Cancellation of Revocable Permit No. S-7863 to Kaupo Community Association, Inc., and Approval of 55-year Lease of Lands to the Kaupo Community Association, Inc. Pursuant to Governor’s Executive Order No. 4544 to County of Maui, for Community Center and Ancillary Purposes, Kumunui, Kaupo, Hana, Maui, Tax Map Key: (2) 1-7-002:015.

CONTROLLING AGENCY:

County of Maui

APPLICANT:

Kaupo Community Association, Inc.

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes, as amended.

ZONING:

State Land Use District: Agriculture
County of Maui CZO: Agriculture

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ____ NO X

CURRENT USE STATUS:

Revocable Permit No. S-7863 to Kaupo Community Association, Inc. for landscape and maintenance purposes.
LEASE TERMS & CONDITIONS:

LOCATION:

Portion of Government lands of Kumunui situated at Kaupo, Hana, Maui, identified by Tax Map Key: (2) 1-7-002:015, as shown on the attached map labeled Exhibit A.

AREA:

2.25 acres, more or less.

CHARACTER OF USE:

Community Center and Ancillary Purposes

TERM:

Fifty-five (55) years, commencing upon execution and expiring 55 years from the date of execution, unless terminated as provided by lease terms and conditions.

RENT AMOUNT:

$1.00 (one dollar) per annum.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The controlling agency shall be responsible for ensuring compliance with Chapter 343, HRS. To the extent the Board’s approval of the lease between the County of Maui and Kaupo Community Association, Inc. (KCA) is deemed to be a trigger under Chapter 343, HRS, the project is exempt from the preparation of an environmental assessment. See Exhibit B attached.

DCCA VERIFICATION:

Place of business registration confirmed: YES X NO  
Registered business name confirmed:   YES X NO  
Applicant in good standing confirmed:  YES X NO

REMARKS:

On August 22, 2014, the State Board of Land and Natural Resources (Board), under agenda Item D-18, authorized the issuance of a revocable permit to the Kaupo Community Association, Inc. (KCA) for landscape and maintenance of the former Kaupo School Lot. The intent was to maintain the premises until such time that KCA could obtain its 501(c)(3) status which would allow a long-term disposition for community center and ancillary purposes.
On August 11, 2017, under agenda item D-4, the Board authorized the set-aside of the subject premises to the County of Maui for community center and ancillary purposes.

On January 26, 2018, Governor’s Executive Order No. 4544 was issued to the County of Maui.

Between February and March of 2018, the Mayor’s Office negotiated the subject 55-year lease agreement with KCA, which was reviewed and approved by the Maui County Council. A copy of the lease is attached as Exhibit C.

The proposed use is consistent with the purpose of the set-aside. Staff has no objections to the Board’s approval of the lease agreement between the County of Maui and KCA. However, the lease does not mention that the existing single-story, two-room schoolhouse on the property was built in 1923 and is listed on the Hawaii and National Registers of Historic Places (SlIP 50-50-04-1630, NR #00000662). See Exhibit D attached. Staff is therefore including a recommendation below that any renovation of the schoolhouse comply with §6E-8, HRS.

Finally, although the lease includes a signature block for the Chairperson on page 6, staff understands that Board approval of the request is sufficient for purposes of Section 171-11, HRS, and that the Chairperson will therefore not be signing the lease.

RECOMMENDATION: That the Board

1. Authorize the cancellation of Revocable Permit No. S-7863 in the manner specified by law;

2. Declare that, after considering the potential effects of the proposed project as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore, exempt from the preparation of an environmental assessment; and

3. Approve the lease between the County of Maui and Kaupo Community Association, Inc., subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State; provided, however, that any renovation of the schoolhouse located on the subject land shall comply with §6E-8, HRS.
Respectfully Submitted,

[Signature]
Daniel Ornellas
District Land Agent

APPROVED FOR SUBMITTAL:

[Signature]
Suzanne D. Case, Chairperson
Former Kaupo School Lot
Tax Map Key: (2) 1-7-002:015

EXHIBIT A
Former Kaupo School Lot
Tax Map Key: (2) 1-7-002:015
Former Kaupo School Lot
Tax Map Key: (2) 1-7-002:015
EXEMPTION NOTIFICATION
Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Approval of 55-year Lease of Lands to the Kaupo Community Association, Inc. Pursuant to Governor’s Executive Order No. 4544 to County of Maui.

