

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

October 25, 2019

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

PSF No.: 19MD-123  
MAUI

One Year Holdover of Lease Term for General Lease No.  
S-4828, Maui Family Young Men's Christian Association,  
Lessee, Keanae, Hana, Maui, Tax Map Key: (2) 1-1-002:008.

APPLICANT:

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

PURPOSE:

One year holdover of General Lease No. S-4828 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) 1-1-002:008, as shown on the attached map labeled Exhibit A.

AREA:

1.27 acres, more or less.

ZONING:

State Land Use District: Agriculture and Conservation  
County of Maui CZO: Agriculture and Special Management Area

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 use of lawn area.

TERM OF LEASE:

Original term of thirty-eight (38) years, commencing on November  
24, 1981 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 ten dollars (\$10) per year, due in annual  
installments of \$10 on November 24<sup>th</sup> of each year.

RENTAL REOPENINGS:

There were no rental re-openings during the lease term.

The holdover currently being requested is only for one year and  
therefore Staff recommends keeping the rental amount the same at  
\$10 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 December 4, 1981, under agenda item F-6, the  
Board approved the subject direct lease to Maui Young Men's Christian  
Association (MYMCA), for a period of thirty-eight years. The  
approximately 1.27-acre area was to be used for a lawn and shrubbery  
adjacent to the MYMCA Camp Keanae camping ground. Pursuant to the  
approved Board action, general lease number S-4828 commenced on  
November 24, 1981.

At its meeting of September 27, 2019, under agenda item D-4, the Board approved a one-year holdover of General Lease No. S-3817 to the MYMCA. A copy of the stamped submittal is attached as Exhibit B. Staff inadvertently omitted the subject lease, GL S-4828, from the September 27<sup>th</sup> submittal. The subject TMK is adjacent to and adjoins TMK (2) 1-1-002:009, the area being leased under GL S-3817, which comprises the camping areas and facilities for the MYMCA's Camp Keanae.

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 \$10 is paid up to November 23, 2019. Liability insurance expires on December 31, 2019. Lessee has posted a \$500 certificate of deposit that expired 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 subject premises is an extension of the lawn area, for recreational use, adjoining Camp Keanae.

Staff recommends keeping the rent for the one-year holdover at \$10 per year because the subject area was leased to MYMCA as an add-on to their existing lease GL S-3817 seventeen years after the commencement of GL S-3817. Both leases have the same termination date so that in the future they may be leased simultaneously under one lease. There are no improvements on subject parcel. While the Board approved a policy on May 13, 2005, item D-19, that all new dispositions by the Land Division shall be subject to a minimum rent of \$480 per year, it also recommended that "staff shall bring any cases that require deviation from the above policy to the Board for approval." Staff recommends that the Board deviate from the \$480 per year minimum rent in this case because Lessee is already paying that amount for the adjoining improved parcel, and the subject parcel is simply an unimproved lawn area that was added-on to the existing lease area.

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 the adjoining site in order to better determine needed investment for future use of the area, as discussed in the September 12, 2019 submittal.

Comments were previously solicited from the following agencies for the September 27, 2019 submittal, item D-4:

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.

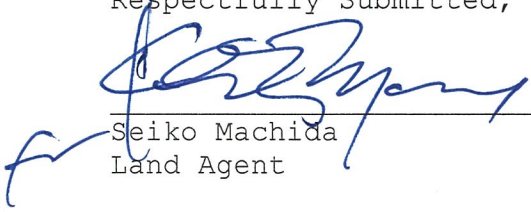
The current submittal does not represent a significant change from the September 12<sup>th</sup> submittal.

RECOMMENDATION:

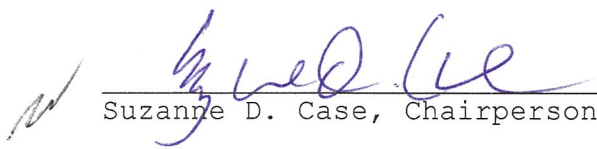
That the Board:

1. Authorize the holdover of General Lease No. S-4828 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,

  
\_\_\_\_\_  
Seiko Machida  
Land Agent

APPROVED FOR SUBMITTAL:

