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

March 28, 2008

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

PSF No.: 08MD-065

MAUI

Reconsideration of Rent under General Lease No. S-5209 to  
West Maui Veterans Club, Inc., Lessee, for Clubhouse and  
Allied Purposes, Lahaina, Maui, Tax Map Key: (2) 4-5-14:51.

APPLICANT:

West Maui Veterans Club, Inc., a Hawaii non-profit corporation.

LEGAL REFERENCE:

Section 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) 4-5-14:51 as shown on the  
attached map labeled Exhibit A.

AREA:

.460 acres, more or less.

ZONING:

State Land Use District: Urban  
County of Maui 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: YES \_\_\_\_\_ NO \_\_\_\_\_x

CHARACTER OF USE:

Clubhouse and allied purposes.

LEASE TERM:

Twenty-five (25) years, commencing on November 5, 1988 and  
expiring on November 4, 2013.

ANNUAL RENT:

\$1,625.00 for the time period November 5, 1998 to November 4,  
2008.

RENTAL REOPENINGS:

At the 10th and 20th years of the lease term.

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>

BACKGROUND:

The Land Board at its meeting of May 13, 1988, under agenda Item  
F-4, approved the direct issuance of a 25 year lease to West Maui  
A.J.A. Veterans Club, Inc. for clubhouse purposes. General Lease  
No. S-5209 commenced November 5, 1988.

In October 2005, West Maui A.J.A. Veterans Club, Inc. changed  
their name to West Maui veterans Club, Inc.

DISCUSSION:

According to General Lease No. S-5209 the "rental for any ensuing  
period shall be the fair market rental, at the time of  
reopening."

A rent reopening scheduled for the 20th year, falls on November 5,  
2008.

As background, the Board of Land and Natural Resources (Board)  
typically issues leases to private individuals and entities via  
public auction. The new rent at reopening is established at fair  
market rental value by an appraisal. If the tenant or prospective  
tenant is an eleemosynary (charitable) organization, the Board may  
issue the lease, at a nominal rent, by direct negotiation. The  
statute providing the Board this authority is as follows:

**§171-43.1 Lease to eleemosynary organizations.** The board  
may lease, at a nominal consideration, by direct  
negotiation and without recourse to public auction,  
public lands to an eleemosynary organization which has  
been certified to be tax exempt under sections 501(c)(1)

or 501(c)(3) of the Internal Revenue Code of 1986, as amended. The lands shall be used by such eleemosynary organizations for the purposes for which their charter was issued and for which they were certified by the Internal Revenue Service. [L 1970, c 83, §5; am L 1971, c 100, §1; am L 1982, c 202, §1; am L 1991, c 212, §3]

It is noted that the 501(c)(1) organization must be both organized by an Act of Congress and be an instrumentality of the United States, while the 501(c)(3) organization is a privately organized charitable organization.

CONCLUSION:

Therefore, when considering lease dispositions to eleemosynary (charitable) organizations or religious organizations, the Board may issue the lease by public auction at fair market rent, or by direct negotiation at an amount below fair market rental (i.e., nominal rent). On May 13, 2005, the Land Board established a Minimum Rent Policy that stated, among other things, that the Minimum Rent for Lease be no less than \$480 per year. Land Division generally issues Leases at fair market rental value as determined by an appraiser or via public auction. Staff believes "nominal rent" under Section 171-43.1, HRS ought to be anywhere between fair market rent, or lower, but not lower than the minimum rent of \$480 per year.

There should be a reasonable and fair annual rent for all Land Division non-profit tenants. Therefore, staff is recommending the new annual rent be \$480.

Staff has requested information on the Lessee's operations, services, program measurements, budget and funding and has attached whatever the Lessee has provided [Exhibit B].

The Lessee is in compliance with all lease terms and conditions. Rent of \$406.25 is paid up to May 4, 2008. Liability insurance expires on November 21, 2008. Lessee has posted a \$500 cash bond. In the past two (2) years there has been no outstanding compliance issues.

