

individual motivations. A sale of real property occurs only when the two parties mutually agree on price.

No additional, updated, or review appraisals were obtained or considered as market conditions have not changed significantly since the County's appraisal was completed.

2. What due diligence supports the highest-and-best-use assumption, and how would any deviation affect value?

Response: The appraiser developed their own scope of work in determining a highest and best use conclusion. Refer to page 9 and page 62, Section 5 – Highest and Best Use Analysis in the appraisal. A specific use value could be different than a highest and best use value.

3. Please provide the completion dates and results for:

- a. United States Army Corps of Engineers debris-clearance status and scope confirmation;

Response: The United States Army Corps of Engineers (USACE) only performed debris-clearance for TMK (2) 4-6-015:006, which has been completed and closed. USACE did not perform debris-clearance on the other 119 parcels.

- 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

Response: The skimming wells, also known as Lahaina Shaft A (State Well No. 6-5240-003) and Lahaina Shaft B (State Well No. 6-5240-002), is a part of the Launiupoko Irrigation Company (LIC) that are excluded from the subject acquisition. The purpose of the wells is to provide non-potable water for their customers. The condition, evaluation of risk they may pose to groundwater or future public uses, is subject to the pending existing and new Water Use Permits that the LIC has submitted to the Commission on Water Resource Management (CWRM).

- c. State how these findings are reflected in representations, warranties, indemnities, or price escrows in the purchase documents.

Response: See response for a and b above. There was no need to reflect in representations, warranties, indemnities, or price escrows in the purchase documents, any matters related to the USACE debris-clearance for TMK (2) 4-6-015:006 or the skimming wells.

Honorable Yuki Lei K. Sugimura, Chair
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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.

Response: Old Republic National Title Insurance Company will issue three CLTA Standard Coverage Policy of Title Insurance as there will be three separate deeds. The three sellers are Hope Builders, Inc., Wainee Land & Homes LLC, and both entities together. The coverage amounts will be \$7,468,500, \$9,529,500 & \$3,002,000, respectively.

- b. A list by Tax Map Key indicating which properties will have title insurance and which will not?

Response: It has not been determined how many parcels will not have title insurance. We are working with the seller and title company on finalizing the list. We believe less than 20 parcels will be uninsured.

5. Is federal funding available for costs related to flood-control development?

Response: Federal funding had been granted for the design and permitting of the flood control improvements. DPW will be seeking CDBG-DR funding for the construction of the improvements.

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.

Response: Please refer this question to the Department of Management.

Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN
Director of Finance

cc: Josiah Nishita, Managing Director
Jordan Molina, Director of Public Works

BFED Committee

From: Michelle L. Santos <Michelle.Santos@co.maui.hi.us>
Sent: Monday, October 20, 2025 1:20 PM
To: BFED Committee
Cc: Cynthia E. Sasada; Didi A. Hamai; Erin A. Wade; Josiah K. Nishita; Kelii P. Nahooikaika; Marcy L. Martin; Maria E. Zielinski; Stacey M. Vinoray
Subject: MT#11259-FISCAL YEAR 2025 ESTIMATED REVENUE SHORTFALL FOR THE SEWER FUND, MT#11260-BILL 138, MT#11261-BILL 152
Attachments: MT#11259-BFED Committee.pdf; MT#11260-BFED Committee.pdf; MT#11261-BFED Committee.pdf

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