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

October 6, 2025

Ms. Marcy Martin, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Martin:

**SUBJECT: BILL 138 (2025), BILL 139 (2025), BILL 140 (2025),
AND RESOLUTION 25-186, RELATING TO WEST
MAUI LAND ACQUISITIONS (WEST MAUI
COMMUNITY PLAN AREA) (BFED-7)**

The Council's Budget, Finance, and Economic Development Committee will consider the proposed West Maui land acquisitions under Resolution 25-186 and the related budget and authorization bills at its meeting of October 7, 2025.

May I please request your response to the following:

1. Please provide a justification for the \$20,000,000 authorization given the \$13.1 million appraisal for a single investor in one transaction and list the documents that support the decision. Further, please indicate whether any additional, updated, or review appraisals were obtained and considered. Page 9 of the appraisal report is attached for your reference.
2. What due diligence supports the highest-and-best-use assumption, and how would any deviation affect value?
3. Please provide the completion dates and results for:
 - a. United States Army Corps of Engineers debris-clearance status and scope confirmation;

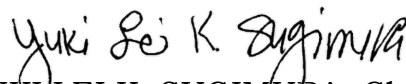
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- b. Evaluations of the skimming wells on the property, including the purpose, condition, and any risk they may pose to groundwater or future public uses; and
 - c. State how these findings are reflected in representations, warranties, indemnities, or price escrows in the purchase documents.
- 4. What title insurance will the County obtain, and how will risks be managed? Please include the following:
 - a. Policy form, coverage amount, insurer, and whether coverage will be a single policy or multiple policies.
 - b. A list by Tax Map Key indicating which properties will have title insurance and which will not.
- 5. Is federal funding available for costs related to flood-control development?
- 6. The Mayor's transmittal targets a closing date of November 14, 2025. What conditions must be met before closing, such as environmental sign-offs, title issue clearances, and survey confirmations? If any conditions are not met, will this impact closing or will the price change?

May I further request you transmit your response to bfed.committee@mauicounty.us by **October 17, 2025**. To ensure efficient processing, please include the Committee item number in the subject line.

Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, or Pauline Martins at ext. 8039).

Sincerely,



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

Value Conclusions

The appraiser found no similar large acreage conglomerate parcels that sold that could be reasonably be said to be a substitute property to the subject property's totality. This means a direct sales comparison approach was not an approach that could be used to reach reasonable conclusions. These types of properties are not typically bought and sold for their rental income potential, meaning an income approach could not be used to arrive at credible conclusions.

The only approach that could be reasonably used to arrive at a credible valuation is a developmental cost approach, which valued the entirety as an investor would, by estimating the total potential sales, deducting out the costs of generating those sales and deducting out a reasonable profit to provide an incentive to undertake the endeavor. The net outcome is an indication of how much that investor could pay for the entirety. The highest and best use of this ownership is the major issue in valuing the subject. While the subject consists of 121 separate parcels, some of these parcels are under 1,000 sq. ft. in size, some are needed and currently used access ways, and some have no current legal access. All lack access to public water and all are zoned agricultural. The appraiser asks the reader to consider the highest best use section carefully when reviewing this report. Once the highest and best use was established as 15 parcels with access to known access ways, the appraiser was able to arrive at credible valuation of each of the 15 proposed parcels. To complete this analysis, the appraiser had good verifiable data of sales that can reasonably be used to measure the retail price potential of each of the 15 parcels the appraiser estimates can reasonably be marketed within the subject.

The resulting analysis determined that, as of 8/11/2025, the total aggregate potential sales was:

\$17,780,000.00

The resulting analysis determined that, as of 8/11/2025, the value as if the entirety as if sold to one investor in one transaction was:

\$13,100,000.00

BFED Committee

From: BFED Committee
Sent: Monday, October 6, 2025 5:48 PM
To: Marcy Martin
Cc: BFED Committee; Maria Zielinski; Stacey Vinoray; finance; Michelle Santos; Zeke Kalua
Subject: PLEASE READ attached letter re: RELATING TO WEST MAUI LAND ACQUISITIONS (WEST MAUI COMMUNITY PLAN AREA) ((BFED-17) ; reply by 10/17/25. . .
Attachments: 007afn01 signed.pdf

Ms. Martin: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated October 6, 2025. Please respond by **October 17, 2025**

Mayor's Office (attention: Michelle Santos and Zeke Kalua): Please forward the attached letter to Mayor Bissen for his information.

Thank you,
BFED Committee