

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

February 10, 2023

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

PSF No: 22MD-066
MAUI

Amend General Lease No. S-6073, West Maui Veterans Club, Inc., Lessee, to Provide that the Annual Rental shall be Reopened and Redetermined Based on the Board's Then Prevailing Minimum Rent Policy for Eleemosynary Organizations, Wahikuli, Lahaina, Maui, Tax Map Key: (2) 4-5-014:051

APPLICANT:

West Maui Veterans Club, Inc., a Hawaii nonprofit corporation

LEGAL REFERENCE:

Section 171-43.1, Hawaii Revised Statutes, as amended

LOCATION:

Portion of government lands of the State of Hawaii situate at Wahikuli, Lahaina, Maui, identified by Tax Map Key: (2) 4-5-014:051 as shown on the attached map labeled Exhibit A.

AREA:

0.46 acre, more or less

ZONING:

State Land Use District: Urban
Maui County Zoning: R-3 Residential

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

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

CHARACTER OF USE:

Clubhouse and allied purposes

TERM OF LEASE:

Thirty (30) years commencing on November 5, 2013 and expiring on November 4, 2043.

CURRENT ANNUAL RENTAL:

\$480 per annum.

RENTAL REOPENINGS:

Annual rental shall be reopened and redetermined on the tenth (10th) and twentieth (20th) years of the lease (being November 5, 2023 and 2033).

REMARKS:

The subject premises are currently encumbered by General Lease No. S-6073 that has been issued to West Maui Veterans Club, Inc. (WMVC) for a term of thirty years, from November 5, 2013 through November 4, 2043, for clubhouse and allied purposes. The subject lease was approved by the Board on July 25, 2014, under agenda item D-5. A copy of the approved submittal is attached as Exhibit B.

As a non-profit corporation, WMVC is recognized as an eleemosynary organization and is eligible for a lease at nominal consideration. The existing lease requires the reopening of annual rental and determination, with an appraisal, every ten years, and the cost of the reopening appraisal shall be borne by the State. Staff believes it is not economically prudent for the State to procure costly appraisals when we are recommending that the annual rent be a nominal amount. As such, to reduce administrative costs, it is the recommendation of staff that the lease be amended to provide that the annual rental be reopened and redetermined based on the Board's then prevailing Minimum Rent Policy for eleemosynary organizations.

The purpose of the WMVC is, "to perpetuate the honor, memorialize and remember our beloved Lahaina's war dead for their extreme sacrifices they made for us and our freedom." The WMVC provides support for fellow veterans and also provides service to the broader community. A veterans' outreach program serves West Maui veterans on Wednesdays with weekly socializing events and monthly meetings. The WMVC provides space for a small Christian church to have Sunday worship and Friday evening meetings, and the West Maui Karate Club holds classes on Mondays, Wednesdays and Fridays. In 2022 the space was used for two political campaign town halls. In addition, the hall is open to the community

for all occasions. Recent photographs of the site and building are attached as Exhibit C.

The WMVC charges a fee for groups to use the space, to help cover costs of electricity, water and maintenance. The church pays \$200 per month, and the karate club \$300 per month. For the political town hall gatherings the groups were charged \$100. WMVC does not have any subleases.

The WMVC has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION: That the Board:

1. Amend General Lease No. S-6073 to provide that annual rental shall be reopened and redetermined based on the Board's then prevailing Minimum Rent Policy for eleemosynary organizations, 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 amendment of lease form, as may be amended from time to time;
 - B. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Seiko Machida
Land Agent

APPROVED FOR SUBMITTAL:



