

### HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION - DEPARTMENT OF HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION MEETING
SEPTEMBER 16, 2019
KAUAI

### CONNECT POINT CHURCH – HILO HAWAII

- Aloha Chairman and Commission board, mahalo for allowing me to come and share about our situation at Connect Point Church in Hilo.
- My name is Dion Kekoa Maeda, Senior Pastor of Connect Point Church since July 15<sup>th</sup> 2015, the same church I grew up in as a child.
- Last week Friday, DHHL East Hawaii supervisor Nina delivered the 42 page document outlining our past, present and future of the church, which I will quickly recap.
  - Key community stake holders wrote in letters of reference.
  - Awards earned over the past 4 years from, Mayor, Governor, Senate, and State Legislators.
  - Community Projects Faith Hui, Camp Agape, Convoy of Hope, ect...
- Today you also received my handout that I will be going over with new additional information.
- Before I close my time, I have Hawaii County Prosecuting Attorney Mitch Roth on the line for a phone testimony.

## WE BEGAN LEASING 168 HOLOMUA STREET FROM LAWERNCE BALBERDE ON JULY 1<sup>ST</sup>, 1998.

- The state forced him to convert the cesspool into city sewer or he would be heavily fined.
- Other than that , he has not invested a dime into this property in 21 years.
- He has been contacted by letter as per the lease to come and do repairs but each time it was met with excuses and lies.
- Over these past 21 years Connect Point Church has been the victim of a landlord that has taken advantage of us and threatened us with constant increases if we did not repair and maintain things that was never our responsibility.

### SECTION 8 IN HIS LEASE STATES HE IS RESPONSIBLE FOR STRUCTURE AND GENERAL REPAIRS, AND MUST BE CONTACTED BY LETTER.

### Church Lease Proposal

This Lease Proposal is hereby made between <u>Lawrence Balberde</u>, the "Lessor," and <u>Family Christian Center</u>, the "Lessee," concerning the following property: Located at 168 Holomua St. Hilo, Hawaii, the "Premises."

Lessee hereby proposes the following:

- Term and Rent. Lessor will lease the above Premises for an initial term of three (3) years with optional additional two (2) years lease, beginning on November 1, 2010, and ending on November 30, 2013, as provided herein at the monthly rent of \$7,000, payable in equal installments in advance on the first day of each month for that month's rental, during the term of the lease. All rental payments shall be made to Lessor, at the following address: Hilo, Hawaii 96720.
- Use. Lessee shall use and occupy the Premises for Church Service and all church functions. Lessor represents that the Premises may lawfully be used for such purpose.
- Optional Two Year Lease. The Lessor will allow the Lessee first preference before leasing to others.
- 4. Ordinances and Statues. Lessee shall comply with all statues, ordinances, and requirements of all county, state, and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, occasioned by or affecting the use thereof by Lessee.
- 5. Utilities. All applications and connections for necessary utility services on the demised Premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for sewer, water gas, electricity, and telephone services.
- Entry and Inspection. Lessee shall permit Lessor or Lessor's agent to enter upon the Premises at reasonable times and upon reasonable notice, for the purpose of inspecting church building.
- 7. **Insurance.** Lessee, at his expense, shall maintain public liability insurance including bodily injury and property damage insuring Lessee and Lessor with minimum coverage as follows: \$1,000,000.00 Liability and Property Coverage.
- 8. Structure and General Maintenance. The Lessor will be responsible for all structure wear and tear of the building for general public safety. Lessee must contact Lessor in writing regarding any deterioration to the building.
- Notices. Any notices that either party may or is required to give shall be given by mailing the same, postage pre-paid, to Lessee at the Premises, or Lessor at the address

shown, or at such other places as may be designated by the parties from time to time.

- 10. Lease Agreement. If both parties are in agreement with lease proposal, lessor will be responsible for drafting a signed lease between both parties.
- Fire Insurance Coverage. The Lessee shall have a fire insurance coveage policy on the building.
- 12. Taxes. The lessee shall be responsible for taxes.
- 13. **Proposed Agreement.** The foregoing constitutes the entire proposal between the parties and may be modified by writing signed by both parties. The following Exhibits, if any, have been made a part of this lease before the parties' execution hereof.

