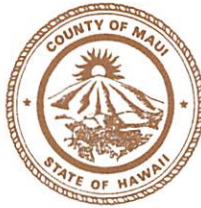


ALAN M. ARAKAWA
MAYOR

2018 OCT 10 PM 1:36

OFFICE OF THE
COUNTY CLERK



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

REFERENCE NO. BD-BA 19-36

October 10, 2018

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

For Transmittal to:

Honorable Michael White, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair White:

SUBJECT: AMENDMENT TO THE FISCAL YEAR 2019 BUDGET

I am transmitting the attached proposed bill for the purpose of amending Appendix A, Part II of the Fiscal Year 2019 Budget as it relates to an appropriation under the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund for a land appraisal of lots located in Maka'alae, Hana, Maui.

Community nonprofit, Ke Ao Hali'i is seeking funding from the Open Space Fund to purchase parcels from Hana Ranch Partners, LLC at fair market value as determined by an appraisal for the purpose of protecting and preserving the natural and cultural resources of the Hana coast.

Ke Ao Hali'i and Hana Ranch Partners, LLC are requesting that the existing \$20,000 appropriation from the Open Space Fund for a land appraisal be amended to include additional lots identified as TMKs: (2) 1-3-007-024; (2) 1-4-007-005, 011, 012, and 019; (2) 1-4-010-014, 017, 027, 028, 029, 030, 032, 033 and 034; and (2) 1-4-012-022.

The proposed bill also reflects a correction to TMKs: (2) 1-4-012-002, 021, 001, 017, 027, 028, and 029 which are currently listed in the ordinance to reflect parcels 017, 027, 028 and 029 under the correct plat number, (2) 1-4-010.

COUNTY COMMUNICATION NO. 18-369

Honorable Michael White, Chair
and Members of the Maui County Council
October 10, 2018
Page 2

Thank you for your attention in this matter. Should you have any questions, please feel free to contact me at ext. 7212.

Sincerely,

A handwritten signature in black ink, appearing to read "Sananda K. Baz". The signature is fluid and cursive, with a large, stylized "S" at the beginning and a long, sweeping tail that loops back under the name.

SANANDA K. BAZ
Budget Director

Attachments (2)

cc: Council Member Robert Carroll
Keith Regan, Managing Director
Mark Walker, Director of Finance

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019,
OPEN SPACE, NATURAL RESOURCES, CULTURAL RESOURCES,
AND SCENIC VIEWS PRESERVATION FUND

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4861 Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2019, is hereby amended as it pertains to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund by amending the proviso for a land appraisal for lots located in Maka'alae, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL
FUNDS FOR FISCAL YEAR 2019**

	<u>ESTIMATED BALANCE AS OF 6/30/18</u>	<u>ANTICIPATED REVENUES FOR FY 2019</u>	<u>TOTAL FOR FY 2019</u>
"J. Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund (Section 9-19, Revised Charter of the County of Maui (1983), as amended; Chapter 3.88, Maui County Code)	3,019,089	3,214,857	6,233,946"
(1) Provided, that \$600,000 shall be for land acquisition and related costs for TMK: (2) 4-8-002:057, Ukumehame, Maui, Hawaii, totaling approximately 9.1 acres, subject to Chapter 3.88, Maui County Code.			
(2) Provided, that \$300,000 shall be for debt service for the purchase of approximately 186 acres at Launiupoko, Maui, Hawaii, TMKs: (2) 4-7-001:030 and (2) 4-7-001:026 (por.).			
(3) Provided, that \$250,000 shall be for the acquisition of Dole Park, Lanai, and related costs.			
(4) Provided, that \$1,000,000 shall be for land acquisition and related costs for a Lanai agricultural park.			
(5) Provided, that \$400,000 shall be used to negotiate the purchase of vacant lands, or a portion thereof, identified as TMKs: (2) 4-3-007-026:0000 and (2) 4-3-007-027:0000 and located on the south side of Honokeana Cove in West Maui for beach access.			