Dawn N. S. Chang, Chairperson





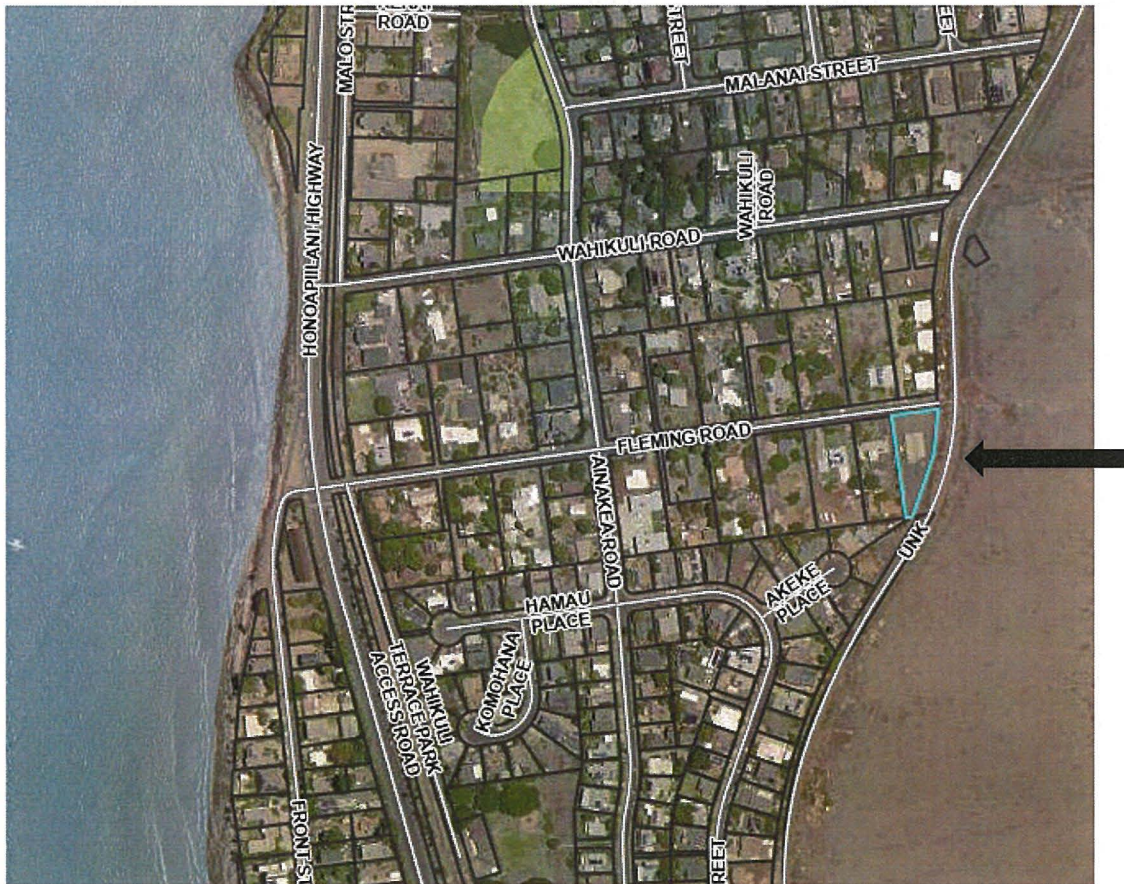
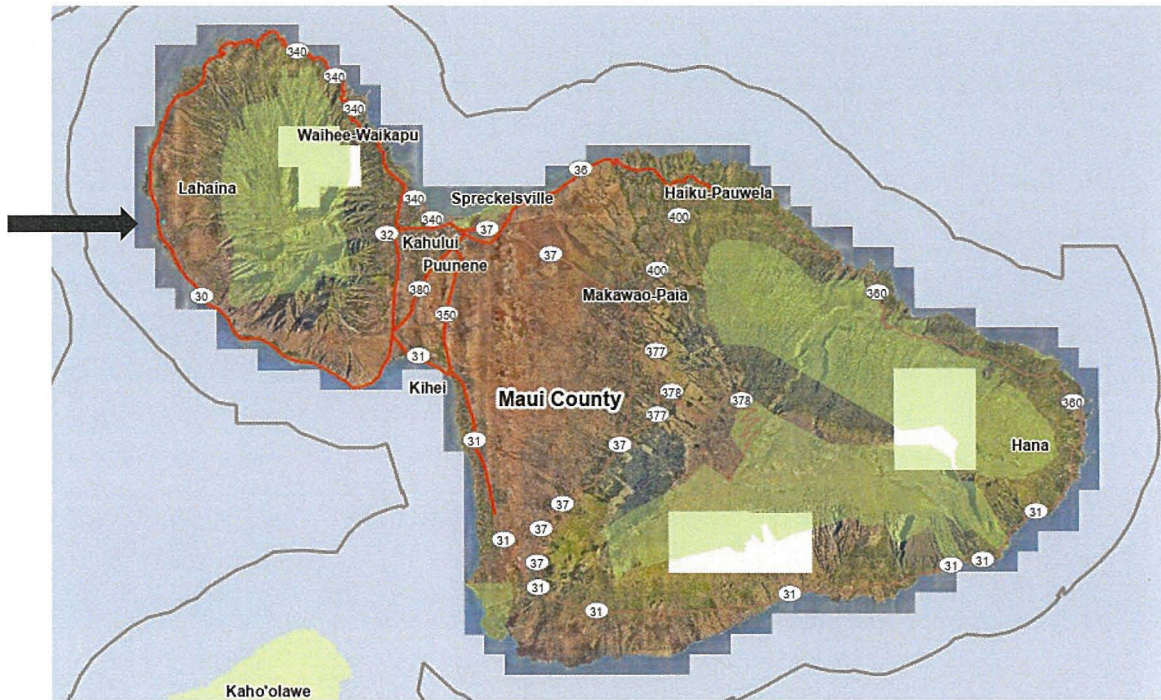


