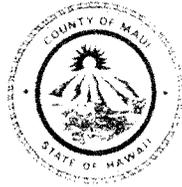


**MICHAEL P. VICTORINO**  
Mayor

**SCOTT K. TERUYA**  
Director

**MAY-ANNE A. ALIBIN**  
Deputy Director



**DEPARTMENT OF FINANCE  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793**

RECEIVED  
2020 AUG 27 AM 10:09  
OFFICE OF THE MAYOR

August 26, 2020

Honorable Michael P. Victorino  
Mayor, County of Maui  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Michael P Victorino* 8/27/20  
\_\_\_\_\_  
Mayor Date

OFFICE OF THE  
COUNTY COUNCIL

2020 AUG 28 PM 4:16

RECEIVED

For transmittal to:

Honorable Riki Hokama  
Chair, Healthy Families and Communities Committee  
Maui County Council  
200 S. High Street  
Wailuku, Hawaii 96793

Dear Chair Hokama:

**SUBJECT: AUTHORIZING THE GRANT OF A LEASE TO KAUPAKALUA  
ROPING CLUB & YOUTH RODEO, INC. (HFC-61)**

Pursuant to your letter dated August 25, 2020, relating to the Request from the August 13, 2020 Meeting, below are the responses to the following:

1. Please provide information on the market value of renting this land, identified as tax map key (2) 2-8-002:008 (approximately 0.642 acres), and tax map key (2) 2-8-002:032 (approximately 4.191 acres).

*Response: The annual fair market rent value for tax map key (2) 2-8-002:008 (approximately 0.642 acres), is \$22,064.00 and the annual fair market rent value for tax map key (2) 2-8-002:032 (approximately 4.191 acres) is \$30,047.00.*

Should you have any further questions, please submit them to Mayor Victorino's attention.

Honorable Riki Hokama  
Chair, Healthy Families and Communities Committee  
Maui County Council  
August 26, 2020  
Page 2

Sincerely,



SCOTT K. TERUYA  
Director of Finance

Attachments

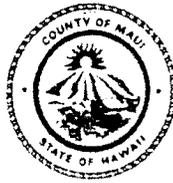
**MICHAEL P. VICTORINO**  
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Director

**MAY-ANNE A. ALIBIN**  
Deputy Director

**MARCY L. MARTIN**  
Administrator

**GERY MADRIAGA**  
Assistant Administrator



COUNTY OF MAUI  
DEPARTMENT OF FINANCE  
**REAL PROPERTY ASSESSMENT DIVISION**  
70 E. KAAHUMANU AVENUE, SUITE A-16  
KAHULUI, HI 96732-2196  
Assessment: (808) 270-7297 | Fax: (808) 270-7884  
[www.mauipropertytax.com](http://www.mauipropertytax.com)

DATE: May 28, 2019

MEMO TO: Karla H. Peters, Director of Parks & Recreation

FROM: Marcy Martin, AAS Real Property Tax Administrator, Department of Finance *M*

SUBJECT: Request for fair market rental value for :  
Description: Ulumalu Arena (Kaupakalua Roping Club)  
TMK: 2-8-002-008-0000  
Request dated: May 16, 2019

The assessed value for 2019 assessment year is: \$ 427,600.

The capitalization rates used for the market rent are from the Appraisal Institute Economic Indicators Q4 2018 (see below):

- Office 5.44%
- Warehouse 4.56%
- Residential/Apartment 5.16%
- Vacant land (residential) 5.16%

The fair market annual rent is calculated by multiplying the assessed value by the above referenced capitalization rate.

The annual fair market rent for the above mentioned property is \$ 22,064.