Hailan Kalke

Signature of Lessee

Signature of Laccor

October 24/10

11-1-10

### HE HAS BEEN CONTACTED BY LETTER NUMEROUS TIMES WITH NO ACTION ON HIS PART. AC UNITS WERE BROKEN WHICH HE NEVER FIXED NOR REPLACED.

7

### Family Christian Center

Dennis G. Maeda C/O Family Christian Center 168 Holomua St. Hilo, Hawaii 67620

Aug.1, 2002

Lawrence J. Balberde 485 Haihai St. Hilo, Hawaii 96720

Dear Mr.Lawrence J. Balberde;

I would like to inform you that we have been trying to manage with only 3 of the 4 AC units for the last four years which were all suppose to be operational by July 1, 1998 as the lease agreements states in section 14. The reason we can't run all the four AC unit together is because the four AC units draw about 115 amps. and the air conditioner's main breaker is rated for only 100 amps. Every time we run the fourth AC unit it trips the main breaker because of an overload in current. Because our membership have grown there is need to operate the four AC units at all times. It is very uncomfortable and hot. This problem needs to be resolved right away. We had discussed with a Helco engineer and it was recommended that the landlord hire a electrical engineering consultant to evaluate the total amp.current demand required.

For your information when we moved in on July 1, 1998 the No. 3 AC unit could not run because it did not have an evaporator fan assy. We did not call you to complain but went a head and got an evaporator fan assembly and installed it at no cost to you to try to help you.

On May 6, 2002 when I called you to discuss some repairs at the church, I mentioned to you of hiring a consultant to check the AC units current demand and your answer to me was (I don't have the money). You asked me to have the church hire the consultant. So the church helped you out by bringing in a consultant to inspect and review the current load demand. The consultant's evaluation showed that there is a 189.4 amps current demand required. A new 200 amp meter box with a new 200 amp main breaker need to be installed to replace the old 100 amp main breaker and meter box.. Helco also needs to install a new 200 amp. meter for the 4 AC units. To run the forth AC unit requires adding transformers to make it operate. Again the church has helped you out by acquiring 3 transformers to make it operate properly. To further help you out the church will hire the electrician to get the required permit and to do all the necessary electrical wiring of the transformer and main circuit breaker.

Page 2

We are asking you to pay for all of the items listed below because in the (lease agreement No. 13 & 14 the sublessor is responsible for the maintenance and installation of the four air conditioning units.) We feel the church has done more than our share to help you up grade your electrical and AC unit problems for which you should be responsible for. Like you mentioned to me we all have to work together and help one another. As we have helped you thus far with this AC unit problems, now we are asking you to do your part in resolving this problems and will work with you in what ever way to get the AC units and roof purling job completed.

Just to inform you, this Sunday July 28,2002 at about 9am one of our members passed by the AC units transformer that is located at the outside entrance of the kitchen door and felt the heat coming from the transformer. It was so hot it was hard to touch. We had to place a fan by it to cool it down so it wouldn't trip during the service. We were running only 3 of the AC units because of the overload problems. It was very hot during service and there were many complaints of how hot it got. The AC units are not running properly and seem to be getting worse. You need to have the AC units serviced on a regular basis to maintain them properly. Again your prompt response to these problems needs to be addressed immediately.

Listed below are what we are asking you to pay for and repair as the owner of this building:

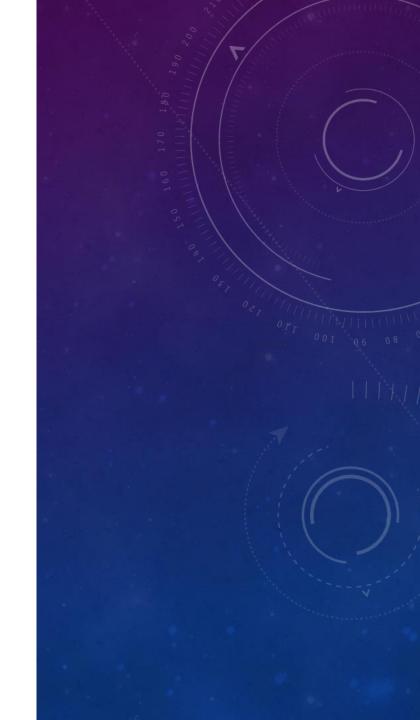
- Pay for a 200 amps. electrical meter box and a 200 amps circuit breaker. We
  picked up both parts at contractors cost from Wesco electric for \$1,018.04 and
  paid for it. We are asking that you reimburse us for that cost. The invoice for
  both items will be sent with this letter.
- Pay for any materials and parts associated with the wiring of the main breaker, transformers and for any other cost required to make all the four AC units run properly.
- 3. The cost to acquire the permit from the County of Hawaii if it is required.
- Also pay for any charges from Helco associated with the up grade of the service meter if there would be any.
- 5. In the open garage area there is an 8 inch roof Z-purling section on the Puna side roof area that has rotten away and the roof is sagging about 5 inches. It is sagging so much that it's bending the gutters from next building (Famillian Pipe) and the water is leaking through the gutter seams. An employee from Famillian Pipe one day told me that I need to let the landlord know about the damage the roof is causing to there gutters. There is about a 20-foot section that has rotten out and need to be changed. We feel this is unsafe for us and need to be addressed also because it is causing damage to Famillian's pipe gutter and it was reported to us to inform you.
- Check the overheating problem of the present transformer that is running the AC units.

Mr. Lawrence J. Balberde we are asking that a written reply be sent back to us in 14 days from the day you receive this letter regarding your plans and actions to be taken for the above six requested items.

Sincerely yours;

Quis Marka

Dennis Maeda Family Christian Center



### SECTION 2 ADDRESSES THE LEAKY ROOF AND ROTTEN PURLING'S BACK IN 2003. STILL NOTHING WAS DONE.

1

Aug. 5, 2003

### Family Christian Center

Dennis G. Maeda C/O Family Christian Center 168 Holomua St. Hilo, Hawaii 96720

Dear Mr. Balberde:

As stated in a letter sent to you Aug. 1, 2002(a year ago) there are items that needs to be addressed as soon as possible. There are also some new one to address also.

- Enclosed is a copy of the receipt from Wesco Electric for \$1,018.04 that we
  paid for your building 200 amps. electrical box and circuit breaker parts
  need to run the AC because your present breaker can run only 3 of the 4 AC
  units. You agreed to pay the bill and request the receipt, which we sent you.
  This was discussed in a telephone conversation I had with you on the evening
  of Monday Aug. 5, 2002.
- The rotten purling in the carport area has not been repaired as you promised that you would take care of. The purling is sagging on Famillian gutter and the water is leaking real badly on our side.
- 3. The roof in the church is leaking on the left side where the columns are. As I discussed with you on Aug. 4, 2003 I will try to get a contractor to come out and check for the leak. If it's a small repair I'll tell to go ahead and repair as we both agreed too. If it's some thing big I will notify you.
- I also ask you on Aug. 4, 2003to replace the sagging ceiling panels and some, which have fallen down because of moisture and from the leaking roof.
- 5. Also one of your main power breaker burnt out and need to be replaced. When you get a contractor to install the new 200-amp breaker so it will be able to handle the 4 AC units, then you can take that breaker that is presently running the AC (breaker always tripping when we run the fourth unit) and use to replace the burnt breaker.
- 6. As agreed you asked us for help and we did our part by hiring a consultant to come in and evaluate the electrical power needs for the AC units. We also had him make the necessary electrical drawings for you to take to the county to do the up grade. It's been 5 years and the AC is still not working properly as agreed in the lease agreement section no. 13 & 14. I feel we have been good tenants and have helped you in repairs that were your responsibility. It's about time you try to help us address these problems.

Page 2

7. Also can you have someone come to service the 4 air conditioners? We have been helping you by paying someone to service and repair the air conditioner for which you have not scheduled anyone to maintain the 4 AC units in the 5 years we have leased the building from you. It states in section 13 & 14 of your responsibility to maintain the 4 AC units.