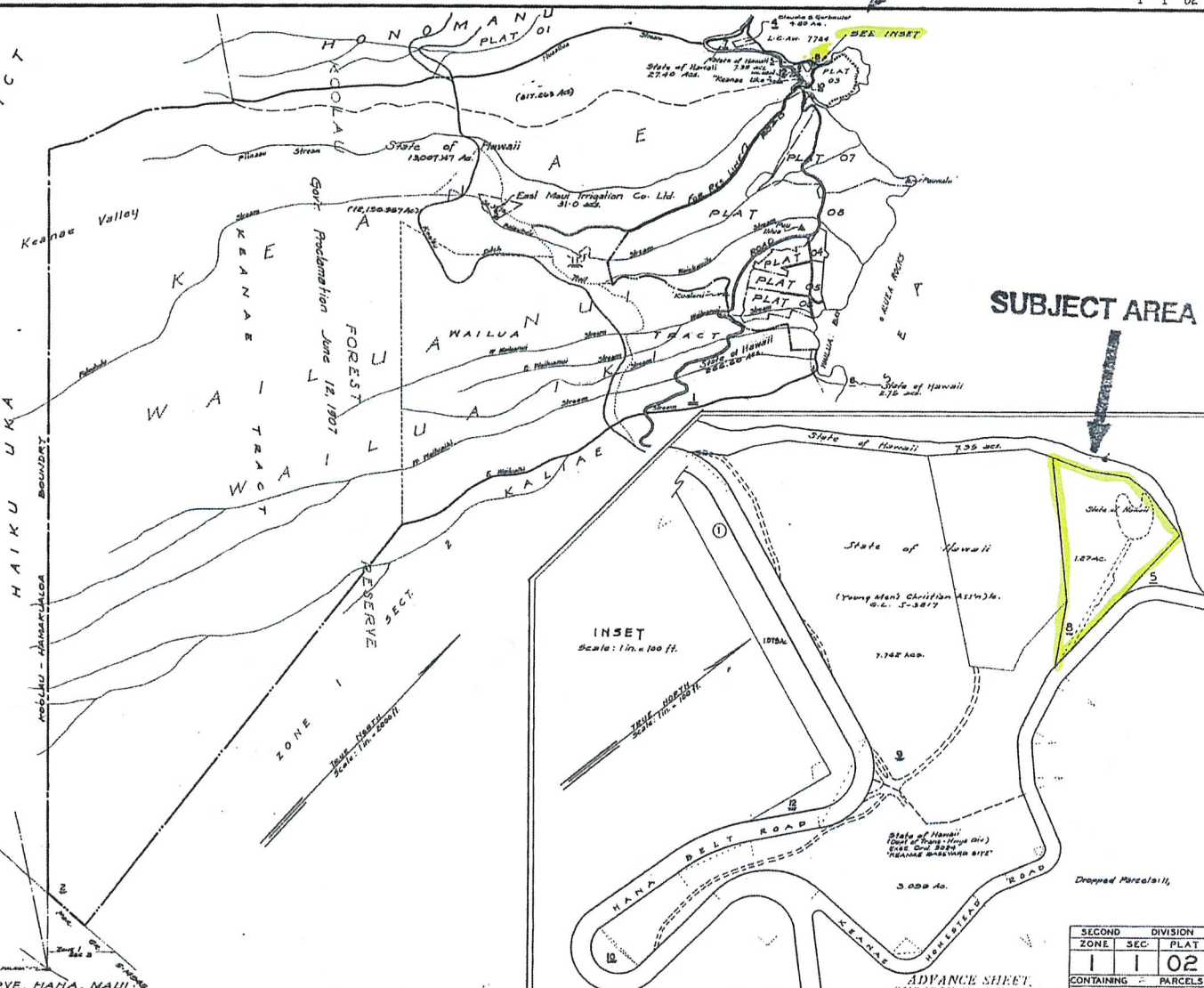
  
\_\_\_\_\_  
Suzanne D. Case, Chairperson

SUBJECT AREA

1 1 02

ENROLL...  
DEC 3 1954  
EST. 25 MAR 30  
REV. 1 1964  
DEC. 1 1964  
FEB. 1 1965  
MAY 24 1965  
JULY 1 1965  
AUG. 1 1965  
OCT. 1 1965  
NOV. 1 1965  
DEC. 1 1965

MAKA WA AO ZONE  
HAIKU UKA  
DISTRICT  
SEC. PLAT



Copy No. 2162  
By: [Signature]  
Checked: [Signature]

Por. of KOOLAUI FOREST RESERVE, MAHA, MAUI

INSET  
Scale: 1 in = 100 ft.

Scale: 1 in = 100 ft.

SECOND DIVISION		
ZONE	SEC.	PLAT
1	1	02
CONTAINING PARCELS		
SCALE 1 in = 2000 ft.		