## Economic Indicators | PwC Real Estate Investor Survey, Q4 2018

	Regional Mall		CBD Office		Warehouse		Apartment	
	Q4 2018	Q3 2018	Q4 2018	Q3 2018	Q4 2018	Q3 2018	Q4 2018	Q3 2018
<b>Discount Rate (IRR)<sup>1</sup></b>								
Range (%)	5.00 – 11.00	5.00 – 11.50	5.25 – 9.00	5.25 – 9.00	5.25 – 9.00	5.25 – 9.00	5.25 – 10.00	5.25 – 10.00
Average (%)	7.33	7.55	6.89	6.89	6.33	6.38	7.15	7.20
Change (bps)		-22		0		-5		-5
<b>Overall Cap Rate (OAR)<sup>2</sup></b>								
Range (%)	4.00 – 9.00	4.00 – 10.00	3.00 – 7.50	3.00 – 7.50	1.00 – 6.50	1.50 – 6.25	3.50 – 8.50	3.50 – 8.50
Average (%)	6.23	6.30	5.44	5.44	4.56	4.62	5.16	5.23
Change (bps)		-7		0		-6		-7
<b>Residual Cap Rate</b>								
Range (%)	4.25 – 10.00	4.25 – 10.00	4.50 – 8.50	4.50 – 8.50	4.50 – 6.75	4.50 – 7.25	4.00 – 8.50	4.00 – 8.50
Average (%)	6.58	6.80	6.02	6.11	5.51	5.64	5.53	5.57
Change (bps)		-22		-9		-13		-4

<sup>1</sup>Rate on unleveraged, all-cash transactions. Definitions: bps — basis points. Discount Rate (IRR) — Internal rate of return in an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR) — Initial rate of return in an all-cash transaction. Residual Cap Rate — overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast. Survey involves institutional-grade properties. Source: PwC Real Estate Investor Survey; Personal survey conducted by PwC during October 2018. For subscription information, please email us [pwcsurvey@pwc.com](mailto:pwcsurvey@pwc.com).

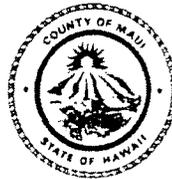
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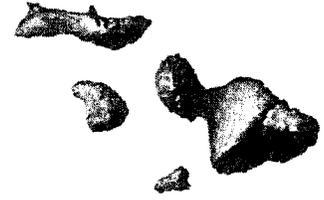
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DATE: May 28, 2019

MEMO TO: Karla H. Peters, Director of Parks & Recreation

FROM: Marcy Martin, AAS Real Property Tax Administrator, Department of Finance 

SUBJECT: Request for fair market rental value for :  
Description: Ulumalu Arena (Kaupakalua Roping Club)  
TMK: 2-8-002-032-0000  
Request dated: May 16, 2019

The assessed value for 2019 assessment year is: \$582,300.

The capitalization rates used for the market rent are from the Appraisal Institute Economic Indicators Q4 2018 (see below):

- Office 5.44%
- Warehouse 4.56%
- Residential/Apartment 5.16%
- Vacant land (residential) 5.16%

The fair market annual rent is calculated by multiplying the assessed value by the above referenced capitalization rate.

The annual fair market rent for the above mentioned property is \$ 30,047.

## Economic Indicators | PwC Real Estate Investor Survey, Q4 2018

	Regional Mall		CBD Office		Warehouse		Apartment	
	Q4 2018	Q3 2018	Q4 2018	Q3 2018	Q4 2018	Q3 2018	Q4 2018	Q3 2018
<b>Discount Rate (IRR)<sup>2</sup></b>								
Range (%)	5.00 - 11.00	5.00 - 11.50	5.25 - 9.00	5.25 - 9.00	5.25 - 9.00	5.25 - 9.00	5.25 - 10.00	5.25 - 10.00
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Range (%)	4.00 - 9.00	4.00 - 10.00	3.00 - 7.50	3.00 - 7.50	1.00 - 6.50	1.50 - 6.25	3.50 - 8.50	3.50 - 8.50
Average (%)	6.23	6.30	5.44	5.44	4.56	4.62	5.16	5.23
Change (bps)		-7		0		-6		-7
<b>Residual Cap Rate</b>								
Range (%)	4.25 - 10.00	4.25 - 10.00	4.50 - 8.50	4.50 - 8.50	4.50 - 6.75	4.50 - 7.25	4.00 - 8.50	4.00 - 8.50
Average (%)	6.58	6.80	6.02	6.11	5.51	5.64	5.53	5.57
Change (bps)		-22		-9		-13		-4

<sup>2</sup> Rate on unleveraged, all-cash transactions. Definitions: bps -- basis points. Discount Rate (IRR) -- Internal rate of return in an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR) -- Initial rate of return in an all-cash transaction. Residual Cap Rate -- overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast. Survey involves institutional-grade properties. Source: PwC Real Estate Investor Survey; Personal survey conducted by PwC during October 2018. For subscription information, please email us-pwcsurvey@pwc.com.