Would you kindly address these problems. You can reach me at work 966-8628 or call me at home in the evenings at 982-5296. Your response to me would be greatly appreciated. Until I hear from you God bless.

Sincerely yours:

Dennis March

Dennis Maeda Family Christian Center



OHIGINAL \*\*DUPLICATE INVOICE\*\*

 CUSTOMER NAMEER INVOICE DATE
 PACKING LIST NO.
 JAVOICE NUMBERS

 00009-99
 04-22-02
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 \$08082

 BRANCH CODE
 CUSTOMER ORDER NUMBER
 PAGE

 6503
 COD/ D.YOSHIOKA
 1 OF 1

SHIP DARRELL YOSHIOKA TO \*COD\* HILO HI

> 10 KUKILA ST (808) 935-4821 HILO HI 96720

96720

CUSTOMER OFDER NUMBER PAGE
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WESCO Distribution, Inc.
1030 MAPUNAFUNA ST
(808) 839–9200
HONOLULU HI 96819

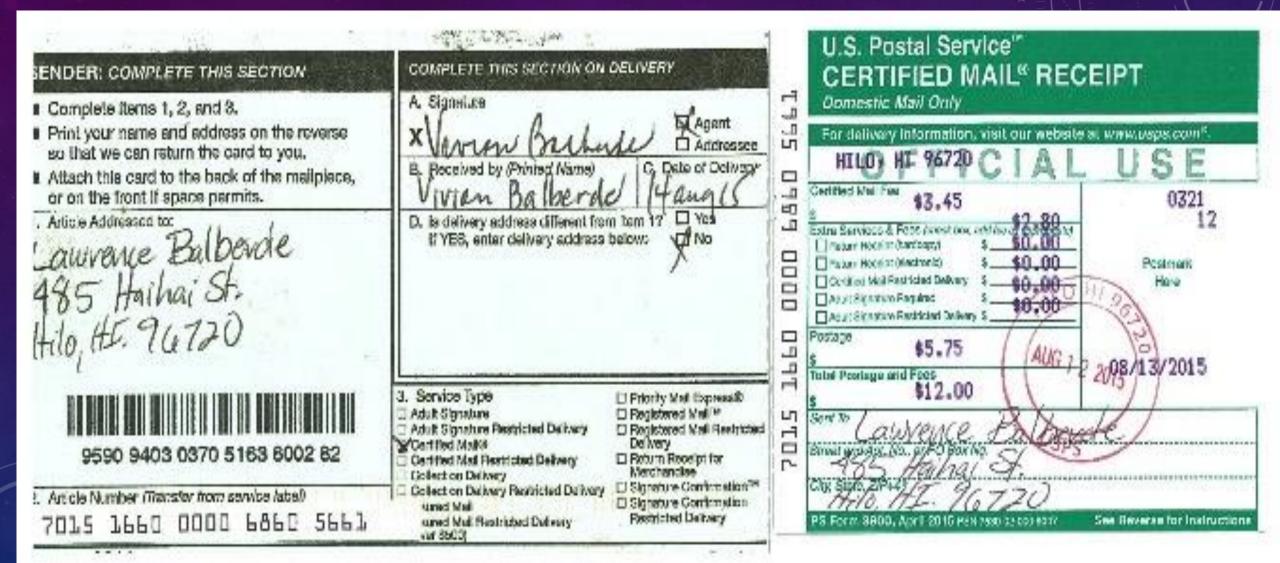
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TO \*\*COD SALES ONLY\*\*
\*\*LEE SALES\*\*
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### AUGUST 2015 WE SENT ANOTHER LETTER SAYING FIX ROOF OR WE WILL FIX IT AND DEDUCT RENT EACH MONTH.



## HOW DOES HE FIX THE ROOF? BY ADDING IT TO OUR NEW LEASE (THIS IS EXTORSION). UNDER SECTION 1 HE NOW INCLUDES IT IN HIS LEASE THAT IF WE DON'T REPAIR THE ROOF HE WILL RAISE RENT TO \$9,100 PER MONTH.