Project / Reference No.: PSF No. 17MD-049

Project Location; Kumunui, Kaupo, Hana, Maui, Tax Map Key: (2) 1-7-002:015

Project Description: Approval of 55-year Lease of Lands to the Kaupo Community Association, Inc. Pursuant to Governor’s Executive Order No. 4544 to County of Maui.

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8 and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states “Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing” and Item 47, that states “Leases of state land involving negligible or no expansion or change of use beyond that previously existing.”

Cumulative Impact of Planned Successive Actions in Same Place Significant? No. A single lease is proposed as a continuing use of the land.

Actions may have Significate Impact on Particularly Sensitive Environment? No, the subject land is zone agricultural and is not a particularly sensitive environment. An existing single story, two-room school house on the property was built in 1923 and is listed on the Hawaii and National Registers of Historic Places (SliP 50-50-04-1630, NR #00000662). Any renovation of the schoolhouse shall comply with §6E-8, HRS

EXHIBIT B
Consulted Parties: State Historic Preservation Division, Office of Hawaiian Affairs, Agribusiness Development Corporation, and County of Maui Departments of Planning, Property Management, Public Works and the County of Maui Water Board were previously consulted on the set-aside of the land to the County of Maui for lease to Kaupo Community Association, Inc. and the use of the property as a community center. None of the consulted parties opposed the proposed HRS Chapter 343 exemption for the project.

Analysis: The subject land has been under Revocable Permit No. S-7863 to Kaupo Community Association, Inc. since April 30, 2015 for landscape and maintenance purposes. As such, staff believes the use of the site as a community center and ancillary purposes would involve negligible or no expansion or change in use of the subject area beyond that previously existing, and should therefore be exempt from the preparation of an environmental assessment.

Declaration: That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.
THIS LEASE, made this _____ day of ___________, 2018, by and between the COUNTY OF MAUI, a political subdivision of the State of Hawaii, whose principal place of business and mailing address is 200 South High Street, Wailuku, Maui, Hawaii 96793, hereinafter referred to as "Lessor", and KAUPO COMMUNITY ASSOCIATION, a Hawaii nonprofit corporation, whose mailing address is P. O. 787, Kula, Maui, Hawaii 96790, hereinafter referred to as the "Lessee", and collectively referred to as the "Parties";
WHEREAS, the State of Hawaii is the owner of that certain parcel of land, consisting of approximately 2.25 acres, commonly referred to as the old Kaupo School property, and hereinafter referred to as "the Property";

WHEREAS, the State of Hawaii through Executive Order No.4544, Exhibit "A", attached hereto and incorporated herein, has assigned control and management of the Property to the County of Maui for public purposes, including for use as a Community Center and ancillary purposes; and

WHEREAS, Lessee was formed in 1997 to promote the needs and welfare of the community, and intends to restore and revitalize the Property to correct historical standards and use the Property to benefit the community; and

WHEREAS, the County of Maui supports Lessee and hopes to assist Lessee by issuing this Lease so that Lessee may revitalize and restore the Property, conduct its activities on the site, and provide a community resource center for use by the public, and an emergency shelter when necessary; NOW, THEREFORE,

Lessor, for and in consideration of Lessee's covenants and agreements set forth herein, does hereby agree to grant a lease to Lessee and Lessee hereby accepts said lease on the terms and conditions set forth below:

A. Premises. The Premises shall comprise the area commonly known as the old Kaupo School property, situate at Kumunui, Kaupo, Maui, and identified as Tax Map Key No. (2) 1-7-002:015, set aside by Governor's Executive Order No. 4544, consisting of an area of
approximately 2.25 acres, more particularly described and shown on the exhibits to Exhibit "A", the Executive Order, attached hereto and incorporated herein, which includes two structures, a classroom building and teacher's cottage, which Lessee intends to restore to their historic character, hereinafter referred to as the "Premises."