RECOMMENDATION: That the Board

1. Amend General Lease No. S-5209, West Maui veterans Club, Inc., Lessee, by adding 'Effective November 5, 2008 to November 4, 2013, the annual rental shall be \$480 per annum', subject to:
  - A. The standard terms and conditions of the most current lease amendment document 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.

Respectfully Submitted,



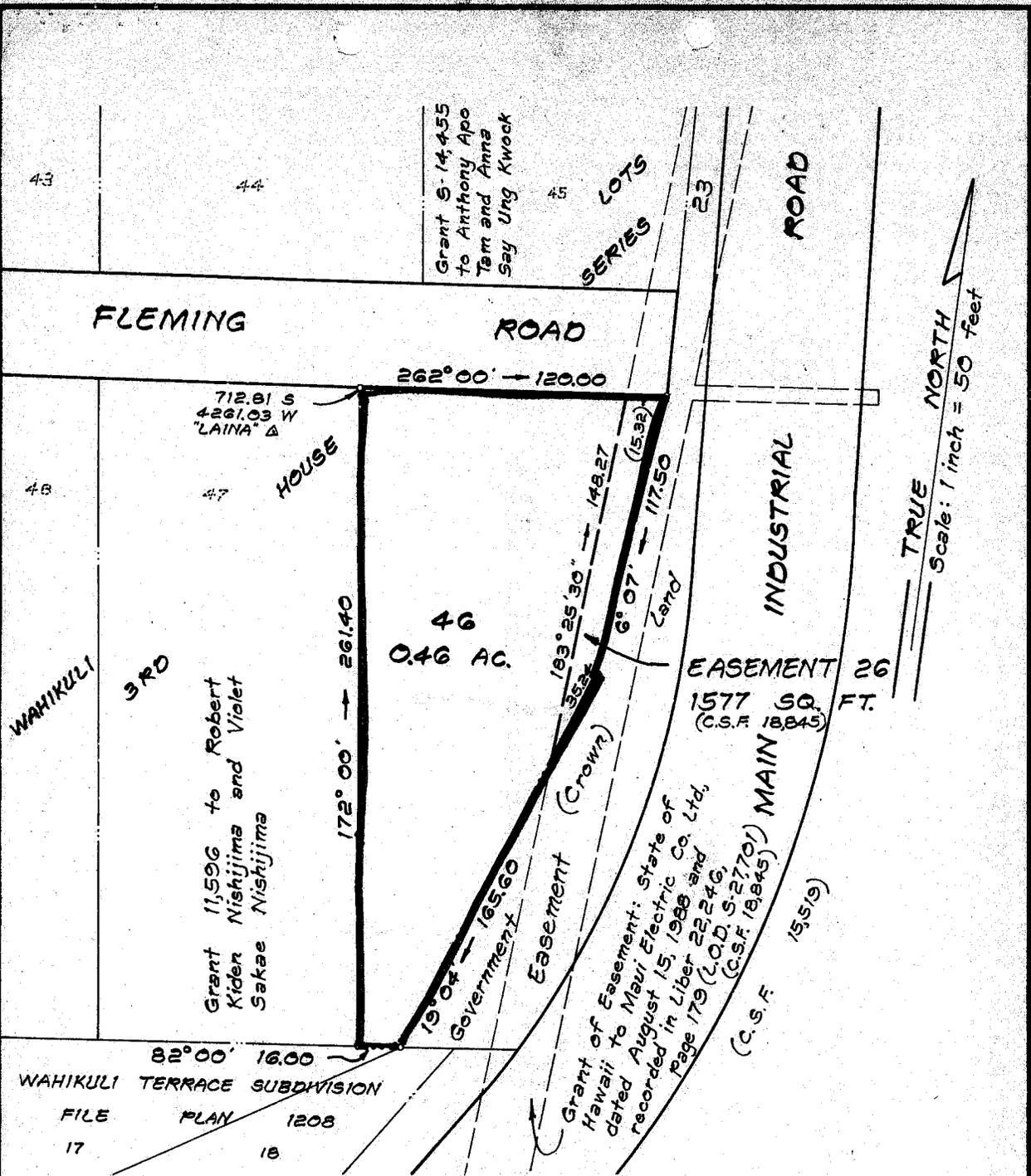
Charlene E. Unoki  
Assistant Administrator