### Church Lease Proposal

This Lease Proposal is herby made between Lawrence
Balberde, the "Lessor" and Connect Point Church, the
"Lessee," concerning the following property: Located at 168:
Holomus St. Hilo, Hawaii, the "Premises".

Lessee hereby proposes the following:

- 1. Term and Rent. The Lessor will lease the above premises for an initial term of three (3) years with optional two (2) years lease, beginning on May 1,2016 and ending on May 1,2019 at the current monthly rental rate; payable in equal installments in advance on the first day of each month for the month's rental, during the term of the lease. All rental payments shall be made to the Lessor at the following address: 485 Haihai St. Hilo, HI 96720. It is also understood that the current monthly rental rate will remain in effect contingent on the Lessee complete the reroofing of the buildings roof within six months, starting from May 1,2016. If this condition is not met, the monthly rental rate will be at \$9,100.00, payable under the stated payment arrangements.
- Use, Lessee shall use and occupy the premises for Church Service and all church functions. Lessor represents that the premises may lawfully be used for such purpose.
- Optional Two Year Lease. The Lessor will allow the Lessee first preference before lessing to others.
- 4. Ordinances and Statues. Lessee shall comply with

- all statues, ordinances and requirements of all county, state and federal authorities now in force or which may bereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.
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MR. BALBERDE WAS NEGLIGENT IN CARING FOR THIS PROPERTY AT 168 HOLOMUA STREET. IN FACT HE NEVER KEPT HIS WORD, NOR DID HE HOLD TO HIS LEASE AGREEMENT. HE THREATENED US TO EITHER REPAIR IT OR HE WILL RAISE THE RENT \$2,000 MORE PER MONTH.

Page 9 of Handout- Connect Point Church has invested at 168 Holomua Street

- \$53,229 Air Conditioning Replacement
- \$53,848.68 Home Depot (Paint, lumber, flooring, carpeting, drywall, screws, ect.)
- \$140,000 Replace purling's and roof (Kimo Kahele Contraction, Arakaki Mechanical)
- \$175,000 Donated time to do renovations by local businesses
- \$150,000 HPM Building Supply for materials in renovation.
- Total- over \$550,000 invested into this location

## WE HAVE INVESTED OVER \$550,000 INTO THIS PROPERTY IN THE PAST 4 YEARS.

- It would be unfair and unethical to auction off this lease to the highest bidder.
- John Maxwell says "Everything is a reflection of leadership"
- As we dig deeper, Connect Point Church was put in this predicament with Lawrence Balberde because
  of DHHL poor management and negligence of oversight of their lessee.
- The position that we are in is direct reflection of DHHL leadership and mismanagement of their property.
  - \$239,990 in unpaid dues to DHHL (This is robbing precious funds that could be used towards our beneficiaries, the Native Hawaiian people)
  - \$173,737 (penalties and interest \$477,016.84) Hawaii County Real Property tax
  - Illegal sub lease with Connect Point Church

DAVID Y. IGE GOVERNOR STATE OF HAWAII

JOSH GREEN LT. GOVERNOR STATE OF HAWAII



JOBIE M. K. MASAGATANI CHAIRMAN HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.

### STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879 HONOLULU, HAWAII 96805

March 25, 2019

bc: LMD Reading LMD File: GL 144 LMD Staff: MY

CERTIFIED MAIL
7014 3490 0001 2886 5170
RETURN RECEIPT REQUESTED
RESTRICTED DELIVERY

Mr. Lawrence Balberde 485 Haihai Street Hilo, Hawaii 96720

Dear Mr. Balberde:

### LETTER OF TERMINATION OF LEASE

Subject: General Lease No. 144 (GL 144), TMK: (3)-2-2-060:049, Waiakea/Hilo, Island of Hawaii

NOTICE IS HEREBY GIVEN, that pursuant to the terms and conditions as set forth in GL 144, you are in default of your lease for the following:

- 1. Failure to pay back Lease rent due, in the total amount of \$239,990.00
- 2. Failure to pay Hawaii County Property taxes
- 3. Illegally entering into a Sub-lease agreement with an outside party without following proper procedures or obtaining approval from DHHL.