EXHIBIT A

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

July 25, 2014

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

PSF No.: 13MD-089

Maui

Issuance of a New (30) Thirty-Year Direct Lease to the West Maui Veterans Club, Inc., Lessee, for Clubhouse and Allied Purposes; Wahikuli, Lahaina, Maui, Tax Map Key: (2) 4-5-014:051

APPLICANT:

West Maui Veterans Club, Inc., a Hawaii non-profit corporation, formerly known as the West Maui A.J.A. Veterans Club

LEGAL REFERENCE:

Section 171-36(b) and 171-43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Wahikuli situated at Lahaina, Maui, identified by Tax Map Key: (2) 4-5-014:051, as shown on the attached map labeled Exhibit A.

AREA:

0.460 acres, more or less.

ZONING:

State Land Use District: Urban
County of CZO: R-3 Residential

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

Clubhouse and allied purposes.

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON

July 25, 2014

D-5

EXHIBIT B -- pg 1

LEASE TERM:

Thirty (30) years

COMMENCEMENT DATE:

Commencement date shall be set retroactive to November 5, 2013; the expiration date of
GL S-5209

ANNUAL RENT:

\$480.00 per annum (Minimum Rent Policy for New Dispositions, May 13, 2005)

METHOD OF PAYMENT:

Semi-annual payments in advance.

RENTAL REOPENINGS:

At the 10th and 20th year of the lease term by staff or independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, 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."

DCCA VERIFICATION:

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

APPLICANT REQUIREMENT:

Pay for the cost of public notice pursuant to section 171-16.

BACKGROUND:

On May 13, 1988, the Land Board, under agenda item F-4 approved the issuance of a direct lease to the West Maui A.J.A. Veteran's Club via General Lease S-5209 that commenced on November 5, 1988 for a 25-year term, this lease expired on November 4, 2013.

On October 6, 2005, the name of West Maui A.J.A. Veterans Club was changed to West Maui Veterans Club, Inc. (WMVC). A copy of the Articles of Amendment to Change Corporate Name was submitted by the tenant.

