

REPORT OF THE COMMITTEE ON BUDGET

Ann H. Kobayashi, Chair; Barbara Marshall, Vice-Chair
Romy M. Cachola, Charles K. Djou, Rod Tam, Members

Committee Meeting Held
January 14, 2004

Honorable Donovan Dela Cruz
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Resolution 04-08 entitled:

“RESOLUTION APPROVING THE SALE OF THE CITY’S LEASED FEE INTERESTS IN THE ACACIA PARK CONDOMINIUM PROJECT,”

transmitted by Communication D-3, dated December 26, 2003, reports as follows:

The purpose of this Resolution is to approve the sale of the City’s leased fee interests in the Acacia Park Condominium Project, TMK: 9-7-24:43 for the appraised sale price of \$1,360,000.00. This complex is situated on a 2.61-acre parcel located along Acacia Park across Kuala Road from Pearl Highlands Center.

A representative of the Department of Community Services informed your Committee that an appraisal was completed by an appraiser chosen jointly by the Association of Apartment Owners of the Acacia Park Condominium Project and the City. The City appraisers agreed with the appraisal. According to Department Communication 3 from the Department of Budget and Fiscal Services, the current lease rent paid by the leasehold owners of the properties is \$456 per annum for the 2-bedroom units and \$540 per annum for the 3-bedroom units, until 2012, at which time the lease rents will be renegotiated. The leasehold owners can request an extension of up to 55 years at the end of the lease period. The public interest being served by the sale is to promote home ownership by the lessees.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON _____

COMMITTEE REPORT NO. 15

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The agent for the Association of Apartment Owners informed your Committee that the Association would purchase all lease fees, and sell it to owners of the leasehold units.

Your Committee noted that due to the insufficient time given Committee members to review the appraisal documents for this sale, this Resolution would be reported out for adoption for the purpose of placing this matter on the Council's Order of the Day scheduled for January 28, 2004.

Your Committee on Budget is in accord with the intent and purpose of Resolution 04-08 and recommends its adoption. (Ayes: Kobayashi, Cachola, Djou, Marshall, Tam - 5; Noes: None.)

Respectfully submitted,


Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON JAN 28 2004

COMMITTEE REPORT NO. 15