- (6) Provided, that \$20,000 shall be for a land appraisal for lots located in Maka'ala for TMKs: (2) 1-4-012-002, 021, 022, and 001[, 017, 027, 028, and 029]; (2) 1-3-007-024; (2) 1-4-007-005, 011, 012, and 019; (2) 1-4-010-014, 017, 027, 028, 029, 030, 032, 033 and 034.
- (7) Provided, that \$10,000 shall be for the land acquisition and related costs for Kulanihakoi Linear Park, identified as TMKs: (2) 3-9-001-162, (2) 3-9-001-164 & (2) 3-9-062-019 (por.), located at Kenolio Road, Kihei.
- (8) Provided, that \$30,000 shall be for land acquisition and related costs for TMK: 2-7-007-005 for Hamakualoa Coastal Open Space Preserve (Lot 6), Kuiaha, Maui, Hawaii, totaling approximately 48.774 acres.

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

HRP HANA, LLC
PO Box 1447
Makawao, HI 96768

September 21, 2018

Mayor Alan Arakawa
County of Maui

Councilmember Robert Carroll
Maui County Council, East Maui Seat

Dear Mayor Arakawa and Councilmember Carroll,

This letter is in furtherance of the continuing discussions between HRP Hana LLC (HRP), as seller, and Ke Ao Hali'i (KAH), a community nonprofit corporation, as buyer. We reference our letters to you of July 17, 2018 and September 20, 2018. This letter follows our constructive discussion on September 20th with members of the Mayor's office and County administration.

HRP and KAH desire to enter into a transaction in which HRP sells to KAH various parcels of culturally significant land in Hana. KAH seeks a grant from the County's Open Space Fund to permit KAH to purchase the parcels at fair market value as determined by an independent professional appraisal. HRP is willing to sell the subject parcels for a purchase price determined by such appraisal and to donate additional parcels to fulfill the common objective of coastline preservation.

HRP and KAH request the County to commence the process of securing professional appraisals of the subject parcels for the purposes of (1) determining the purchase price of each parcel, (2) utilizing such purchase price(s) to determine the amount of Open Space Funds to be requested by KAH as a grant, and (3) determining the value of the parcels to be donated or contributed by HRP to KAH or the County as part of the overall preservation project. We have listed below all of the parcels under consideration, in order to give you a comprehensive listing at this time.

HRP and KAH request appraisals on the following parcels:

1. TMK 1-4-10-32
2. TMK 1-4-10-34
3. TMK 1-4-10-14
4. TMK 1-4-12-02
5. TMK 1-4-07-05 (including inset parcels: -11, -12, -19)
6. TMK 1-4-10-30
7. TMK 1-4-10-33
8. TMK 1-4-10-17, 27, 28 and 29
9. TMK 1-4-12-1, 21, 22
10. TMK 1-3-7-24.

HRP HANA, LLC
PO Box 1447
Makawao, HI 96768

September 21, 2018

To facilitate the next step in this process and to initiate the appraisals, we will deliver to the County Administration the preliminary title reports for each of the above-listed TMKs and the two appraisals in HRP's possession.

At this time, the parties are discussing the cash purchase at the appraised value of TMKs -32, -34, -14, -05 (and inset parcels) and -30. Other parcels may be subject to purchase; the parcels not so purchased will be donated by HRP to KAH or the County as appropriate.

As we noted in our July 17th letter, we believe that this integrated transaction benefits all of the constituencies of Hana and the County of Maui:

- a. The Maka'ala'e pastures will be protected for the benefit of all of the people of Maui.
- b. Ke Ao Hali'i will have ownership and control over those parcels to ensure continuity of appropriate cultural and fishing activities, as well as the open space and agricultural values protected in the conservation easements.
- c. The unique beauty and significance of the Hana coastline will be preserved.
- d. HRP will receive fair market value, as determined by an appraisal, for one of its most valuable parcels, TMK 32. The consummation of this sale will permit HRP, in the same calendar year, to grant a conservation easement on TMK 02, with some tax benefit available to the HRP members.
- e. The County will serve the Hana community and the entire Maui community by the use of the Open Space Funds to preserve exceptionally valuable and rare coastline property, without saddling the County with the financial and management burden of these properties.
- f. The County will receive donations of several parcels for the benefit of the community. For example, the Hana Cultural Center will be given the land in front of the Center, for the benefit of the community and those who enjoy and utilize the Cultural Center.

We greatly appreciate your consideration and your support.

Robert L. Leberman

Robert Leberman, HRP

Scott Crawford, Chair, KAH