The WMVC utilizes the subject premises located at Tax Map Key: (2) 4-5-014:051 for their clubhouse and allied purposes (Exhibit B). The clubhouse has been well-maintained and consists of a recreational hall, two restrooms and a kitchen. There is a paved parking area and chain link fencing surrounding the leased area.

Rent for the first 10-years of General Lease S-5209 was established at \$1,200.00 per annum, with reopening at the 10th and 20th year of the term. The WMVC holds a tax-exempt status as a non-profit corporation under Section 501(c) (19) of the Internal Revenue Code. In 2008, a reconsideration of rent under General Lease S-5209 was entertained due to the eleemosynary (charitable) organization status of the tenant. By Land Board action of March 28, 2008, under item D-9 a new annual rent of \$480.00 was approved. General Lease S-5209 was amended to reflect this change for the remaining term of November 5, 2008 to November 4, 2013.

AGENCY COMMENTS:

Agency	Comments
County of Maui – Planning Dept.	No response
County of Maui – Dept. of Public Works.	Noted that there was an unpermitted covered patio on the property. The County is currently working towards an after-the-fact permit or an exemption with the WMVC.
County of Maui – Dept. of Water Supply	No response
Office of Hawaiian Affairs	No response

REMARKS:

The tenant has requested continued use of the area via a new 30-year direct lease to WMVC. The applicant has provided an updated statement from the Internal Revenue Service of its tax-exempt status. As there is no proposed changes in use, staff is recommending continuation of the \$480.00 (minimal) annual rent previously established for General Lease S-5209.

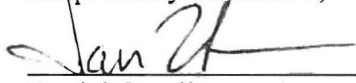
The proposed lease area has been in use for clubhouse and allied purposes since November 5, 1988. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION: That the Board:

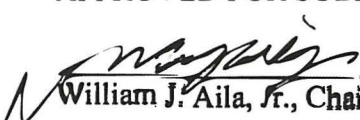
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a direct lease to the West Maui Veterans Club, Inc. covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. Commencement date shall be set retroactive to, November 5, 2013, the expiration date of GL S-5209.
 - B. The standard terms and conditions of the most current non-profit lease document form, as may be amended from time to time.
 - C. Review and approval by the Department of the Attorney General.
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