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson





(REVISED JULY 1991)

WAHIKULI HOUSE LOTS, 3RD SERIES  
LOT 46

Wahikuli, Lahaina, Maui, Hawaii

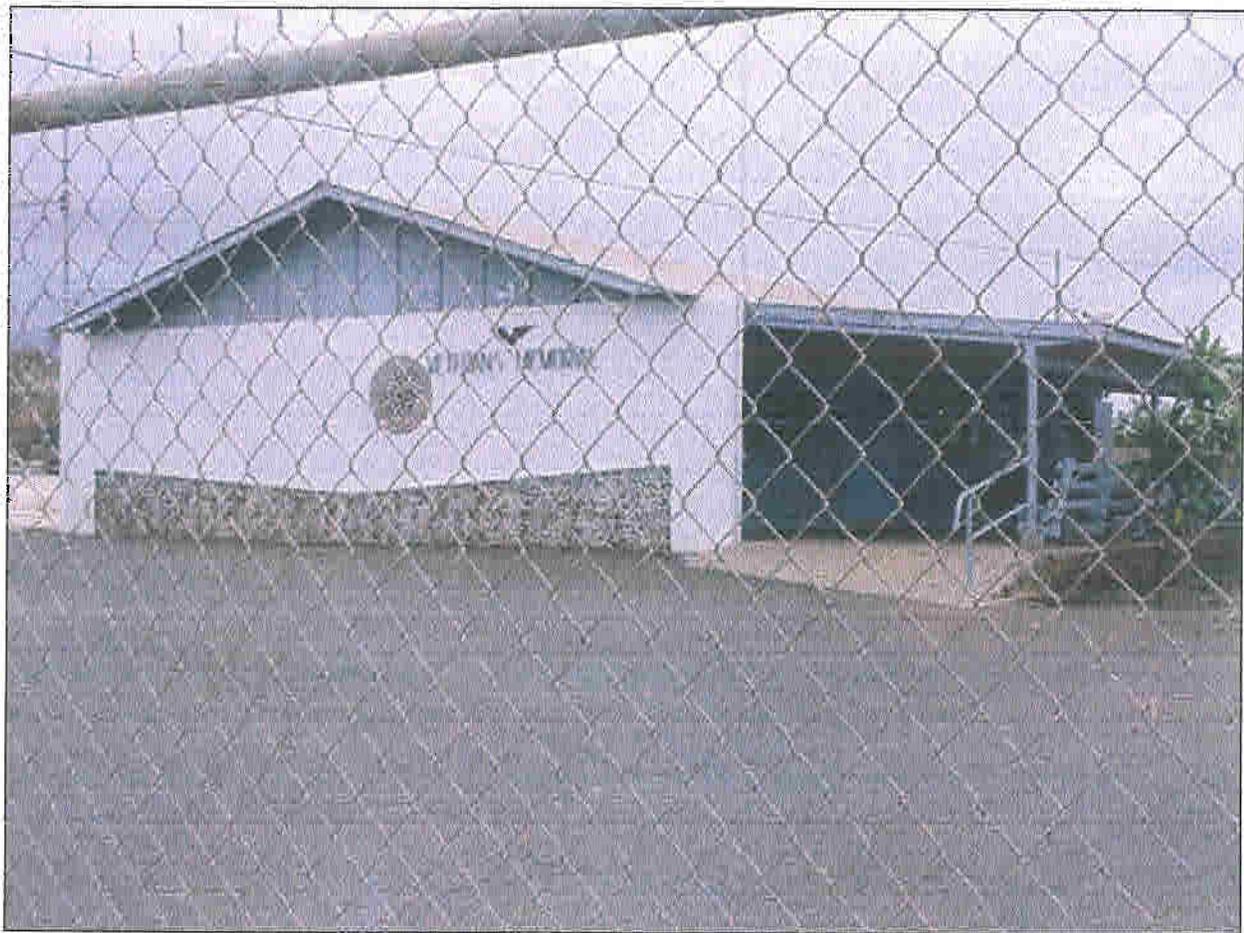
Scale: 1 inch = 50 feet

JOB Ma-221(91)  
C. BK. Tengan 2, p. 82

TAX MAP 4-5-14:51  
MAUI FILE CARTON 26

SURVEY DIVISION  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
STATE OF HAWAII