B. Use of Premises. Lessee shall use the Premises solely for the purpose of a community resource center, an emergency shelter, and such other activities promoting services for the community. The use of the Premises for any other purpose shall require the prior written approval of Lessor, through its Director of the Department of Parks and Recreation ("Director") and the State of Hawaii, Board of Land and Natural Resources ("BLNR").

C. Term. This Lease shall commence upon execution and expire fifty-five (55) years from the date of execution, unless sooner terminated as provided herein. Lessor may terminate this Lease with sixty (60) days advance written notice, with or without cause.

D. Cancellation. The Lease shall be subject to immediate cancellation in the event of disapproval of Executive Order 4544, by the Hawaii State Legislature pursuant to Section 171-11, Hawaii Revised Statutes.

E. Rent. Lessor reserving and the Lessee yielding and paying to the Lessor the nominal rental amount of ONE DOLLAR ($1.00) per annum, payable to the County of Maui, Department of Finance, at Lessor's address designated herein or as otherwise designated in writing by Lessor, in advance, within ninety (90)
days of execution of this lease, the receipt and sufficiency of which is hereby acknowledged.

I. Additional Covenants, Terms and Conditions. Additional covenants, terms and conditions of this Lease are set forth in Exhibit "B" attached hereto and by reference made a part hereof.

J. Grant requirements. This lease is provided at less than fair market rental value, and is therefore a grant of real property. Within three (3) weeks after the end of each fiscal year, Lessee shall transmit to the Department of Parks and Recreation a report, using Exhibit "C", provided herewith, containing the following information for the previous fiscal year:

1. Program status summary;
2. Program data summary;
3. Summary of participant characteristics;
4. Changes in real property tax assessment for the real property;
5. Earnings from the grant of real property; and

K. BLNR requirements.

1. Upon receiving approval from the Board of Land and Natural Resources, the Lessee shall provide approved building permits for the existing structures. If no building permits were obtained at the time of construction, after the fact permits must be obtained. All structures must be permitted and built to Maui County code.
IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed on the date set forth above.

LESSOR:
COUNTY OF MAUI

By
ALAN M. ARAKAWA
Its Mayor

By
MARK R. WALKER
Its Director of Finance

APPROVAL RECOMMENDED:

BUTCH KAALA BUENCONSEJO
Director of the Department of Parks and Recreation

APPROVED AS TO FORM AND LEGALITY:

JERRE L. SHEPPARD
Deputy Corporation Counsel
County of Maui
LF 2018-0279
2018-02-26 Lease
APPROVED BY THE BOARD OF LAND AND NATURAL RESOURCES AT ITS MEETING HELD ON: ________________

APPROVED:

SUZANNE CASE
Chairperson
Board of Land and Natural Resources
Date ____________________________

LESSEE:

KAUPO COMMUNITY ASSOCIATION, Inc.

By ____________________________
(Signature)

Linda A. Clark
(Print Name)

Its President
(Title)

By ____________________________
(Signature)

__________________________
(Print Name)

Its ____________________________
(Title)

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
STATE OF HAWAII
COUNTY OF MAUI

On this 14th day of April, 2018, before me personally appeared LINOA ANN CLARK, to me personally known, who, being by me duly sworn or affirmed did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

My commission expires: 08/14/2019

[Stamp of Seal]

