

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

August 23, 2013

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

OAHU

Cancellation of Governor's Executive Order No. 3837 Setting Aside State Lands to Department of Defense for Oahu Veterans Center, Aiea, Ewa, Oahu, Tax Map Key: (1) 9-9-003:035, 9-9-012:005, 046 & 047.

APPLICANT:

Department of Defense

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Aiea, Ewa, Oahu, identified by Tax Map Key: (1) 9-9-003:035, 9-9-012:005, 046 & 047, as shown on the map attached as **Exhibit A**.

AREA:

1.638 acres, more or less.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: F-1

TRUST LAND STATUS:

Section 5(b) and 5(e) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Governor's Executive Order No. 3837 setting aside 1.638 acres to Department of Defense for Oahu Veterans Center purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is merely a transfer of management jurisdiction and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements.

APPLICANT REQUIREMENTS:

None

BACKGROUND:

Pursuant to Governor's Executive Order ("EO") No. 3837 dated December 28, 2000, the subject State lands have been set aside to the State Department of Defense for Oahu Veterans Center purposes.

EO 3837 encumbers four parcels identified as TMK: (1) 9-9-003:035 ("Parcel 35"), 9-9-012:005, 046 & 047 ("Parcels 5, 46 and 47"). The subject parcels had been portions of government (crown) lands of Aiea originally set aside as Aiea Military Reservation by Presidential EO 2566 dated March 28, 1917, and were reconveyed along with their improvements by the federal government to the State of Hawaii by deed dated August 21, 1962. Contiguous Parcels 5, 46 and 47 are vacant, and Parcel 35 includes pre-existing improvements built circa 1923 by the federal government for a water pump station to service the area.

In March 2001, a mercury release occurred within the water pump station located on Parcel 35. In July 2001, after extensive remediation efforts, the Department of Health issued a memorandum stating that it was undertaking a "No Further Emergency Response Action" pertaining to the mercury release.¹

In the meantime, Department of Defense ("DOD") identified alternative real property better suited for their project and subsequently completed the construction of the Oahu Veterans Center in Foster Village in 2005. Such completion of the Veterans Center construction rendered the public purpose of EO 3837 no longer applicable. DOD then began discussion with the Department regarding the return of all the parcels under EO 3837 to the Board, i.e. cancellation of EO 3837.

In the process of discussion, DOD undertook the procurement of Phase I and II Environmental Baseline Survey for the pumphouse facility on Parcel 35 in September and

¹ Source: Final Phase I Environmental Baseline Survey prepared by Earth Tech, Inc. dated September 2007.

December 2007 respectively. By its memo dated August 24, 2011 (**Exhibit B**), DoD requested the return of the subject parcels and the cancellation of EO 3837.

Staff visited Parcels 46 & 47 in February 2012 and noted they were fenced off with no evidence of recent activities observed, while Parcel 5 basically is the roadway between parcels 46 & 47. The improvements on Parcel 35 included one building in good condition and another housing the pumps in poor condition with a section of fallen roof and one damaged doorway open to daylight. DOD subsequently undertook some rudimentary repairs to secure the pump house building and fill in two open pits outside the building, but added no new structures or improvements. Staff understands that, according to past correspondence from DOH HEER, elemental mercury is believed to still exist inside the water pump in the pump house building. Due to the mercury content and the deteriorating physical condition of the pump house building, staff believes that eventual demolition of that building and removal and proper disposal of any equipment inside the building will be necessary, in the interests of health and safety.

In 1962, the State of Hawaii had accepted the subject property from the federal government "Together with all appurtenances thereon, real and personal, including the pumphouse and wells, the chlorinator, the generator station and the transformer station..." Therefore management of the existing improvements, including any further work to address health and safety issues related to the existing structures, remain the responsibility of the Department, as landowner, and not the DOD.

In anticipation of conducting future remedial work to address any remaining mercury and other previously identified environmental contaminants, Staff inquired with a local environmental engineering firm to obtain preliminary cost estimates. Removal and disposal of two pumps, light fixtures, and abatement of loose lead-based paint and asbestos-contaminated material through the whole pump house building were estimated at about \$185,000 plus tax. Other cost estimates to address hazards created by the deteriorating condition of the pump house building and other structures will require further evaluation.

In May 2013, DOD advised Staff that under Act 164, SLH 2011, as amended by Act 106, SLH 2012 Item F3, \$100,000 and \$500,000 had been appropriated to DOD for "security of property and various close out actions required by other state agencies" under Act 164, SLH 2011, as amended by Act 106, SLH 2012, Item F3 (an excerpt of this Act is attached as **Exhibit C**). DOD also indicated they had no objection to transferring the above described funding to DLNR for project implementation.

Demolition of the entire pump house building to secure the property comprising the land and improvements will mitigate any potential health and safety hazards to the public. Staff believes demolition of the improvements housing the pumps and removal of the equipment are appropriate and prudent.