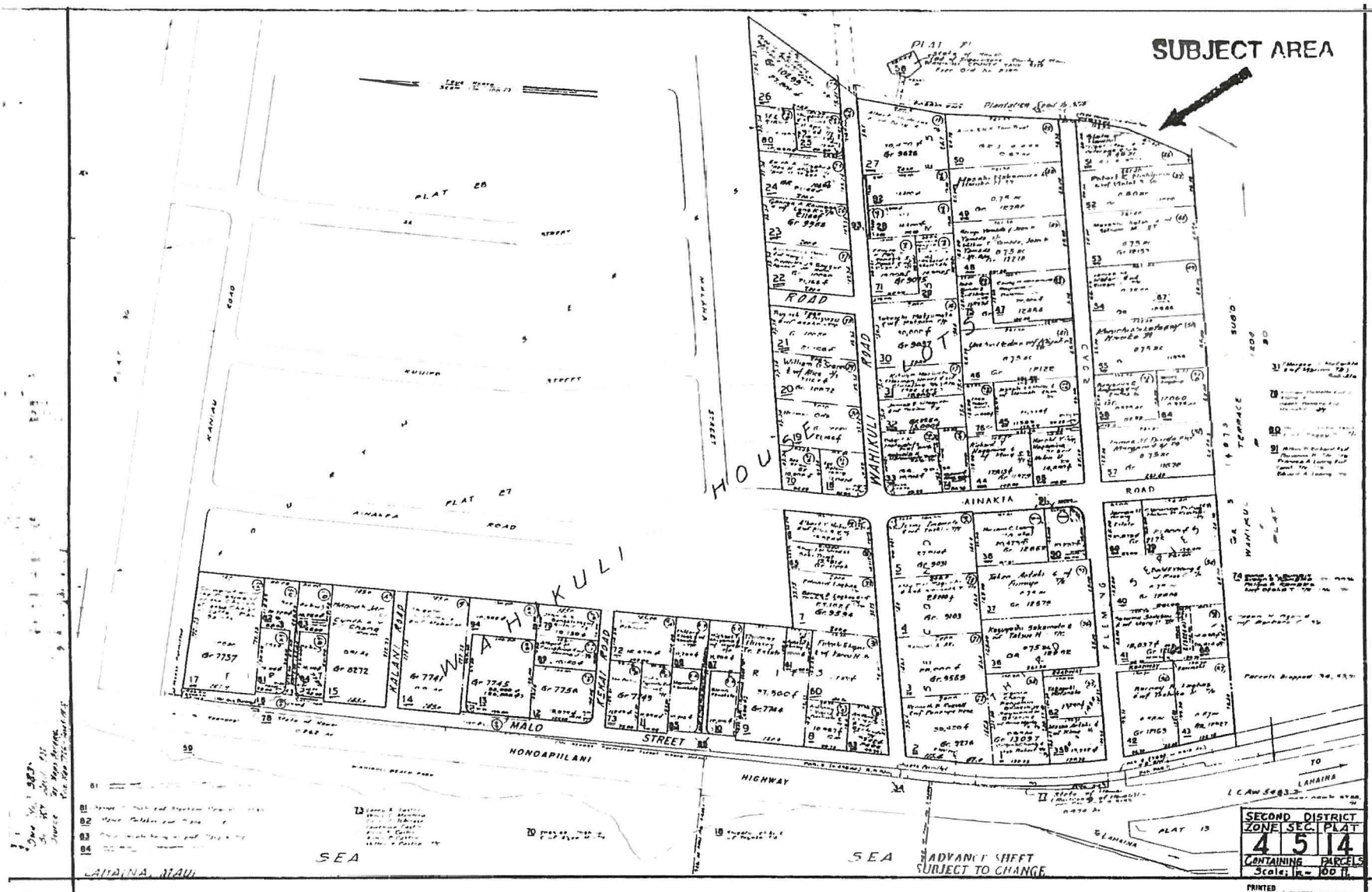


Daniel Ornellas
District Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



GL-5209

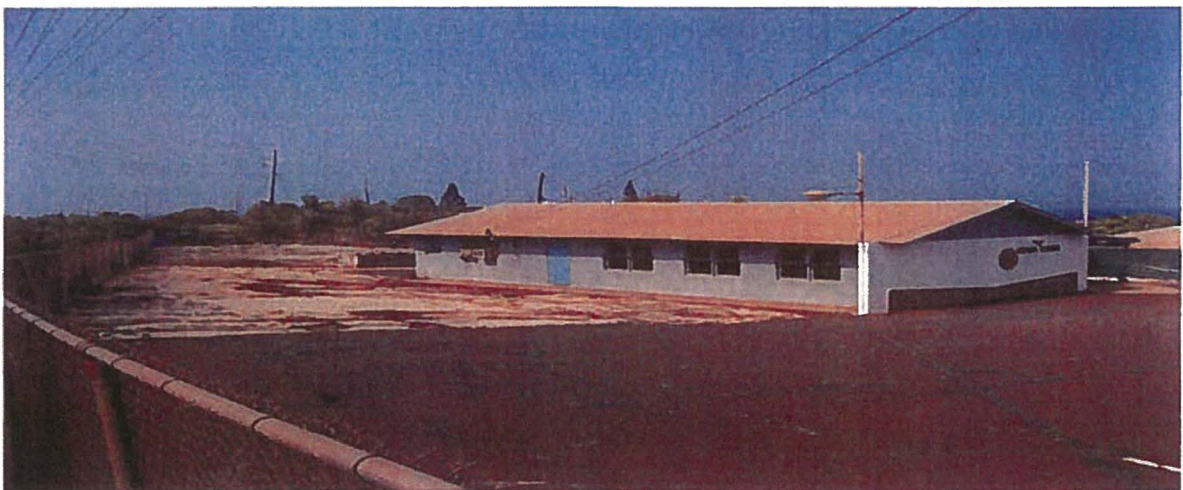


Exhibit B

EXHIBIT B -- pg 6



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

July 25, 2014

EXEMPTION NOTIFICATION

regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Issuance of a New Thirty-Year Direct Lease to the West Maui Veterans Club, Inc., Lessee, for Clubhouse and Allied Purposes

Project / Reference No.: PSF#13MD-089

Project Location: Wahikuli, Lahaina, Maui, Tax Map Key: (2) 4-5-014:051

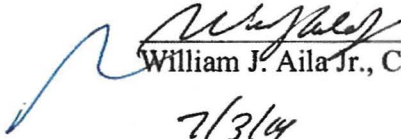
Project Description: Issuance of a New Thirty-Year Direct Lease