ADVANCE SHEET  
SUBJECT TO CHANGE

PRINTED

EXHIBIT A

(2) 1-1-002:008



EXHIBIT A

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

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON  
September 27, 2019

**EXHIBIT " B "**

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 24<sup>th</sup> of each year.

RENTAL REOPENINGS:

Re-openings in the original term were at the end of the 15<sup>th</sup>,  
25<sup>th</sup>, 35<sup>th</sup> and 45<sup>th</sup> 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:

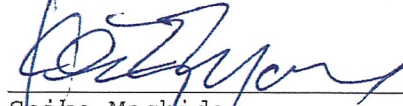
Agency	Comment
Office of Hawaiian Affairs	No response.
DLNR - State Parks	No comments.
DLNR - Forestry & Wildlife	No objections.
County of Maui - Planning Dept.	No objections and no comments.
County of Maui - Parks & Rec.	No objections.

RECOMMENDATION:

That the Board:

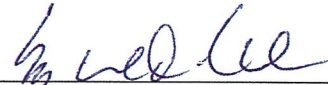
1. Authorize the holdover of General Lease No. S-3817 under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - A. The standard terms and conditions of the most current lease holdover form, as may be amended from time to time;
  - 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

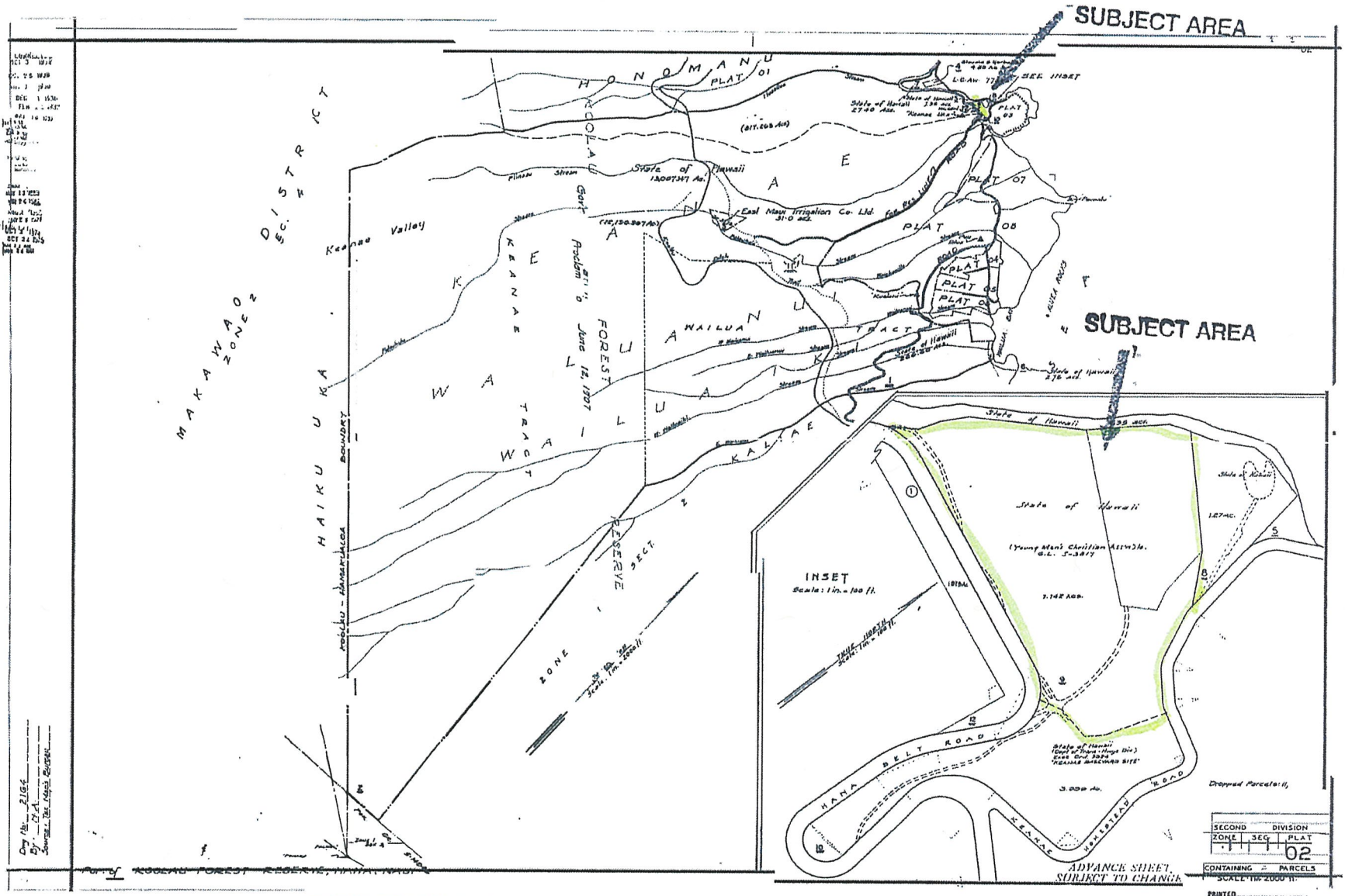


Exhibit A



Exhibit A

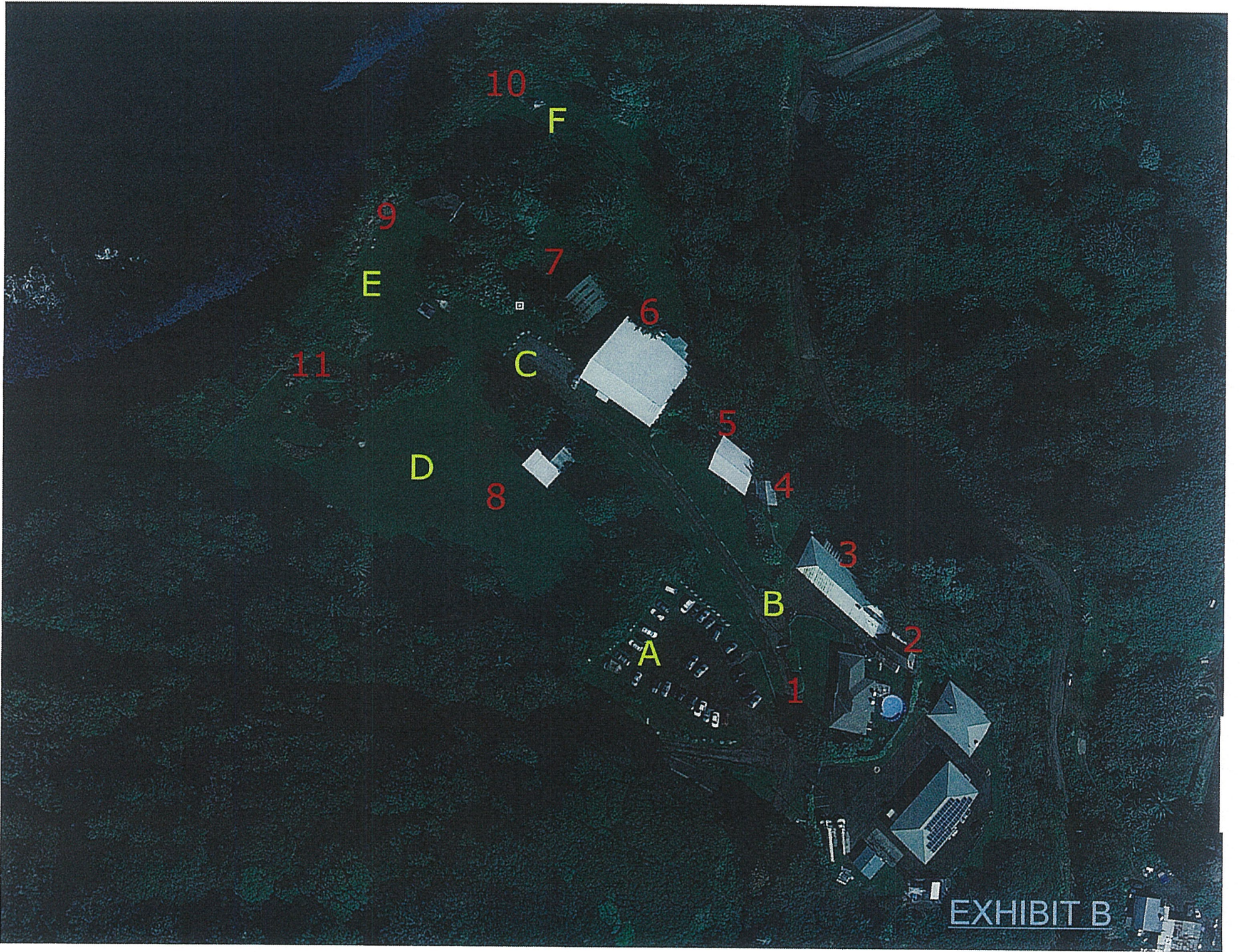


EXHIBIT B

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 Dining 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	