Until the environmental remediation and demolition work on the Parcel 35 is completed, any future use of Parcel 35 of the subject property will be prohibited. However, the remaining

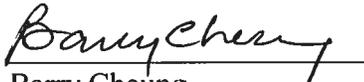
vacant parcels 46 and 47 under EO 3837 may be put to short term use, e.g. storage, during the interim. All parcels are located in an urban area where the demand for lands is high. Therefore, returning the parcels to utilization as soon as possible will be in the State's best interests, upon the Board's approval of the cancellation of EO 3837.

There are no other pertinent issues or concerns, and staff recommends the Board authorize the cancellation of EO 3837 in the manner described above.

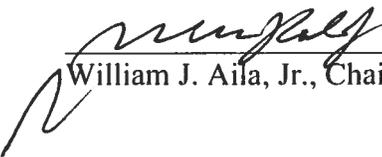
RECOMMENDATION: That the Board approve of and recommend to the Governor issuance of an executive order canceling Governor's Executive Order No. 3837, subject to:

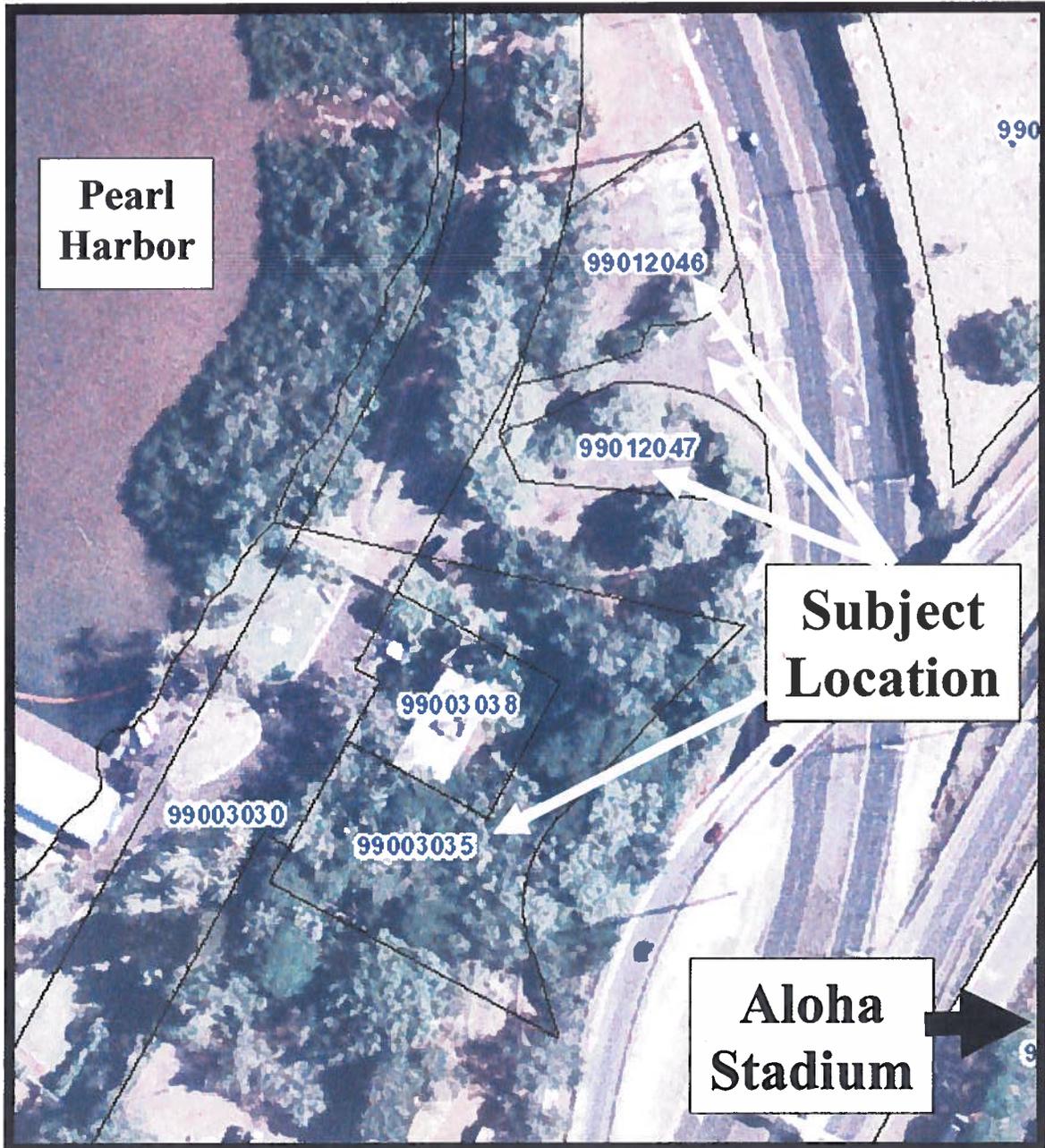
- A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
- B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
- C. Review and approval by the Department of the Attorney General; and
- D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:


William J. Aila, Jr., Chairperson



TMK (1) 9-9-003:035, 9-9-012:005,046,047

EXHIBIT A

HEIL ABERCROMBIE
GOVERNOR



DARRYLL D.M. WONG
MAJOR GENERAL
INTERIM ADJUTANT GENERAL

JOSEPH K. KIM
BRIGADIER GENERAL
INTERIM DEPUTY ADJUTANT GENERAL

STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495

August 24, 2011

HIENG

To: Honorable William J. Aila, Jr. Chairman
Department of Land & Natural Resources

