

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

September 27, 2019

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 19MD-089

MAUI

One Year Holdover of Lease Term for General Lease No. S-3817, Maui Family Young Men's Christian Association, Lessee, Keanae, Hana, Maui, Tax Map Key: (2) 1-1-002:009.

APPLICANT:

Maui Family Young Men's Christian Association, a domestic non-profit corporation.

PURPOSE:

One year holdover of General Lease No. S-3817 to Maui Family Young Men's Christian Association.

LEGAL REFERENCE:

Section 171-40, Hawaii Revised Statutes, as amended.

LOCATION:

Government lands of Keanae, Hana, Maui, identified by Tax Map Key: (2) 1-1-002:009, as shown on the attached map labeled Exhibit A.

AREA:

7.742 acres, more or less.

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

CHARACTER OF USE:

Recreational camp site purposes.

TERM OF LEASE:

Original term of fifty-five (55) years, commencing on November 24, 1964 and expiring on November 23, 2019.

Requested holdover of one (1) year commencing on November 24, 2019 and expiring on November 23, 2020.

ANNUAL RENTAL:

Current rent is four hundred eighty (\$480) per year, due in annual installments of \$480 on November 24th of each year.

RENTAL REOPENINGS:

Re-openings in the original term were at the end of the 15th, 25th, 35th and 45th years of the lease term. The last rental reopening occurred on November 24, 2009.

The holdover being requested in this submittal is only for one year and therefore Staff recommends to keep the rental amount the same at \$480 per year, payable on November 24, 2019.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO ____
Registered business name confirmed:	YES <u>X</u>	NO ____
Applicant in good standing confirmed:	YES <u>X</u>	NO ____

REMARKS:

Background:

At its meeting of February 28, 1964, under agenda item F-7, the Board approved the subject direct lease to Maui Young Men's Christian Association (MYMCA), for a period of fifty-five years. The approximately 7.742-acre area was to be used for recreational camping. Pursuant to the approved Board action, general lease number S-3817 commenced on November 24, 1964.

At its meeting of July 22, 2009, under agenda item D-6, the Board approved a lowering of the annual rent from \$1,630 to \$480. The reason for lowering the rent was because the tenant is an eleemosynary (charitable) organization, and the Board may set the rent at a nominal amount by direct negotiation. The statute providing the Board this authority is as follows:

§171-43 Lease of campsites or sites for youth athletic and/or educational activities. The board of land and natural resources may directly lease without recourse to public auction to any eleemosynary or religious organization campsites or sites for youth athletic and/or educational activities in a state park area or on lands under the control of the department of land and natural resources at nominal consideration. Where the lease is for campsites, the lease shall provide that the lessee shall permit the public to use the campsites at the rates approved by the board in its rules and regulations. Except as provided herein, the terms and conditions of sections 171-33, 171-35 and 171-36 shall apply. [L 1963, c 203, §1; am L 1965, c 239, §22; Supp, §103A-42.5; HRS §171-43; am L 1971, c 83, §1]

Land Division generally issues leases at fair market rental value as determined by an appraiser or via public auction. At the Board's May 13, 2005 meeting, item D-19, the Board established a minimum rent policy providing for a minimum rent of no less than \$480 per year.

Discussion:

MYMCA had two name changes since the lease was first issued and is now known as Maui Family Young Men's Christian Association (Lessee). Lessee is in compliance with all lease terms and conditions. Rent of \$480 is paid up to November 23, 2019. Liability insurance expires on December 31, 2019. Lessee has posted a \$3,260 certificate of deposit that expires on September 12, 2019. In the past two (2) years there have been no outstanding compliance issues.

The leased premises have been used substantially for the purpose for which they were leased, pursuant to HRS 171-36. The primary use of the premises is recreational camp site purposes.

The purpose and intent of the holdover is to allow more time for the lessee to conduct analysis of existing infrastructure and building improvements on site in order to better determine needed investment for future use of the area. Lessee hired a contractor to survey the improvements and infrastructure and provide a report of findings. Copies of an existing site plan and photos are attached as Exhibit B.

Furthermore, lessee is exploring opportunities to expand recreational activities and local community usage on-site, and is engaging with community based organizations on Maui to discuss opportunities for a potential partnership in the management and operations of the premises. Once the lessee has completed its analysis, it is anticipated that lessee will apply for a new lease disposition by January 2020.

In the event that the current lessee decides not to move forward with a new lease, or if staff perceives another opportunity to establish the highest and best use of the premises, staff will work to consider options during the holdover period which may include implementation of an RFP process to solicit new uses for the site, or transfer of the property via executive order to either the County of Maui to manage the area as a community center, or to the DLNR Division of State Parks to be run as another State managed recreation area. Once findings have been established staff will be making recommendations for long-term use and disposition of the premises to the Board in the spring of 2020.