YOU ARE HEREBY NOTIFIED that by authority under § 171-20, Hawaii Revised Statutes, as amended, titled, Notice of Breach or Default., the Hawaiian Homes Commission will exercise such right to terminate GL 144 for nonpayment of outstanding charges and defaults as referenced above. Therefore, upon receipt of this letter, all operations shall cease immediately. Further, immediate removal of any and all equipment, personal items, etc.

Mr. Lawrence Balberde March 25, 2019 Page 2 of 2

from the premises must be completed by Friday, April 12, 2019. If you fail to do so, the department may either retain any remaining items, equipment, and materials, or remove them at your expense.

Be advised that your account is being referred to the Attorney General of the State of Hawaii for legal action or a collection agency, whichever is appropriate.

If you have any questions or need further clarification, contact Mark Yim, Land Agent, Land Management Division at 808-620-9453 or email <a href="mark.k.yim@hawaii.gov">mark.k.yim@hawaii.gov</a>.

Aloha,

Jobie M. K. Masagatani, Chairman

Hawaiian Homes Commission

cc: Commissioners, W. Ishibashi, D. Kaapu

### BACK DUE PROPERTY TAXES ON 168 HOLOMUA STREET \$173,737.68 (PENALTY AND INTEREST \$477,016.84)

### **Current Tax Bill Information**

Tax Period	Description	Original Due Date	Taxes Assessment	Tax Credits	Net Tax	Penalty	Interest	Other	Amount Due
PRIOR	Real Property Tax	08/20/1991	\$0.00	\$0.00	\$141,365.42	\$14,136.60	\$275,904.91	\$0.00	\$431,406.93
2015-1	Real Property Tax	08/20/2015	\$0.00	\$0.00	\$3,986.84	\$398.68	\$2,148.90	\$0.00	\$6,534.42
2015-2	Real Property Tax	02/22/2016	\$0.00	\$0.00	\$3,986.83	\$398.68	\$1,885.77	\$0.00	\$6,271.28
2016-1	Real Property Tax	08/22/2016	\$0.00	\$0.00	\$4,055.68	\$405.57	\$1,650.66	\$0.00	\$6,111.91
2016-2	Real Property Tax	02/21/2017	\$0.00	\$0.00	\$4,055.68	\$405.57	\$1,382.99	\$0.00	\$5,844.24
2017-1	Real Property Tax	08/21/2017	\$0.00	\$0.00	\$4,320.13	\$432.01	\$1,188.04	\$0.00	\$5,940.18
2017-2	Real Property Tax	02/20/2018	\$0.00	\$0.00	\$4,320.12	\$432.01	\$902.90	\$0.00	\$5,655.03
2018-1	Real Property Tax	08/20/2018	\$0.00	\$0.00	\$3,823.49	\$382.35	\$546.76	\$0.00	\$4,752.60
2018-2	Real Property Tax	02/20/2019	\$0.00	\$0.00	\$3,823.49	\$382.35	\$294.41	\$0.00	\$4,500.25
	Tax Bill with Interest computed through 09/30/2019		\$0.00	\$0.00	\$173,737.68	\$17,373.82	\$285,905.34	\$0.00	\$477,016.84

# IN CLOSING: I AM HUMBLY REQUESTING OF THE CHAIRMAN AND COMMISSION BOARD TO MOVE DHHL FORWARD INTO A LONG TERM DISPOSITION WITH CONNECT POINT CHURCH.

- Eliminating a public auction of this property.
- Based on the most recent County of Hawaii Assessed Tax value, the land is worth \$368,600.00 annually, or \$31,716.67 per month. At an 8% rate of return to DHHL (ROI), that would be \$2,457.33 per month lease.
- Requesting no increase in future lease dues, this would be the rate for the next 55 years.

## I HAVE ONE TESTIMONY BY PHONE: HAWAII COUNTY PROSECUTING ATTORNEY MITCH ROTH



### HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION - DEPARTMENT OF HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION MEETING
SEPTEMBER 16, 2019
KAUAI