EXHIBIT A  
WTT July 8, 1991



8/14/02

GL 5209 - WASI MAUI AJA VETERANS

EXHIBIT "A"

**APPLICATION AND QUALIFICATION QUESTIONNAIRE**  
(Non-Profit)

Write answers in the spaces provided. Attach additional sheets as necessary, clearly indicating the applicable section number.

**Part I: General Information**

1. Applicant's legal name: WEST MAUI VETERAN'S CLUB, INC.
2. Applicant's full mailing address:  
P. O. BOX 1111  
LAHAINA, HI 96767
3. Name of contact person: Akira Imano  
Contact person Phone No.: (808) 661-4272 Fax No.: N/A
4. Applicant is interested in the following parcel:  
Tax Map Key No.: (2)4-5-14:051 Location: 190 Fleming Road  
If Applicant is current lessee: General Lease No.: GL5209
5. When was Applicant incorporated? \_\_\_\_\_
6. Attach the following:
  - A. ~~Articles~~ of Incorporation
  - B. Bylaws
  - C. List of the non-profit agency's Board of Directors
  - D. IRS 501(c)(3) or (c)(1) status determination
  - E. Tax clearances from State of Hawaii and respective county Real Property Tax Office. No Income
  - F. Audited financial statements for the last three years. If not audited, explain why.  
If Applicant is a new start-up, attach projected capital and operating budgets.
  - G. Any program material which describes eligibility requirements or other requirements to receive services

**Part II: Qualification**

7. Is Applicant registered to do business in Hawaii?  Yes  No <sup>27</sup>
  8. Has Applicant received tax exempt status from the Internal Revenue Service?  Yes  No
  9. Is Applicant licensed or accredited in accordance with federal, State or county statutes, rules, ordinances, to conduct the proposed activities?  Yes  No <sup>27</sup>
- List all such licenses and accreditations required: \_\_\_\_\_
- \_\_\_\_\_
10. Is Applicant in default or otherwise not in good standing with any State department (e.g. POS agency, DCCA, DLNR, etc.)? Yes  No

If yes, explain:

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11. Has Applicant had a State of Hawaii lease, permit, license, easement or sale in fee cancelled within the last five years? If yes, list: Yes  No

<u>Doc. No.</u>	<u>Type of Agreement</u>	<u>Term of Agreement</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

12. Does Applicant have any policies which discriminate against anyone on the basis of race, creed, color, national origin, sex or physical handicap? Yes  No

If yes, explain:

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13. Has Applicant received funding from a federal, State, or county government agency, the Aloha United Way, and/or a major private foundation within the last three years? Please list all such contracts below: Yes  No

<u>Agency</u>	<u>Contract Term</u>	<u>Contract Amount</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

14. If Applicant has not received funding from a federal, State or county government agency, the Aloha United Way and/or a major private foundation during the past three years, describe Applicant's qualifications to effectively perform the proposed services, including but not limited to, grants or subsidies received from non-major, private fundors and/or staff or Board members who possess significant experience in Applicant's service field.

Our funding is received solely by donations and work in and out of our building is made by volunteer members.

Part III: Program Activities and Persons to be Served

15. What activities will be conducted on the premises to be leased?

1. Memorial Day Service.

2. V.A. Counselor Service - twice a month.

3. Weekly Church Services.

4. For Community Use.

16. What are the specific objectives of these activities?

To help Community.

17. Describe the community need for and the public benefit derived from these activities.

we provide meeting places and various small parties.

18. Describe the targeted population for these activities by: 1) age group, 2) gender, 3) ethnic background, 4) income level, 5) geographic location of residence, 6) special needs/disability, and 7) other applicable characteristic(s).

We do not target any group and its open to the public.