From: Major General Darryll D. M. Wong 
Adjutant General

Attention: Mr. Russell Y. Tsuji, Administrator
Land Management Division

Subject: Cancellation of Executive Order No. 3837, Aiea Pumphouse, Oahu, Hawaii – Tax
Map Key (TMK) (1)9-9-03:035 and (1)9-9-03:035 and (1) 9-9-012:004, 046 & 047

Reference: Memorandum dated January 4, 2010 by Russell Y. Tsuji, Administrator,
Department of Land Natural & Resources (DLNR)

The Department of Defense (DOD) requested cancellation of Executive Order (E.O.) No.3837 back in March 14, 2008. This memorandum is a followup to actions required per DLNR's correspondence by Russell Tsuji on January 10, 2010. In that memorandum the E.O. cancellation required the subject to be restored to a condition satisfactory and acceptable" to the DLNR. It stated three (3) conditions for being satisfactory and acceptable which we feel we have completed per the enclosed documents.

Attached herein is one (1) copy of the memorandum from Russell Tsuji, one (1) copy each Phase I & II Environmental Baseline Survey (EBS) reports, a written summary of security and maintenance procedures in place, and one (1) copy of the Army Corps of Engineer's (ACOE) Remediation Investigation Proposal Plan on the property. We finished the Phase II EBS report that included conducting independent sampling and found them to be satisfactory to the standard of the Department of Health (DOH) Hazard Evaluation and Emergency Response (HEER) office. The ACOE in collaboration with DOH select at the final clean up alternatives to be used to remediate the former Aiea Military Reservation Aiea Bay Pumphouse site.

EXHIBIT "B"

It was stated in Mr. Russell Tsuji's memorandum that E.O. No. 3837 conditioned the return of the subject property on restoration of the premises "to a condition satisfactory and acceptable" to the DLNR. He then stated three (3) conditions for being satisfactory and acceptable DLNR.

We have met all three (3) of the DLNR's conditions stated in Mr. Russell Tsuji's memorandum. And request that the necessary documents be prepared to withdraw the DOD's interest in the property and cancel the existing E.O.

Your assistance with helping us complete this section is greatly appreciated.

Should you have any questions, please have your staff contact our Chief Engineering Officer, Lieutenant Colonel Neal Mitsuyoshi at 733-4250.

Enclosures:

1. Russel Tsuji's letter dated on January 04, 2010.
2. Final Phase 1 Environmental Baseline Survey.
3. Final Phase II Environmental Baseline Survey.
4. Aiea Pump House Security and Maintenance Procedures.
5. Helene Takemoto letter dated on July 12, 2010.
6. ACOE Proposed Plan.

Cc: OVS

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)			
				FISCAL YEAR 2011-2012	M O F	FISCAL YEAR 2012-2013	M O F
1							
2	12.	P70036	COLUMBARIA NICHES, STATEWIDE				
3							
4		DESIGN AND CONSTRUCTION FOR					
5		ADDITIONAL COLUMBARIA NICHES STATEWIDE.					
6		THIS PROJECT IS DEEMED NECESSARY TO					
7		QUALIFY FOR FEDERAL AID FINANCING AND/OR					
8		REIMBURSEMENT.					
9		DESIGN			200		
10		CONSTRUCTION			1,000		
11		TOTAL FUNDING	DEF		1,199	C	
12			DEF				N
13							
14	2.	P70036	COLUMBARIA NICHES, STATEWIDE				
15							
16		DESIGN AND CONSTRUCTION FOR					
17		ADDITIONAL COLUMBARIA NICHES STATEWIDE.					
18		THIS PROJECT IS DEEMED NECESSARY TO					
19		QUALIFY FOR FEDERAL AID FINANCING AND/OR					
20		REIMBURSEMENT.					
21		DESIGN			1		
22		CONSTRUCTION			1		
23		TOTAL FUNDING	DEF		2	N	
24							
25	3.	OVS004	AIEA BAY PUMPHOUSE PROPERTY				
26			ENVIRONMENTAL REMEDIATION, OAHU				
27							
28		DESIGN AND CONSTRUCTION FOR					
29		REMEDICATION ACTION FOR ENVIRONMENTAL					
30		CLEANUP. SITE ASSESSMENT WILL INCLUDE A					
31		PRIORITY FOCUS ON THE MERCURY					
32		CONTAMINATION ISSUES. MAY ALSO INCLUDE					
33		MISCELLANEOUS WORK RELATING TO SITE					
34		CLEANUP, SECURITY OF PROPERTY, AND					
35		VARIOUS CLOSE OUT ACTIONS REQUIRED BY					
36		OTHER STATE AND FEDERAL GOVERNMENT					
37		AGENCIES.					
38		DESIGN			100		
39		CONSTRUCTION					500
40		TOTAL FUNDING	DEF		100	C	500
41							
42							

