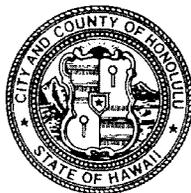


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov



KIRK CALDWELL
MAYOR

NELSON H. KOYANAGI, JR.
DIRECTOR

GARY T. KUROKAWA
DEPUTY DIRECTOR

October 21, 2013

The Honorable Ernest Y. Martin, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Martin and Councilmembers:

SUBJECT: Resolution for a 15-year Rental Agreement of a
Portion of the Wailani Flood Control Channel Property
TMK: 9-4-19:39

We request your approval for a 15-year term for the rental of a portion of the Wailani Flood Control Channel property (TMK: 9-4-19:39), as shown cross-hatched in blue on the map attached as Exhibit A, pursuant to Section 28-4.1, Revised Ordinances of Honolulu, 1990, as amended ("ROH").

BACKGROUND INFORMATION

The property is currently being rented by Tanioka's Fish Market, Inc. ("Tanioka's") for vehicular parking for its employees under a 5-year rental agreement, expiring December 31, 2013. Tanioka's had submitted the sole rental bid in 2008, and was awarded the 5-year rental agreement.

The portion of the City's property that will be rented has an area of approximately 5,850 square feet, and is part of the paved parking. It is used by the Department of Facility Maintenance as needed to access the drainage channel for maintenance purposes.

ROH Section 28-4.1 permits the Council to authorize by resolution the leasing or renting of property for a longer period than the five years when deemed necessary in the public interest and when the lessee or tenant is required by the terms of the proposed contract to expend the sum of \$25,000.00 or more for capital assets or to provide for the renovation or maintenance of any capital assets, or the lessee or

2013 NOV 14 AM 11:29
RECEIVED
CITY CLERK
& C OF HONOLULU

The Honorable Ernest Y. Martin, Chair
and Members
October 21, 2013
Page 2

tenant's expenditure is equal to or in excess of the sum of \$25,000.00, as determined by the council.

Due to the heavy usage by delivery and garbage trucks servicing the entire area on a daily basis and weather-related erosion, the entire driveway and parking area, which includes the City's portion, would need to be repaved. Reconstructing and repaving the City's portion would cost approximately \$35,000.00 to \$40,000.00. The installation of parking blocks and striping, repairing potholes and asphalt cracks, doing trash pickup, clearing and maintaining the area, and the hiring of security to patrol and discourage the vandalism around the drainage channel and the adjacent vicinity, would cost more than \$2,000.00 per month.

CITY AGENCIES

The various City agencies, in particular the Departments of Facility Maintenance (DFM) and Design and Construction (DDC), have no objections to the long-term rental of the City's property. DFM maintains the Wailani Flood Control Channel and has coordinated with the tenant for DFM's heavy maintenance equipment access through the paved parking area as needed.

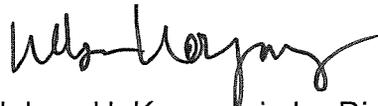
RENTAL BIDDING

Upon approval by the City Council of the 15-year term, the rental of the portion of the City's Wailani Flood Control Channel property will be let out for rental bidding with an upset monthly rent of \$1,200.00 per month, which is based on an appraisal by DDC. The rental bid specifications will require subsequent annual rental reviews, based on an appraisal. The bid specifications will also require the proposed lessee to expend a minimum of \$25,000.00 for repaving, repairing, maintaining, and providing security requirements for the parking area.

The Honorable Ernest Y. Martin, Chair
and Members
October 21, 2013
Page 3

A hard copy and diskette containing the proposed Resolution are attached. If you have any questions, please feel free to call me at ext. 83901.

Sincerely,



Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

NHK:wh

Attachment

Approved as to
Form and Legality:


Donna Y. L. Leong
Corporation Counsel
SHERYL L. NICHOLSON

APPROVED:



Ember Lee Shinn
Managing Director



RESOLUTION

APPROVING A 15-YEAR RENTAL AGREEMENT FOR THE CITY-OWNED PAVED PARKING AREA ABUTTING THE WAILANI FLOOD CONTROL CHANNEL, AREA OF 5,850 SQUARE FEET, TMK: 9-4-19:39.

WHEREAS, the City owns the Wailani Flood Control Channel (Channel) and the 5,850 square feet paved parking area abutting the Channel, as shown cross-hatched in blue on the Exhibit A, attached hereto and by reference made a part of this resolution; and

WHEREAS, both properties are under the jurisdiction of the Department of Facility Maintenance (DFM), which maintains the Channel and uses a portion of the paved parking area, as needed, to access the Channel for maintenance; and

WHEREAS, due to heavy usage by delivery and garbage trucks servicing the entire area on a daily basis, the costs to reconstruct and repave the City-owned paved parking area are estimated at a cost of \$35,000.00 to \$40,000.00; and

WHEREAS, the continued maintenance of the City-owned paved parking area, which includes installing parking blocks and striping, repairing potholes and asphalt cracks, doing trash pickup, clearing and maintaining the area, and hiring security to patrol and discourage vandalism around the drainage channel and the adjacent vicinity has a cost of more than \$2,000.00 per month; and

WHEREAS, the various City agencies including DFM and the Department of Design and Construction have no objections to the long-term rental of the paved parking area; and

WHEREAS, Section 28-4.1(1) ROH permits the Council to authorize by resolution the leasing or renting of property of the City and County of Honolulu for a longer period than five years when deemed necessary in the public interest and when the lessee or tenant is required by the terms of the proposed contract to expend the sum of \$25,000.00 or more for capital assets or to provide for the renovation or maintenance of any capital asset, or the lessee's or tenant's expenditure is equal to or in excess of the sum of \$25,000.00 as determined by the Council; and

WHEREAS, the proposed reconstruction and repavement of the City-owned paved parking area and the ongoing maintenance and security costs meet the requirement of \$25,000.00 or more for capital assets or to provide for the renovation or maintenance of any capital asset, or the expenditure is equal to or in excess of the sum of \$25,000.00; and



RESOLUTION

WHEREAS, BFS is recommending a 15-Year Rental Agreement based on the expenses to reconstruct and repave the paved parking area and the ongoing maintenance and security costs, now therefore;

BE IT RESOLVED by the Council of the City and County of Honolulu, that it authorizes a 15-year Rental Agreement for the 5,850 square feet City-owned paved parking area abutting the Wailani Flood Control Channel based on the proposed reconstruction and repavement expenses and the ongoing maintenance and security costs; and

BE IT FINALLY RESOLVED that the Clerk be directed to transmit a certified copy of this resolution to the BFS Director.

INTRODUCED BY:

Councilmembers

DATE OF INTRODUCTION:

Honolulu, Hawaii

