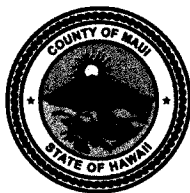


ALAN M. ARAKAWA  
Mayor



DANILO F. AGSALOG  
Director

MARK R. WALKER  
Deputy Director

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

March 30, 2016

2016 MAR 30 PM 2:52  
OFFICE OF THE  
COUNTY COUNCIL

RECEIVED

Mr. Sananda K. Baz  
Budget Director, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

Honorable Alan M. Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Al Arakawa* 3/30/16  
Mayor Date

For Transmittal to:

Honorable G. Riki Hokama  
Chair, Budget and Finance Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Hokama:

**SUBJECT: FISCAL YEAR ("FY") 2017 BUDGET (FN-2) (BF-1)**

Pursuant to your request dated March 28, 2016, the following are the Finance Department's responses.

1. *Provide the status of the License, Maui In-Line Hockey Association, for the Kalama Park Inline Skating Facility, that expired on June 30, 2012, \$1 base rent. Absent adequate explanation concerning the status of the License, the expired agreement will be removed from Attachment B-1.*

The Department of Parks & Recreation (Department) has completed the survey of the License area and is awaiting Corporation Counsel to draft the new License Agreement. The Department will be submitting a request to the Board of Land and Natural Resources (BLNR) to

approve a 15-year lease. Kalama Park is land controlled by the County of Maui via Executive Order 854. BLNR approval is required for any encumbrances on Executive Order lands.

2. *Provide the status of the following agreements, which are set to expire prior to the end of FY 2016, and include whether there is an intention to renew the agreement prior to expiration, and if so, to whom and for how long. If applicable, provide a copy of the newly executed agreement. If the agreement will not be renewed, it will be removed from Attachment B-1:*

- a. *Concession, Maui County Employees Federal Credit Union, for the ATM Machine at Kalana O Maui Building, expiring May 31, 2016, \$2,200 base rent*

Invitation for Bids (IFB 15-16/P-86) was posted on March 11, 2016 and will close on April 14, 2016 at 2:00 p.m. The term of the new Concession will be (5) five years.

- b. *Concession, Maui County Employees Federal Credit Union, for the ATM Machine at Maui Mall Service Center, expiring May 31, 2016, \$1,650 base rent.*

Invitation for Bids (IFB 15-16/P-86) was posted on March 11, 2016 and will close on April 14, 2016 at 2:00 p.m. The term of the new Concession will be (5) five years.

- c. *License, State of Hawaii, for Hale Piilani Park, expiring May 19, 2016, \$83 base rent.*

The State of Hawaii, Department of Health is submitting notice to holdover on a month-to-month bases for an additional year per Section 18, Holding Over, of the License Agreement. The County will continue to invoice the State \$83.00 per annum until further notice.

3. *Provide the status of the following agreements, which are set to expire during FY 2017:*

- a. *Concession, Hawaii Golf Equipment & Supplies, LLC, for the Waiehu Golf Course Pro Shop, expiring on August 31, 2016, \$276,000 base rent*

Concessionaire is exercising the first of (2) Two, one-year extensions. A Contract Amendment is being processed to extend the Concession Agreement until August 31, 2017 at the same base rent.

- b. *Lease Titan International LLC, for the Lanai Affordable Housing Project Site, expiring May 19, 2017, \$12 base rent.*

Department of Housing and Human Concerns intends to offer Titan International LLC and extension of the current lease with the same terms and conditions for (5) five years. The extension will require Council approval.

4. *If the Council adopts the proposed resolution to authorize the grant of a lease to Paia Youth Council, Inc, for the Paia Youth and Cultural Center (Economic Development, Energy, Agriculture, and Recreation Committee Report 16-56) at its meeting of April 1, 2016, provide a copy of the executed lease no later than April 30, 2016.*

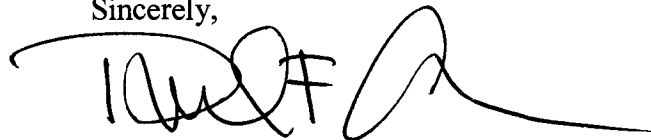
A copy of the executed lease will be transmitted should the Council adopt the proposed resolution at its April 1, 2016 meeting.

*Finally, please confirm whether it was your intention to have references to concessions and leases, such as the Waiehu Golf Course Pro Shop and food and liquor concessions, deleted from the body of Appendix B and referenced in Attachment B-1 only. Please explain.*

The concessions and leases for the Waiehu Golf Course Pro Shop and food and liquor concessions were deleted from Appendix B as they are not a Fee, Rate, Assessment or Taxes established by ordinance. The concession amounts are based on open bids. They have been included and made part of Appendix C, previously Attachment B-1.

Should you have any questions, please do not hesitate to contact my office at x7844.

Sincerely,

A handwritten signature in black ink, appearing to read 'DANILLO F. AGSALOG', with a long horizontal flourish extending to the right.

DANILO F. AGSALOG  
Director of Finance