

Resolution 24-48

Authorizing the Grant of Real Property to Hale Makua Health Services



KAHULUI COMMUNITY CENTER PARK

Subject Property

HALE MAKUA
KAHULUI FACILITY

Onehee Ave

Waikala St

Pohaku St

Pohai St

Kaimana St

Kaulana St

S Kamehameha Ave

Leau St

Hina Ave

W Waikoa Ave

Background

- On 4/1/2022, the Maui County Council unanimously approved Resolution 22-69 CD1 “Authorizing the Disposition of Real Property to Hale Makua Health Services”
 - Resolution approved the fee simple conveyance of a 2.831 acre parcel (known as the “Gateball field”) to Hale Makua Health Services to allow for the development of a new Rehabilitation Facility.
 - Gateball field is Adjacent to current Hale Makua Kahului Campus
 - Rationale of Fee simple conveyance rather than Leasehold is due to County liability concerns

Background – Continued

- Subsequent to approval, discussions related to
 - Possible consolidation of 2.831 acre parcel and existing Hale Makua Kahului location (8 acre parcel)
- Purpose for consolidation
 - Flexibility in development of a single campus to meet the needs of the community now and in the future
 - Simplifies the County's transfer of the 2.831 acres to Hale Makua (i.e. moving boundary line as opposed to creating a whole new lot)
 - Allow the development and management of infrastructure in a more efficient manner
 - Eliminate potential problems to interconnect infrastructure across two different parcels
 - Reduce complications and allow better access to financing
 - Consolidated parcel would provide more flexibility in the future as our health care needs will be changing

Background - Continued

- Issues

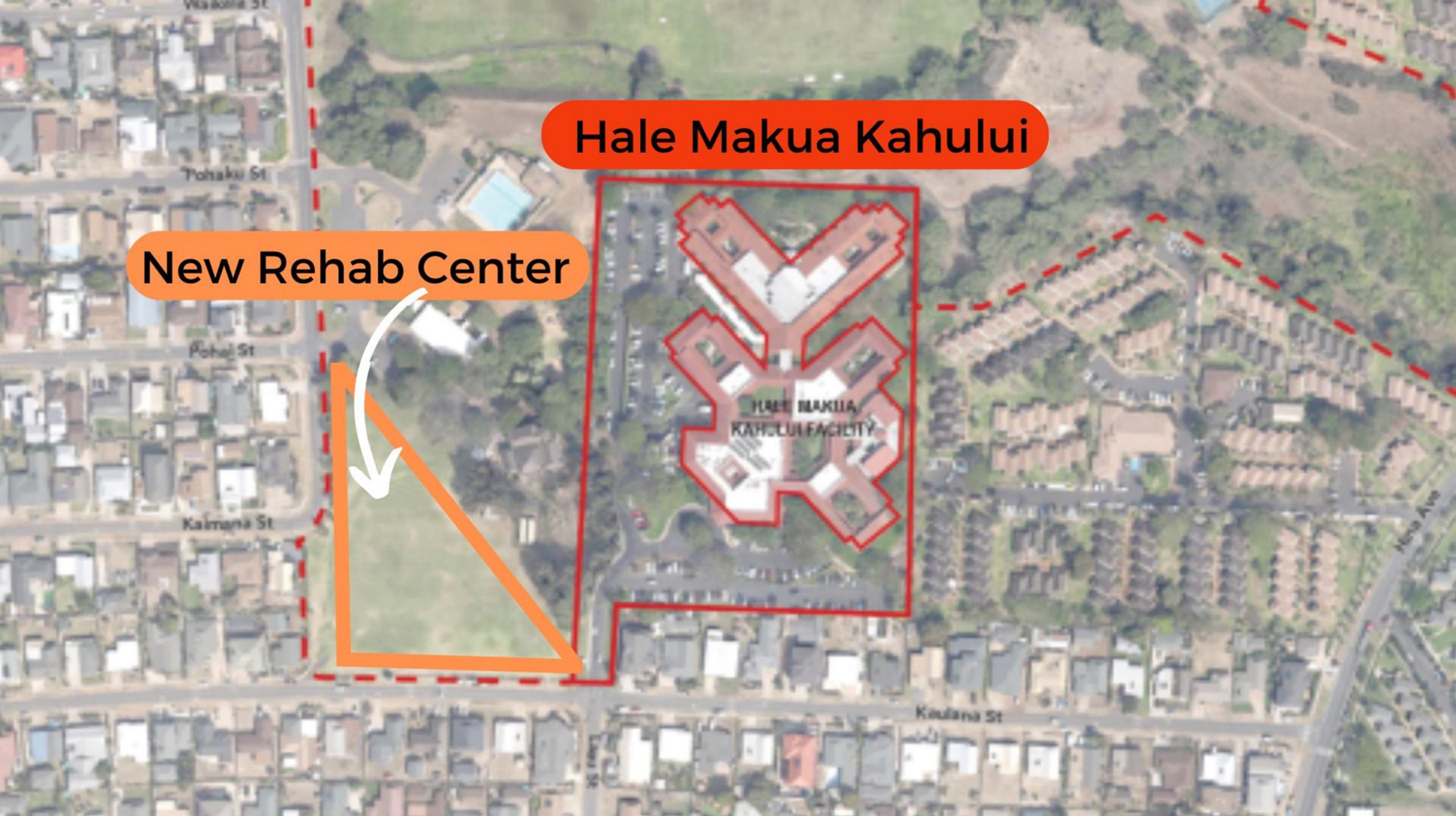
- 2.831 acre parcel will be conveyed in Fee
- 8 acre parcel is currently leased to Hale Makua on a 75 year lease
- Consolidation of a fee simple parcel and a leasehold parcel would be extremely problematic and would delay development