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

Exemption Class No.
and Description:

In accordance with the Division of Land Management Environmental Impact Statement Exemption List, approved by the Environmental Council and dated April 28, 1986, the subject project is considered to be 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.

Recommendation: It is anticipated 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.


William J. Aila Jr., Chairperson

7/31/14
Date

Photos taken: 12/28/2022



GL-6073, West Maui Veterans Club Inc.

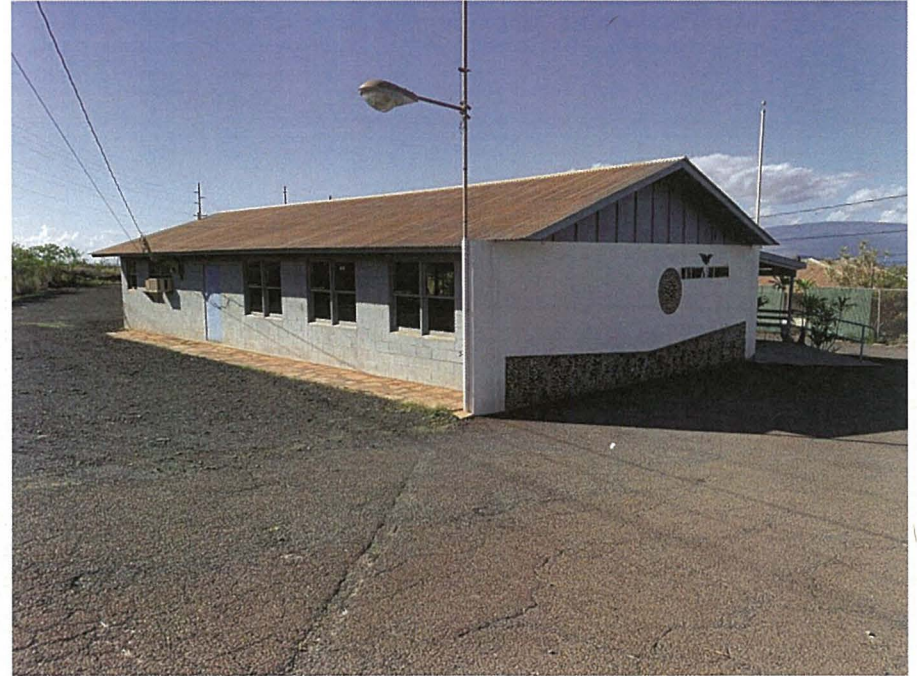


EXHIBIT C -- pg 1

Photos taken: 12/28/2022

GL-6073, West Maui Veterans Club Inc.