19. Describe all eligibility requirements of clients to participate in the activities, e.g. age, income level, ethnic background, income level, disability, etc.

We do not discriminate the above mentioned requirements.

20. Do you require membership to participate in these activities?  
If yes, list the requirements of becoming and remaining a member:

Yes  No

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21. How many unduplicated persons will engage in the activities annually?

Activity

Persons Per Year

All activities are based on first come, first served basis.

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22. Is State funding made available for the activities to be conducted on the leased premises?

Yes  No

If yes, by which State agency: \_\_\_\_\_

23. List all activities to be conducted on the leased premises which require payment of excise taxes, e.g. subleasing, sale of products or services. Include an estimate of annual gross revenues from each activity.

None.

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Development of the Land

24. Describe the proposed site development plan for the property, indicating the location and size of buildings, parking areas, landscaped areas and related uses. Attach sketch of plan if available.

At present time, we have no proposal.

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25. What improvements to the land do you intend to make and at what cost?

None at this time.

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26. How will the improvements be funded?

N/A

27. Describe all environmental, land use and other permitting requirements which must be met to develop the land as proposed.

None at present time.

28. Will you be subleasing any portion of the property? If yes, describe the sublease uses:

NO.

Part V: Notarized Certification

I/~~WE~~ hereby certify that the statements and information contained in this Application and Questionnaire, including all attachments, are true and accurate to the best of my/our knowledge and understand that if any statements are shown to be false or misrepresented, ~~I/we~~ may be disqualified from receiving a lease or my/our lease may be canceled.

WEST MAUI VETERANS CLUB, INC  
Applicant Name

\_\_\_\_\_  
Applicant Name

By: Akemi Inoué

By: \_\_\_\_\_

Its: TREASURER

Its: \_\_\_\_\_

Date: 3-5-08

Subscribed and sworn to before me this 05 day of MARCH, 2008.

[Signature]  
Notary Public Emi-Lak Sadatani-Chenilla

County of: Maui

State of: Hawaii

My commission expires: 10-24-08

L.S.

West Maui Veterans Club

ADDITIONAL + Brief History and Summation FOP  
SECTION 15.

"Lest We Forget," the primary objective of the surviving 100<sup>th</sup>/442<sup>nd</sup> Veterans were to build a Veterans Memorial Hall, a Living Monument, to perpetuate the Honor, Memorialization and Remembrance of our Beloved Lahaena's War Dead.

To perpetuate the Honor, Memorialization and Remembrance of our Beloved Lahaena's War Dead, for all visitors to see and offer their prayers, two Koa wood glass cases have been created to display all the photos and names of our Beloved War Dead and said Honor Roll Boards are prominently and beautifully hung in our elegant Veterans Memorial Hall.

The retired Veterans, on a monthly <sup>basis</sup> ~~basis~~, maintain, repair and improve the Veterans Memorial Hall. There's ample parking space for 40 cars.

Said elegant Veterans Memorial Hall is opened to the community for their parties, celebrations, and reunions. And, on Sundays, a religious group; to-wit, (name of church) hold their church services.

And, of course, when the youth groups wish to borrow said Veterans Memorial Hall with responsible adult-chaperone, no donations are accepted from said youth

Since our Veterans Memorial Hall is located approx. 50 feet above sea level; consequently, when the Tsunami Siren Warning is activated, we unilaterally open the Veterans Memorial Hall's door immediately as the evacuation shelter for the sea level low-lying residents of Mala Village, Puuono district, Kapunakea Village and Wahikuli Homesites. Usually more than 200 people evacuate to our Veterans Memorial Hall since we have ample parking spaces and have kitchen facilities for babies and restrooms for the evacuees.

Annually and perpetually the West Maui Veterans Club hold its Memorial Day Service to Honor, Memorialize and Remember our Beloved Lakaia's War Dead and our Beloved Club Veterans and Spouses who passed away.

Finally, since our barbecue pit is adequately built and safely located, the schools, church and athletic groups borrow our Veterans Memorial Hall and barbecue pit to cook for their money-making Barbecue - Chicken Sales.