Comments were solicited from the following agencies:


Agency	Comment
Office of Hawaiian Affairs	No response.
DLNR - State Parks	No comments.
DLNR - Forestry & Wildlife	No objections.
County of Maui - Planning Dept.	No objections and no comments.
County of Maui - Parks & Rec.	No objections.

RECOMMENDATION:

That the Board:

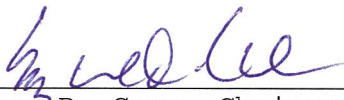
1. Authorize the holdover of General Lease No. S-3817 under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current lease holdover form, as may be amended from time to time;
 - B. Review and approval by the Department of the Attorney General; and
 - C. Such other conditions as may be prescribed by the Chairperson which are in the best interests of the State.

Respectfully Submitted,



fr Seiko Machida
Land Agent

APPROVED FOR SUBMITTAL:



van Suzanne D. Case, Chairperson

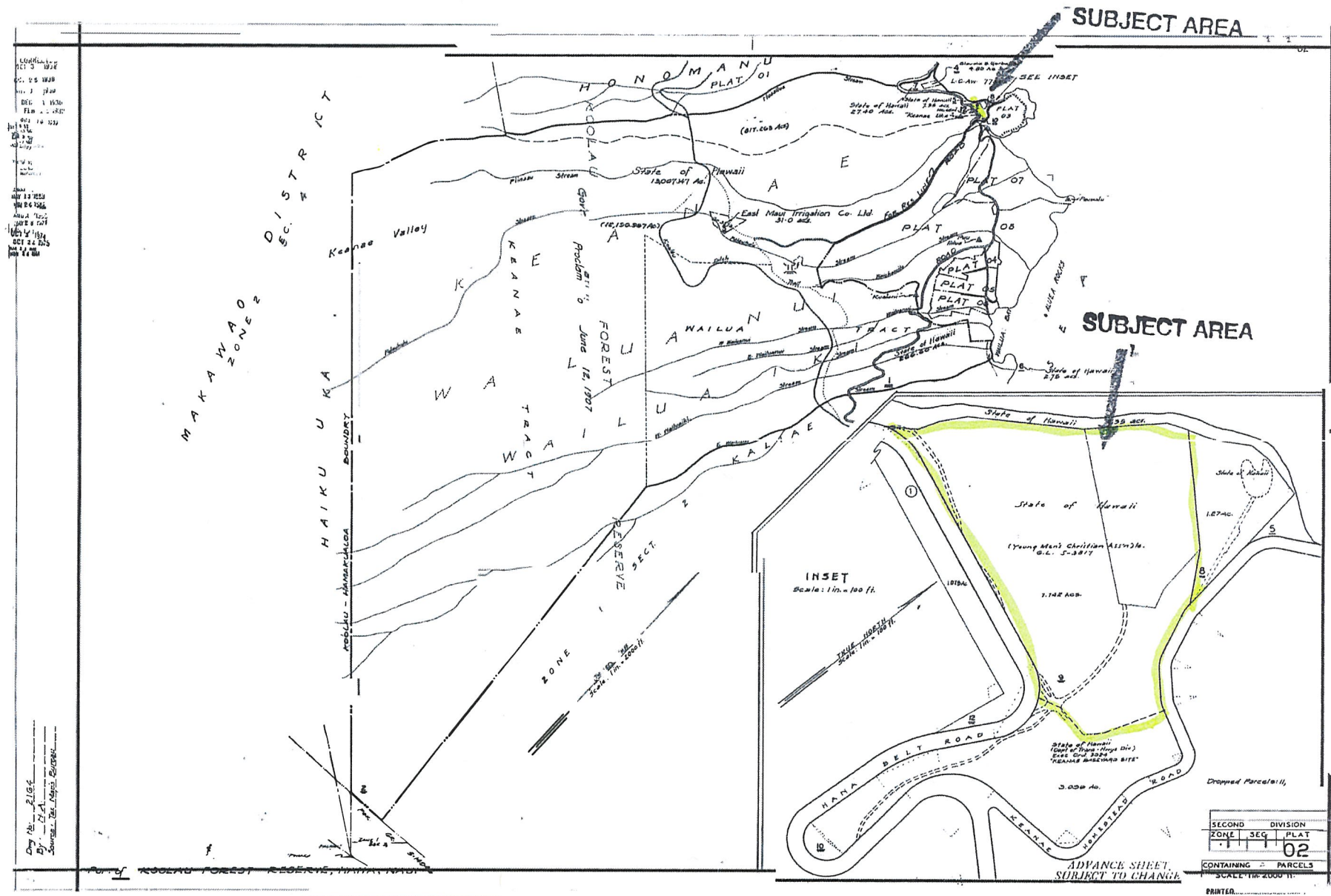