NOTARY PUBLIC CERTIFICATION

Doc. Date: 04/11/2018
# Pages: 1
Notary Name: STACEY ANN L. CASCO
Judicial Circuit: 2nd
Doc. Description: KAUPA COMMUNITY ASSOCIATION, INC.
LEASE OF COUNTY REAL PROPERTY
Notary Signature: STACEY ANN L. CASCO
Date: 04/11/2018

[Stamp of Seal]
STATE OF HAWAII  
COUNTY OF MAUI

On this _____ day of __________________, 20____, before me personally appeared __________________________, to me personally known, who, being by me duly sworn or affirmed did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of Hawaii

[Stamp or Seal]

Print Name ________________________
My commission expires: ____________

NOTARY PUBLIC CERTIFICATION
Doc. Date: ___________________________ # Pages: ___________________________
Notary Name: ________________________ Judicial Circuit: ______________________
Doc. Description: ______________________
[Stamp or Seal]
Notary Signature: ______________________
Date: ___________________________
STATE OF HAWAII

COUNTY OF MAUI

On this ______ day of ____________, 20__, before me personally appeared ALAN N. ARAKAWA, to me personally known, who, being by me duly sworn, did say that she is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui by authority of its Charter; and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of Hawaii

[Stamp or Seal]

Print Name_____________________

My commission expires:_________

NOTARY PUBLIC CERTIFICATION

Doc. Date: ___________________________  # Pages: ___________________________

Notary Name: ___________________________ Judicial Circuit: _________________

Doc. Description: _____________________________________________________________________________

___________________________________________________________________________________________

[Stamp or Seal]

Notary Signature: ___________________________

Date: ___________________________
STATE OF HAWAII )
COUNTY OF MAUI ) SS.

On this ______ day of ____________, 20__, before me personally appeared MARK R. WALKER, to me personally known, who, being by me duly sworn, did say that he is the Director of Finance of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui by authority of its Charter; and the said MARK R. WALKER acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of Hawaii

[Stamp or Seal]

NOTARY PUBLIC CERTIFICATION

Doc. Date: ____________________________ # Pages: ____________________________
Notary Name: ____________________________ Judicial Circuit: ____________________________
Doc. Description: ____________________________

__________________________________________
Notary Signature:
Date: ____________________________
June 1, 2017

Ms. Malania Minn, Project Development Specialist
State of Hawai‘i
Department of Land and Natural Resources
P.O. Box 621
Honolulu, HI 96809

Dear Ms. Minn:

SUBJECT: Chapter 6E-8 Historic Preservation Review
Historic Kaupō School - Transfer of Management
Government Road, Kaupō, Maui 96713
Owner Name: State of Hawai‘i
Naholoku Ahupua‘a, Kaupō District, Island of Maui
TMK: (2)1-7-002:015

Thank you for the opportunity to comment on this request from the Department of Land and Natural Resources (DLNR) for Hawai‘i Revised Statutes (HRS) Chapter 6E-8 review. The State Historic Preservation Division (SHPD) received this submittal on May 19, 2017. The proposed project is to renovate Kaupō School for use as a community center. In order to do so, DLNR will be transferring of management of the historic Kaupō School property to County of Maui via Executive Order.

The existing single story, two-room school house was built in 1923 and is listed on the Hawai‘i and National Registers of Historic Places (SIHP 50-50-04-1630, NR #00000662). Kaupō School is significant under criteria A for its association with the Kaupō community and was built during the time when Maui County saw great expenditures for schools and to service the small, isolated, rural town. The school is also significant under criteria C as a rare example of a small rural school built in a vernacular single-wall construction style utilizing tongue and groove vertical boards.

The proposed renovation by the County of Maui will be subject to §6E-8, Hawai‘i Revised Statutes.

Please contact Tanya Gumapac-McGuire, Architectural Historian, at (808) 692-8022 or at Tanya.Gumapac-Mcguire@hawaii.gov regarding architectural resources or this letter.

Aloha,

Alan Downer

Alan S. Downer, PhD
Administrator, State Historic Preservation Division
Deputy State Historic Preservation Officer