

COUNCIL OF THE COUNTY OF MAUI
PUBLIC WORKS AND
FACILITIES COMMITTEE

February 8, 2008

Committee
Report No.

_____08-27_____

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

Chair and Members:

Your Public Works and Facilities Committee, having met on January 9, 2008 and January 23, 2008, makes reference to County Communication No. 07-315, from the Director of Parks and Recreation, transmitting a proposed resolution entitled "AUTHORIZING A SECOND AMENDMENT TO LEASE OF REAL PROPERTY TO LAHAINA RESTORATION FOUNDATION".

The purpose of the proposed resolution is to approve an amendment to the lease and management agreement with the Lahaina Restoration Foundation (LRF) for the Old Lahaina Courthouse in Lahaina, Maui, TMK: (2) 4-6-01:009, to delete Section 16.B, Banyan Tree Park, Maintenance.

At its meeting of January 9, 2008, your Committee met with the Director of Parks and Recreation; the Special Events/Grants Coordinator, Department of Parks and Recreation; a Deputy Corporation Counsel; and Keoki Freeland, Executive Director, LRF.

Mr. Freeland testified in support of the proposed resolution. He provided a copy of LRF's lease agreement dated February 15, 2000. He also distributed a copy of correspondence dated January 8, 2008, from Douglas Moore, Monarch Insurance Services, Inc., to Mr. Freeland, requesting that the wording in paragraph 16 of the lease agreement be amended. Mr. Freeland stated that an accident on the subject property in 2005 resulted in a dramatic increase in LRF's insurance premium, and that their insurance agent recommended that the lease be amended in order to obtain a more affordable rate.

The Director provided an overview of the matter. She stated that the Department's partnership with LRF has been a fruitful one, and reviewed the management functions that the Department has maintained and the funding given to LRF to maintain the park and surrounding area.

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Your Committee discussed the viability of the existing lease and whether it would be preferable to negotiate a new lease agreement, or amend the current lease. Your Committee questioned whether the proposed amendment would expose the County to greater liability, and reviewed the purpose of the various County grants provided to LRF.

Your Committee suggested that the Department of the Corporation Counsel meet with the Department of Parks and Recreation to revise Section 16.B of the lease agreement to address the problematic elements rather than delete Section 16.B in its entirety.

Your Committee deferred consideration of the matter pending further discussion.

By correspondence dated January 17, 2008, the Director of Parks and Recreation transmitted a revised proposed resolution entitled "AUTHORIZING A SECOND AMENDMENT TO LEASE OF REAL PROPERTY TO LAHAINA RESTORATION FOUNDATION".

The revised proposed resolution approves an amendment to the lease by amending a portion of Section 16.B, Banyan Tree Park, Maintenance.

Your Committee notes that the revised proposed resolution did not identify the amendment to the subject lease.

By correspondence dated January 22, 2008, the Director of Parks and Recreation transmitted a further revised proposed resolution entitled "AUTHORIZING A SECOND AMENDMENT TO LEASE OF REAL PROPERTY TO LAHAINA RESTORATION FOUNDATION".

The further revised proposed resolution approves an amendment to the lease by amending Section 16.B, Banyan Tree Park, Maintenance, to delete the words "safety related repairs".

At its meeting of January 23, 2008, your Committee met with the Director of Parks and Recreation; the Special Events/Grants Coordinator, Department of Parks and Recreation; a Deputy Corporation Counsel; and Keoki Freeland, Executive Director, LRF.

There was no public testimony.

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The Director stated that the proposed amendment would allow LRF to obtain insurance coverage at a reasonable cost until the lease expires on March 15, 2009. She stated that it is her Department's intention to evaluate the lease at that time, and incorporate revisions addressing the various concerns raised by your Committee.

Your Committee voted to recommend adoption of the further revised proposed resolution and filing of the communication.

Your Public Works and Facilities Committee **RECOMMENDS** the following:

1. That Resolution No. _____, as revised herein and attached hereto, entitled "AUTHORIZING A SECOND AMENDMENT TO LEASE OF REAL PROPERTY TO LAHAINA RESTORATION FOUNDATION", be ADOPTED; and
2. That County Communication No. 07-315 be FILED.

Adoption of this report is respectfully requested.

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BILL KAUAKEA MEDEIROS Co-Chair

DANNY A. MATEO Member

MICHAEL P. VICTORINO Co-Chair

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