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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 31, 2015

RECEIVED
2015 MAR 31 AM 8:30
OFFICE OF THE
COUNTY CLERK

The Honorable Mike White
Council Chair
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Mateo:

**SUBJECT: RESOLUTION FOR THE CONTINUED
OPERATION OF THE MOLOKAI FERRY**

May I request the attached proposed resolution, entitled "URGING THE MAYOR TO PROPOSE AN AMENDMENT TO THE FISCAL YEAR 2015 BUDGET FOR THE CONTINUED OPERATION OF THE MOLOKAI FERRY", be placed on the next Council meeting agenda.

Sincerely,

A handwritten signature in cursive script that reads "Stacy Crivello".

STACY CRIVELLO
Councilmember

paf:scj:15-063b

Enclosure

COUNTY COMMUNICATION NO. _____

Resolution

No. _____

URGING THE MAYOR TO PROPOSE AN AMENDMENT TO THE FISCAL YEAR 2015 BUDGET FOR THE CONTINUED OPERATION OF THE MOLOKAI FERRY

WHEREAS, Lahaina Cruise Company, Inc. currently operates twice-daily round trips between Maui and Molokai utilizing a vessel certified to carry 149 passengers; and

WHEREAS, the Molokai ferry currently serves as a lifeline between the islands of Maui and Molokai, providing subsidized commuter service for employees working in hotels and resorts in West Maui, while also assisting academic and athletic teams who depend on the ferry for transportation to compete with other schools in Maui County; and

WHEREAS, by providing this critical transportation link, the Molokai ferry fosters cultural, social, and economic interaction among County residents; and

WHEREAS, the viability of the ferry has been tested by fluctuating State subsidies, increasing fuel costs, and competition from airlines; and

WHEREAS, Lahaina Cruise Company, Inc. has stated the Molokai ferry may be shut down in or about June 2015 because of difficult economic conditions; and

WHEREAS, loss of the Molokai ferry would create hardships for the people of Molokai who rely on its services to reach work and limit countywide participation in numerous academic, athletic, cultural, social, and economic events; and

WHEREAS, the Council enacted Chapter 3.81, Maui County Code, relating to the Economic Development Revolving Fund, by Ordinance 3854 (2011), to support economic development in the County; and

WHEREAS, the Council expressly found the fund necessary to strengthen and diversify the County's economy; to support existing County businesses; to promote job creation; to attract new business,

Resolution No. _____

industry, construction, and events that will foster economic development in the County; and to improve the overall economic and social well-being of the County; and

WHEREAS, the estimated available balance of the Economic Development Revolving Fund is \$1,000,000; and

WHEREAS, the Council finds that an appropriation from the Economic Development Fund to support the continued operation of the Molokai ferry meets the public purposes set forth in Section 3.81.020, Maui County Code; and

WHEREAS, the Mayor's submittal of a proposed amendment to the Fiscal Year 2015 Budget ordinance to appropriate \$500,000 from the Economic Development Revolving Fund to Lahaina Cruise Company, Inc., in accordance with Chapter 3.81, Maui County Code, would enable the Council to consider interim funding for the continued operation of the Molokai ferry, while the Administration explores a more favorable cost-sharing arrangement with the State of Hawaii or other long-term solutions; now, therefore,

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

1. That it hereby urges the Mayor to propose an amendment to the Fiscal Year 2015 Budget ordinance for the continued operation of the Molokai ferry; and
2. That it further urges that a \$500,000 appropriation from the Economic Development Revolving Fund be proposed for this purpose, in accordance with Chapter 3.81, Maui County Code; and
3. That certified copies of this resolution be transmitted to the Honorable Alan M. Arakawa, Mayor, County of Maui; Jo Anne Johnson-Winer, Director of Transportation, County of Maui; Teena Rasmussen, Economic Development Director, County of Maui; Sandy Baz, Budget Director, County of Maui; Maui County's delegation to the State Legislature; and David Jung, President, Lahaina Cruise Company, Inc.