

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

July 19, 2002

Committee  
Report No.

02-86

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on July 2, 2002, makes reference to County Communication No. 02-42, from Councilmember Charmaine Tavares, relating to the West Maui Heritage Foundation's plans to improve and enhance property near Malu Ulu Olele Park.

Your Committee notes that the property is the site of a proposed shopping center called Harbor Village.

Your Committee notes that at its meeting of June 21, 2002, the Council adopted Committee Report No. 02-63, from your Budget and Finance Committee, recommending that a proposed resolution entitled "AUTHORIZING THE COUNTY'S ACQUISITION AND POSSIBLE DONATION ACCEPTANCE OF REAL PROPERTY KNOWN AS THE HARBOR VILLAGE PROPERTY IN LAHAINA, MAUI, HAWAII" be adopted. The purpose of Resolution No. 02-73 is to authorize the Director of Finance to negotiate the purchase of approximately 18,912 square feet in Lahaina (known as the Harbor Village Property), located at 576 Front Street, Lahaina, Maui, for \$4 million, and should there be any difference between the fair market value and the negotiated price of the Harbor Village Property, the County shall accept the possible donation of real property from the owners.

By correspondence dated June 25, 2002, the Director of Finance transmitted three proposed bills related to the acquisition of the property as follows:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES AND THE CAPITAL IMPROVEMENT PROGRAM FOR THE WEST MAUI COMMUNITY PLAN DISTRICT".

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The purpose of the proposed bill is to increase the Bond/Lapsed Bond estimated revenue by \$4 million and to amend the West Maui Community Plan District, by appropriating the \$4 million for acquisition of property at 576 Front Street, Lahaina, Maui .

2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 CAPITAL PROGRAM".

The purpose of the proposed bill is to delete Appendix B, relating to the proposed Capital Improvements Program for Fiscal Years 2003 through 2008, and add Appendix B-1.

3. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 3066, BILL NO. 34 (2002), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI".

The purpose of the proposed bill is to amend the bond authorization by \$4 million for the acquisition of property at 576 Front Street, Lahaina, Maui.

At its meeting, your Committee met with the Budget Director, the Director of Finance, and the First Deputy Corporation Counsel.

The Director of Finance provided your Committee with an update on the acquisition of the Harbor Village Property. He informed your Committee that the purchase agreement includes the purchase of the fee simple property and assignment of the leasehold interest in the adjoining Richardson property. He stated that the Richardson property is landlocked and has no value to the sellers. The Director further stated that, although your Committee requested that he pursue the acquisition of the adjoining properties, which includes the Richardson property, he has been unable to contact the owners. He estimated that two to three months would be required before the Richardson property could be acquired. Therefore, acquiring the leasehold interest would be appropriate.

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Your Committee recognized that Resolution No. 02-73 would need to be amended to include the leasehold interest of the Richardson property.

The First Deputy Corporation Counsel advised your Committee that before the resolution could be amended, an appraisal of the leasehold interest of the Richardson property would be required instead of an appraisal of the fee simple purchase of the property.

Your Committee requested that the Director of Finance transmit an amended resolution to incorporate the leasehold interest in property upon receipt of the appropriate appraisal.

After discussion, your Committee voted to recommend that the three proposed bills be revised to change the description to "Acquisition of Interests in Real Property: TMK: (2) 4-6-007:003 and TMK: (2) 4-6-007:010" to more accurately describe the property.

Your Committee is in receipt of three revised proposed bills incorporating your Committee's recommended revisions to the property description.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2002), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES AND THE CAPITAL IMPROVEMENT PROGRAM FOR THE WEST MAUI COMMUNITY PLAN DISTRICT" PASS FIRST READING and BE ORDERED TO PRINT;
2. That Bill No. \_\_\_\_\_ (2002), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2003 CAPITAL PROGRAM" PASS FIRST READING and BE ORDERED TO PRINT; and
3. That Bill No. \_\_\_\_\_ (2002), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING

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ORDINANCE NO. 3066, BILL NO. 34 (2002), RELATING TO THE  
ISSUANCE OF GENERAL OBLIGATION BONDS OF THE  
COUNTY OF MAUI" PASS FIRST READING and BE ORDERED  
TO PRINT.

Adoption of this report is respectfully requested.

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**G. RIKI HOKAMA** **Chair**

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**DAIN P. KANE** **Member**

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**ALAN M. ARAKAWA** **Member**

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**MICHAEL J. MOLINA** **Member**

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**ROBERT CARROLL** **Member**

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**WAYNE K. NISHIKI** **Member**

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**JO ANNE JOHNSON** **Member**

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**CHARMAINE TAVARES** **Member**