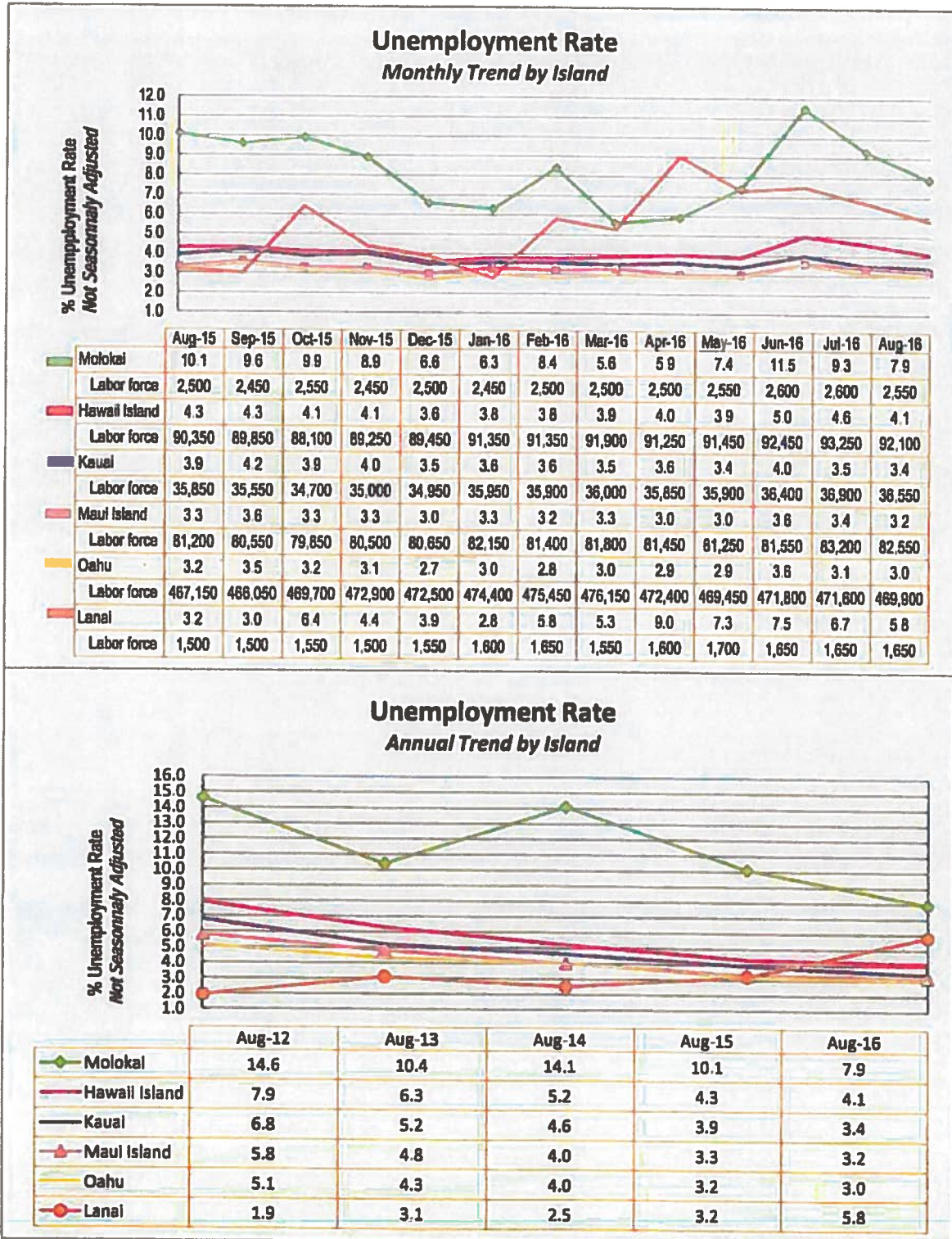


This map was prepared by the Office of Planning and Economic Development for the State of Hawaii. It is intended to be used for informational purposes only and should not be used for any other purpose. The map is provided as a reference only and is not intended to be used for any other purpose. The map is provided as a reference only and is not intended to be used for any other purpose. The map is provided as a reference only and is not intended to be used for any other purpose.

HONOLULU COUNTY ENTERPRISE ZONES PROGRAM
Qualifying Census Tracts are highlighted