- Discussion

- In order to mitigate issues related to Fee Simple/Leasehold consolidations, proposal to convey the existing Hale Makua site in fee simple with similar Declaration of Covenants, Conditions and Restrictions as 2.831 acre parcel

Hale Makua Kahului

New Rehab Center



Property Description – Existing Hale Makua Property (Subject of this Request)

- Lessor County of Maui
- Lessee Hale Makua Health Services
- Property Address 472 Laau Street, Kahului (known as Hale Makua Kahului)
- Tax Map Key (2) 3-8-007:084
- Lot Size 8.02 acres
- Improvements One Story building with a partial basement consisting of approximately 252 Rehab and Long-Term Care beds and ancillary space, and an Adult Day Health operations.
- Zoning Public/Quasi-Public

Current Lease Terms – Hale Makua Kahului

- Property has been leased to Hale Makua Health Services since 1977
- Current Lease terms
 - Effective date January 1, 1995
 - Maturity Date December 31, 2070
 - Lease Payment \$1.00 per year, which was payable in advance at commencement of lease (\$75.00)

Proposed Summary of Declaration of Covenants, Conditions and Restrictions

- Permitted uses
 - Provision of healthcare and related, complimentary and/or support services and uses
 - Including, but not limited to
 - Residential nursing care
 - Outpatient services, and medical clinics
 - Educational services
 - Rehabilitation services
 - Ancillary care and alternative healthcare services
- Change in Uses
 - Prior written approval of County of Maui
 - With Consent of the County of Council
- Abandonment
 - If property is abandoned (or not open for business for 12 consecutive months), County may acquire the property by condemnation at \$1.00 plus the value of the improvements (tax assessed value)

WASSP Committee

From: Wes Lo <Wes.Lo@ohanapacific.com>
Sent: Friday, March 15, 2024 12:14 PM
To: WASSP Committee
Cc: Clarissa L. MacDonald
Subject: WASSP 3/18/24
Attachments: Presentation to 03.18.24 WASSP.pptx

You don't often get email from wes.lo@ohanapacific.com. [Learn why this is important](#)

To whom it may concern

I was requested by Clarissa to forward this presentaiton to this address for presentation at the 3/18 WASSP committee

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