

PRL Committee

From: Michele McLean <Michele.McLean@co.maui.hi.us>
Sent: Monday, March 12, 2018 2:37 PM
To: PRL Committee
Cc: Alan Arakawa; carla.nakata@co.maui.hi.us; Guy Hironaka; Jeffrey Ueoka; Jerrie Sheppard; Kaala Buenconsejo; Mark Walker; Denise Thayer; Wesley Lo; don.guzman@mauicounty.gov; Maggie C. Clark; Pauline Martins; mike@munekiyohiraga.com; clay@rclaysutherland.com
Subject: KAHULUI COMMUNITY CENTER PARK AND SURROUNDING AREA MASTER PLAN (PRL-10)

Follow Up Flag: Follow up
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Aloha Chair Guzman and Committee Members,

On behalf of Mayor Arakawa and the Administration, please consider the following response to your March 8, 2018 letter:

1. We do not believe that this revision to the proposed resolution is necessary because the resolution simply authorizes the grant of the lease, which is for the entire property. The lease itself sets the terms.
2. We revised the proposed lease as suggested.
3. We revised the proposed lease to delete references to "premises" with all references now being to "KCC."
4. No. As the lease is proposed, there is no monetary amount to be charged.
- 5a. We do not believe that this is necessary; however, if the committee feels that this is needed, then we can revise the lease to require that Hale Makua provide the Department of Parks and Recreation with a metes-and-bounds description of Phase 1a and then Phase 1b, acceptable to the Department of Parks and Recreation, before Hale Makua can take control of the Phase 1a and Phase 1b areas.
- 5b. We do not believe that any individual components of the lease need to be recorded; the lease in its entirety will be recorded.
- 5c. We believe that the current lease language is clear. Phase 1a comes first, Phase 1b comes second. Then "other areas" come after, to be phased in coordination with the Department of Parks and Recreation and subject to Council approval.
6. We revised Exhibit E by deleting the reference to the grant of county funds.
7. Hale Makua will provide a conceptual site plan for Phases 1a and 1b.
8. The building value and fair market rent value are for the entire parcel, as the lease is for the entire parcel. No revisions need to be made in this regard.
9. The County has entered into separate leases, or has amended leases, but we are not aware of a phased lease. It is unusual but not unique, as private entities enter into a wide variety of agreements.

We will provide copies of the revised lease and exhibits as noted above at your meeting tomorrow. We look forward to discussing these issues with you, and hope to have your support.

Mahalo.