2010 American Community Survey Census Data 80% of Median Family Income for Maui County = \$59,572 1.5 x State Unemployment Rate = 8.4%							
Census Tract No.	Name	Current Enterprise Zone	Pct below 80% County MFI	MFI Eligible	Unemployed %	Unemployment Eligible	EZ Eligible
301	Hana	East Maui	28.6%	TRUE	5.0%	FALSE	TRUE
302 01	Hualo	Greater Maui	30.4%	TRUE	8.9%	TRUE	TRUE
302 02	Haniku	Greater Maui	33.3%	TRUE	7.3%	FALSE	TRUE
303 01	Kula	Greater Maui (Partial)	21.5%	FALSE	5.2%	FALSE	FALSE
303 03	Wailea	Greater Maui (Partial)	25.1%	TRUE	7.8%	FALSE	TRUE
304 02	Pukalani	Greater Maui	36.0%	TRUE	5.2%	FALSE	TRUE
304 03	Makawao	Greater Maui	28.4%	TRUE	8.3%	FALSE	TRUE
304 04	Hali'imaile	Greater Maui	34.4%	TRUE	11.7%	TRUE	TRUE
305 01	Pa'ia	Greater Maui	22.0%	FALSE	3.6%	FALSE	FALSE
307 05	Kihikihi	Greater Maui	27.0%	TRUE	3.3%	FALSE	TRUE
307 06	Kesha	Greater Maui	28.5%	TRUE	2.9%	FALSE	TRUE
307 07	Waipuhia	Greater Maui	29.7%	TRUE	4.0%	FALSE	TRUE
307 08	Halama	Greater Maui	15.0%	FALSE	7.0%	FALSE	FALSE
307 09	Kanaloa	Greater Maui	42.2%	TRUE	9.7%	TRUE	TRUE
307 10	Kaunakakai	Greater Maui	24.7%	FALSE	7.6%	FALSE	FALSE
308	Waipahoehoe		23.3%	FALSE	8.7%	FALSE	FALSE
309 01	West Central Wailuku	Greater Maui	51.0%	TRUE	7.0%	FALSE	TRUE
309 02	East Central Wailuku	Greater Maui	39.1%	TRUE	14.2%	TRUE	TRUE
309 03	North Wailuku		14.8%	FALSE	8.5%	TRUE	TRUE
310	South Wailuku	Greater Maui	20.7%	FALSE	8.4%	FALSE	FALSE
311 01	West Kahului	Greater Maui	38.6%	TRUE	3.4%	FALSE	TRUE
311 02	Central Kahului	Greater Maui	57.7%	TRUE	9.7%	TRUE	TRUE
311 03	Southeast Kahului	Greater Maui (Partial)	29.4%	TRUE	4.7%	FALSE	TRUE
314 02	Kahala		21.7%	FALSE	6.3%	FALSE	FALSE
314 04	Lahaina	Greater Maui	41.4%	TRUE	9.9%	TRUE	TRUE
314 05	Lahaina-Lahaina	Greater Maui	38.7%	TRUE	5.3%	FALSE	TRUE
315 01	Kapaha	West Maui	4.0%	FALSE	6.0%	FALSE	FALSE
315 02	Honokahua	West Maui	22.8%	FALSE	5.1%	FALSE	FALSE
315 03	Honokowili	West Maui	27.7%	TRUE	5.5%	FALSE	TRUE
316 01	Lanai	Lanai	40.2%	TRUE	5.5%	FALSE	TRUE
317	East Molokai	Molokai	45.6%	TRUE	16.7%	TRUE	TRUE
318 01	West Molokai	Molokai	58.1%	TRUE	8.7%	TRUE	TRUE
320	Lanipoko	Greater Maui	15.4%	FALSE	1.4%	FALSE	FALSE
9800	Kahoolawe		No Data	FALSE	No Data	FALSE	FALSE
319a	Spreckelsville	Greater Maui	31.8%	TRUE	8.9%	TRUE	TRUE
319b	Kalaheo	Molokai	0.0%	FALSE	0.0%	FALSE	FALSE

Exhibit B



Source: Hawaii Department of Labor & Industrial Relations; Hawaii Department of Taxation; Hawaii Department of Business, Economic Development and Tourism; county building departments; Honolulu Board of Realtors; Hawaii Information Service; Title Guaranty of Hawaii and Realtors® Association of Maui, Inc.; American Auto Association; gas stations on Molokai & Lanai. Final tables compiled by Statistics & Data Support Branch, READ, DBEDT. Charts compiled by Hawaii Business Research Library.

Exhibit C

Resolution

No. _____

AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION TO REQUEST THE GOVERNOR OF HAWAII TO DESIGNATE THE ISLAND OF MOLOKAI 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 Molokai 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; and

WHEREAS, the designated Molokai Enterprise Zone's twenty-year period will expire on December 31, 2016; and

WHEREAS, the criteria for designating the Island of Molokai as an enterprise zone remains applicable and such designation has proven to stimulate economic development on the Island of Molokai 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, as more specifically set forth in Exhibit "A", attached hereto and made a part hereof, by having the Island of Molokai again designated as an enterprise zone for another twenty-year period; and

Exhibit D

Resolution No. _____

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

WHEREAS, the County of Maui will offer eligible Molokai businesses a three-year exemption from any increase in property taxes resulting from new construction in the enterprise zone; now, therefore,

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

1. That it does hereby authorize the Mayor to submit the application in Exhibit "A" to the State Department of Business, Economic Development and Tourism, for processing and recommendation to the Governor for designation of the Island of Molokai as an enterprise zone; 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:


JERRIE L. SHEPPARD
Deputy Corporation Counsel
County of Maui 2016-1203