

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

March 28, 2014

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

PSF No.: 12KD-010

Kauai

Request for Issuance of Revocable Permit to Keith A. Ruiz for Pasture Purposes, por. of Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-8-08: 7 & 32.

APPLICANT:

Keith A. Ruiz, married, Tenant in severalty.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waimea situated at por. of Hanapepe, Waimea, Kauai identified by Tax Map Key: (4) 1-8-08: 7 & 32, as shown on the attached map labeled Exhibit A.

AREA:

17.53 acres, more or less.

ZONING:

State Land Use District: Urban
County of Kauai CZO: Open District "0"

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Pasture purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

Minimum rent of \$40.00 per month, see Exhibit 'B'.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See Exemption Notification attached below as Exhibit 'C'.

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

DCCA VERIFICATION:

Place of business registration confirmed: N/A
Registered business name confirmed: N/A
Applicant in good standing confirmed: N/A

Applicant is an individual and, as such, is not required to register with DCCA.

REMARKS:

Both parcels are in the vicinity of Burns Airfield in Hanapepe, Kauai. Parcel 32 was initially

used for pasture purposes. Parcel 7 is a 0.23 acre lot completely surrounded by parcel 32. This lot was previously encumbered by Revocable Permit No. S-6099 to Lindbergh Akita for bus storage, from 3/1/84 to 12/25/95. A large concrete slab exists on the lot, which served as the parking area for the buses. This parcel 7 is considered non-conforming by County Planning since it has no legal access to a county standard road right-of-way, and is landlocked.

In the 1980's and 1990's, portions of both sites were used for hurricane debris processing after Hurricane Iwa and Hurricane Iniki.

On September 10, 2004, under item D-10 the Board approved the issuance of a Revocable Permit No. S-7393 to Shawn Grace for pasture purposes.

Due to the economy, Mr. Grace couldn't keep-up with the rising cost of keeping the permit. On October 24, 2008, under item D-2, Board approved the forfeiture of Revocable Permit No. S-7393.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Applicant has over 25 years of experience working for various cattle and ranch companies on Kauai. Applicant would qualify under as a bona fide farmer pursuant to §171-14.5, HRS.

Staff recommends a month-to-month tenancy is more appropriate than a long-term disposition. There is no infrastructure to provide water and its proximity to the coastline has constant salt-laden tradewinds.

Applicant is aware of the hardships of this property and is still interested.

Comments were solicited from:

State Agencies:

DOH	No open burning permitted w/o permit
DOT – Airports Division	Follow FAA Advisory on Hazardous Attractants
Historic Preservation	No issues
OCCL	No response by suspense date
OHA	No objections

County Agencies

County Planning	No response by suspense date
Public Works	No floodplain requirements
Dept. of Water	No objections

Federal Agencies

NRCS	No objections
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RECOMMENDATION: That the Board:

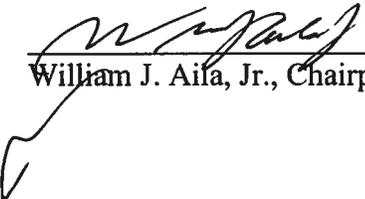
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to Keith A Ruiz covering the subject area for pasture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - b. Review and approval by the Department of the Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Marvin Mikasa
Acting District Land Agent

APPROVED FOR SUBMITTAL:



William J. Aifa, Jr., Chairperson

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCES MANAGEMENT



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

February 13, 2014

MEMORANDUM

TO: William J. Aila, Jr., Chairperson
THROUGH: Russell Y. Tsuji, Land Administrator
FROM: Marvin Mikasa, Acting District Land Agent
SUBJECT: In-House Valuation Recommendation – Revocable Permit for Pasture Purposes

PSF No.: 12KD-010
Applicant: Ruiz, Keith
Location: por. of Hanapepe, Waimea, Kauai
Tax Map Key: (4) 1-8-008:007 and 032
Char. Of Use: Pasture

We have been requested to provide a monthly rent amount for the issuance of a revocable permit for pasture purposes on the above-referenced property. This rent amount will be included in staff's submittal to the Board for approval of this permit and will not be effective unless such approval is received.

The subject consists of approximately 17.53-acres in Hanapepe, Kauai. Based on discussions with applicant and land agent's knowledge of the area, the parcels are located in a dry area of the island and therefore, the lands are not considered very conducive for pasture use.

According to the Land Study Bureau Productivity Ratings, the subject property contains about half the property has a productivity rating of "d" and the other half has a rating of "e". The "d" rated areas can support 10 to 30 acres/AUY for grazing. The "e" rating has a productivity of 30 acres or more per AUY.

Based on an animal production formula for the subject acreage, we calculated the annual rent using a 1 AUY capacity:

EXHIBIT " B "

	<u>Usable Acreage</u>	<u>Capacity¹</u>	<u>AUY</u>
Pasture Details:	17.53 acres	15-20	= 1.0
Average weight gain per animal per year in lbs.			x 300
Annual weight gain in lbs.			300
Average live weight price (3-yr. Average) ²			x \$0.70
Gross value of beef			\$ 210.00
Portion of gross profit to Lessor			x 25%
Gross annual rent			\$ 52.50
 Monthly rent (rounded)			 \$4.38*

¹Carrying capacity estimated by applicant.

²Average live weight price (cents per pound) for Big Island derived from the *Statistics of Hawaiian Agriculture* average for the period 2008 to 2010, the most recent data available.

<u>Year</u>	<u>Statewide</u>	<u>Kauai</u>
2006	\$0.767	\$0.643
2007	\$0.724	\$0.675
2008	<u>\$0.677</u>	<u>\$0.775</u>
Average (rounded)	\$0.723	\$0.698

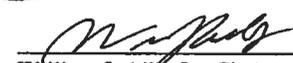
Upon completing the above formula using the information available, it was found that the monthly rental amount calculated was below the Land Board's current minimum rent policy rate of \$480 per annum or \$40 per month.

***Therefore, as of the date of this document, the monthly rent for the revocable permit to the applicant will not be \$4.38 per month as calculated, but is recommended to be at the Land Board's minimum rental rate of \$40 per month.**

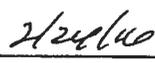
Special Assumptions and Limiting Conditions

- 1) This rental valuation estimate is for internal purposes only. This document does not take the place of an appraisal and does not constitute an appraisal that adheres to the Uniform Standards of Professional Appraisal Practices.
- 2) The subject property was not inspected by the staff appraiser.

Approved/Disapproved:



 William J. Aifa, Jr., Chairperson



 Date

cc: District File
Central File



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

EXEMPTION NOTIFICATION

regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Issuance of Revocable Permit for Pasture Purposes

Project / Reference No.: 12KD-010

Project Location: por. of Hanapepe, Waimea, Kauai, Tax Map Key: (4) 1-8-08: 7 & 32

Project Description: Issuance of Revocable Permit for Pasture Purposes

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule, Section 11-200-8(a)(1)(4), the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No.1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing" and Class No.4, that states "Minor alteration in the conditions of land, water, or vegetation".

This Division has permitted similar uses in the past. The proposed use is of a similar type and scope of use that periodically occurred and continues to occur on this and other areas across the State. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

EXHIBIT 'C'

Consulted Parties:

Natural Resource Conservation Service (NRCS)

Recommendation:

It is recommended that the Board find that this request will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.



William J. Aila, Jr., Chairperson

 8/12/14

Date