Exhibit A



Exhibit A

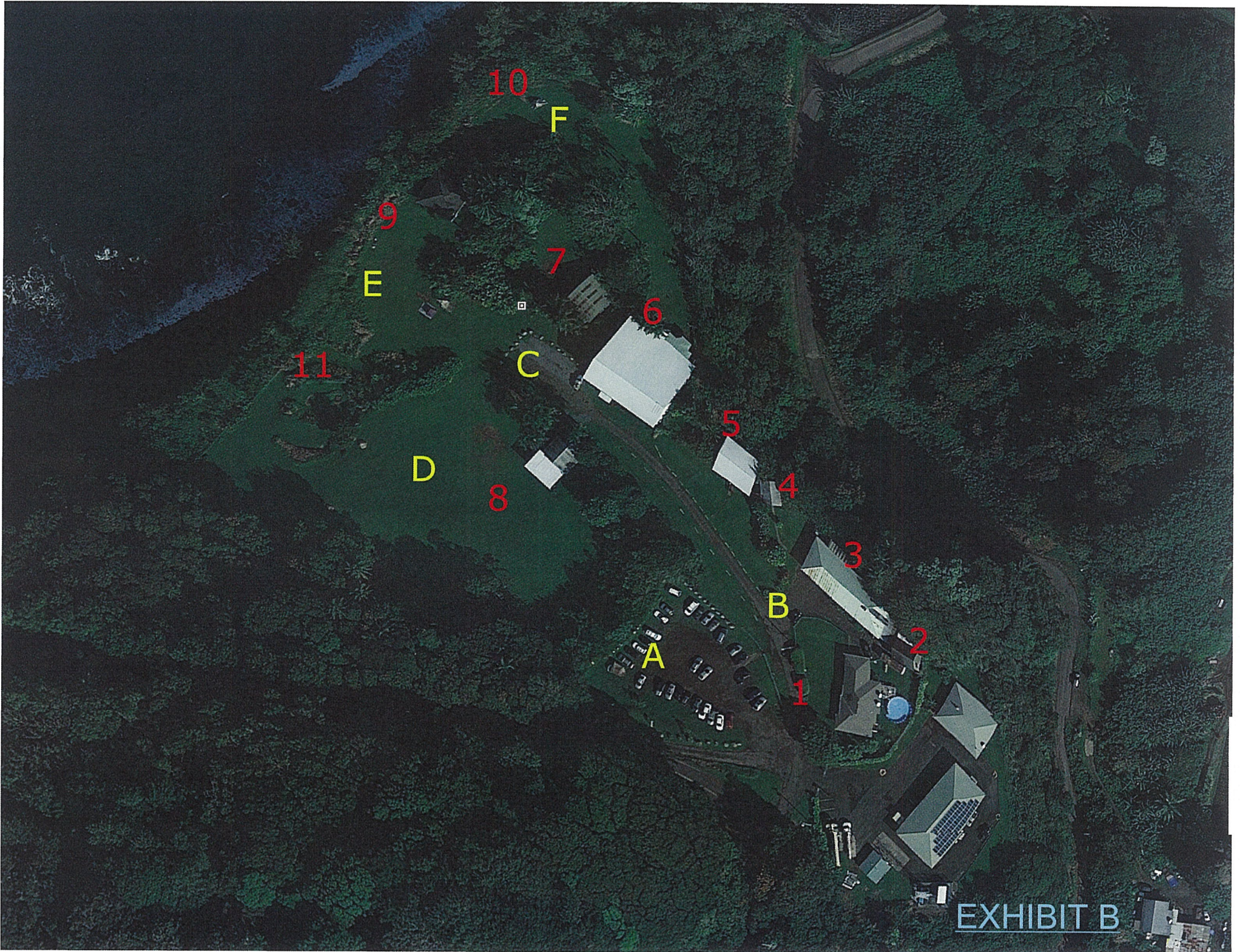


EXHIBIT B

ITEM LABEL	NAME	BUILT DATE	DIMENSIONS	AREA	DESCRIPTION	IMPROVEMENTS	FUTURE ACTIONS
1	Residence				Manager House / Office		
2	Staff				A - Frame Staff House		
3	Dining Hall		32' x 101'	3232 sf	Kitchen and Dinning Room	Decking	2018-Painted
4	Upper Bath		16' x 21'	336 sf	Men / Women Restroom and Shower		
5	Tadashi		32' x 40'	1280 sf	Dorm Rooms		
6	Gym		70' x 80'	5600 sf	Gym / Dorm Rooms		
7	Lower Bath		30' x 32'	960 sf	Men / Women Restroom and Shower		
8	Field Dorms		25' x 45'	1125 sf	Dorm Rooms		
9	Cottage				Cottage Duplex		
10	Gazebo	2017	10' x 12'				
11	Imu	2018	8' x 14'				
A	Upper Parking			sf	X Car spaces		
B	Dining Parking			sf	X Car spaces		
C	Gym Parking			sf	X Car spaces		
D	Upper Field			sf	Lawn Area - Multi Use		
E	Lower Field			sf	Lawn Area - Multi Use		
F	Rope Course			sf	Leadership Training		