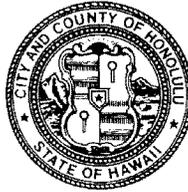


DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813  
PHONE: (808) 523-4616 • FAX: (808) 523-4771 • INTERNET: www.co.honolulu.hi.us

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JAN 6 6 33 PM '04  
CITY CLERK  
HONOLULU, HAWAII  
IVAN LUI-KWAN  
DIRECTOR  
CHRIS DIEBLING  
DEPUTY DIRECTOR

JEREMY HARRIS  
MAYOR



December 26, 2003

The Honorable Donovan Dela Cruz, Chair  
and Members of the City Council  
City and County of Honolulu  
Honolulu, Hawaii 96813

RECEIVED  
2004 JAN -6 P 2:38  
CITY COUNCIL  
HONOLULU, HAWAII

Dear Chair Dela Cruz and Councilmembers:

SUBJECT: SALE OF THE CITY'S LEASED FEE INTERESTS IN THE ACACIA  
PARK CONDOMINIUM PROJECT

We request your approval to sell to the Association of Apartment Owners of Acacia Park ("Association"), a Hawaii nonprofit corporation, the City's leased fee interests in the Acacia Park condominium project, for the recommended sale price of \$1,360,000, based on an appraisal.

The Acacia Park Apartment complex is situated on a 2.61 acre parcel, identified as Tax Map Key No. 9-7-24:43. The apartment complex is located along Acacia Park and across Kuala Road from Pearl Highlands Center. See tax map.

Constructed in 1986, the Acacia Park condominium project is comprised of five, three-story concrete masonry buildings, with on-site parking for 124 cars. The project has a total of ninety apartment units, of which sixty units are 2-bedrooms/1 bath and thirty units are 3-bedrooms/2 baths.

The City granted leases for 55-year terms from January 28, 1987 to January 27, 2042. The lease rents are currently \$456 per annum for the 2-bedroom units and \$540 per annum for the 3-bedroom units. The leasehold interests were sold to the lessees for \$68,200 and \$79,500 for the 2-bedroom and 3-bedroom units, respectively.

The Honorable Donovan Dela Cruz, Chair  
December 26, 2003  
Page 2

Community Development Block Grant (CDBG) funds were used to acquire, develop, and construct this condominium project. The Department of Budget and Fiscal Services' Federal Grants Unit reviewed the CDBG rules and concluded that the City can sell its leased fee interest in the property, and the proceeds from this sale would constitute CDBG program income. The Department of Community Services also has no objections to the sale of the leased fee interest in this condominium project. Ms. Sally Cravalho, the Leasehold Conversion Program Administrator of the Department of Community Services, provided her invaluable assistance in the coordination of this sale.

The Association will pay an administrative fee to the City and all closing and escrow fees. The Association anticipates approximately 75% participation by the Association's members, and a closing, no later than June 30, 2004.

A hardcopy and diskette containing the proposed resolution are attached. If you have any questions, please feel free to call me at ext. 4617. Thank you for your consideration on this matter.

Sincerely,

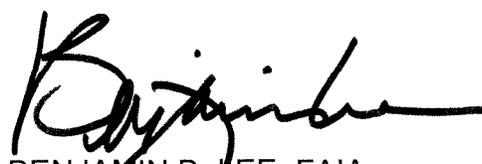
  
IVAN M. LUI-KWAN, Director  
Department of Budget and Fiscal Services

APPROVED AS TO FORM  
AND LEGALITY:

  
DAVID Z. ARAKAWA  
Corporation Counsel

IMLK:dm  
Attachments

FORWARDED:

  
BENJAMIN B. LEE, FAIA  
Managing Director





## RESOLUTION

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APPROVING THE SALE OF THE CITY'S LEASED FEE INTERESTS IN THE ACACIA PARK CONDOMINIUM PROJECT.

WHEREAS, Section 46-1.5(16), Hawaii Revised Statutes, as amended, authorizes the counties, under certain conditions, to dispose of real property as the interests of the inhabitants of the county may require; and

WHEREAS, the City owns the leased fee interests in the Acacia Park condominium project, situated on a 2.61-acre parcel, identified as Tax Map Key No. 9-7-24:43, and shown on the map designated as Exhibit "A", attached hereto and by reference made a part of this resolution; and

WHEREAS, said Acacia Park condominium project is not surplus property as determined in Section 37-1.2, Revised Ordinances of Honolulu ("ROH") but, pursuant to Section 37-1.3 ROH, it is in the best interests of the City to sell the leased fee interests of said Acacia Park condominium project; and

WHEREAS, Section 37-1.6, Revised Ordinances of Honolulu 1990, as amended, authorizes the Council of the City and County of Honolulu to approve the sale of City real property by negotiated sale; and

WHEREAS, the Association of Apartment Owners of Acacia Park, a Hawaii nonprofit corporation, has submitted an offer of \$1,360,000, based on an appraisal, to acquire the leased fee interests in said Acacia Park condominium project; and

WHEREAS, the Director, Department of Budget and Fiscal Services has proposed and recommended that the leased fee interests be sold by negotiated sale to the Association of Apartment Owners of Acacia Park, for the recommended sale price of \$1,360,000; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves the sale to the Association of Apartment Owners of Acacia Park, a Hawaii nonprofit corporation, of the leased fee interests in said Acacia Park condominium project; and

BE IT FURTHER RESOLVED that the sale be in accordance with the recommendations of the Director, Department of Budget and Fiscal Services, and with all applicable laws; and

BFS-ACACIA SALE.R03



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**RESOLUTION**

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BE IT FURTHER RESOLVED that the Director, Department of Budget and Fiscal Services shall be authorized to sign the deed and other necessary documents; and

BE IT FINALLY RESOLVED that the Clerk be directed to transmit a certified copy of this resolution to the Director, Department of Budget and Fiscal Services.

INTRODUCED BY:

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Councilmembers

DATE OF INTRODUCTION:

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Honolulu, Hawaii

