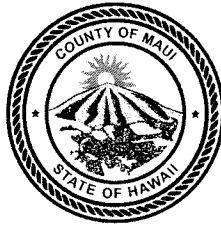


ALAN M. ARAKAWA
Mayor

TEENA M. RASMUSSEN
Economic Development Director



OFFICE OF ECONOMIC DEVELOPMENT

COUNTY OF MAUI

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April 18, 2017

Ms. Lynn A.S. Araki-Regan *N*
Budget Director, County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

Alan Arakawa 4/19/17

For Transmittal to:

Honorable G. Riki Hokama, Chair
Budget & Finance Committee
200 South High Street
Wailuku, Maui, Hawaii 96793

Dear Chair Hokama:

SUBJECT: REQUESTS/QUESTIONS FROM THE APRIL 5, 2017 MEETING (OM-4)
(BF-1)

Thank you for the opportunity to clarify OED's position regarding the Kula Ag Park expansion on A&B lands.

The Kula Ag Park expansion project will be greatly impacted by how much the state appropriation will be for the purchase of the land from A&B. OED believes the best way to proceed within the scope of the FY 2018 County budget, is to budget \$1,000, 000. For the state match which is required in the appropriation bill.

In addition to that, OED is requesting \$50,000. For a First Phase Engineering Study which will deliver a planning level site layout for lots, irrigation pipes, meters, and power infrastructure. It will also provide cost estimates for site work, infrastructure & road development, permitting requirements, and a 20 yr. operational cost analysis and business plan. We would also ask for the plan to include a phased build-out plan in case full funding is not available or there is not enough demand for all the lots.

The \$50K would ONLY be used if a state appropriation for purchase of the land would come through. If there is no state appropriation, then this project would not go forward.

Furthermore, it is the belief of OED that once the First Phase Engineering Study is completed, the county should negotiate with A&B to deliver a **turn-key project** to the county. This should be a much more cost-effective approach for the county.

This strategy should mitigate the county's risk of unknown costs to develop a Kula Ag Park expansion, and allow us to still take advantage of a state appropriation if it comes through.

Respectfully,

A handwritten signature in black ink that reads "Teena Rasmussen". The signature is fluid and cursive, with a large initial 'T' and 'R'.

**Teena Rasmussen, Director
Office of Economic Development**

CC: Budget Director