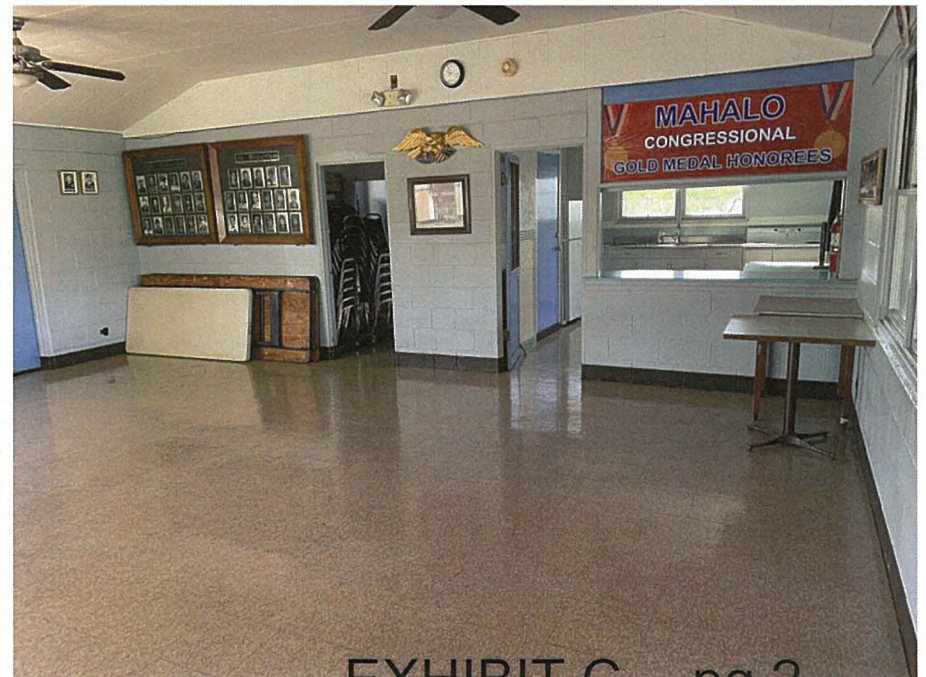
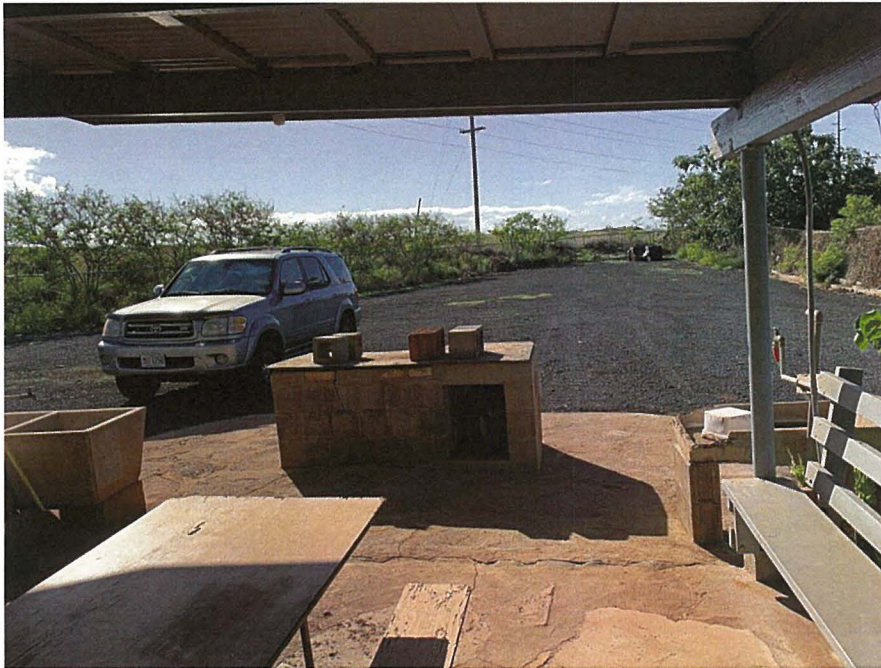


EXHIBIT C -- pg 2