

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

April 24, 2015

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

PSF No.: 15HD-025

Hawaii

Sale of Lease at Public Auction for Intensive Agriculture Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-2-048:001.

REQUEST:

Sale of lease at public auction for Intensive agriculture purposes

LEGAL REFERENCE:

Sections 171-14, -14.5, -16, -17 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-048:001, as shown on the attached map labeled Exhibit A.

AREA:

7.855 acres, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District: Conservation
County of Hawaii CZO: Open

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. Formerly encumbered under GL S-3836, NoJer Enterprises, Inc., for wholesaling, retailing and packing of nursery products and other related purposes.

CHARACTER OF USE:

Intensive agriculture purposes

LEASE TERM:

Thirty (30) years

COMMENCEMENT DATE:

Sixty (60) days after the date of sale; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

MINIMUM UPSET ANNUAL RENT:

To be determined by staff or independent appraisal establishing fair market rent, subject to review and approval by the Chairperson.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

At the 10th and 20th years of the lease term, by staff or independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities – Water, Electricity, Phone

Slope - 0 to 35%

Elevation – 450 feet

Rainfall – 50 to 90 inches mean average rainfall

SCS Soil Series – A’a – no soil material

Land Study Bureau – E: poor

Legal access to property – Staff has verified that there is legal access to the property off of Kilauea Avenue.

Subdivision – Staff has verified that the subject property to be auctioned is a legally subdivided lot.

Encumbrances – Staff has verified that the property is currently unencumbered.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See Exemption Notification attached as Exhibit B.

REMARKS:

The property was most recently encumbered under General Lease No. S-3836 to NoJer Enterprises, Inc. for wholesaling, retailing and packing of nursery products and other related purposes. The duration of the lease was for a period of fifty-five (55) years from June 16, 1964 through June 15, 2019. At the request of the Lessee, the lease was cancelled by the Board at its meeting of June 27, 2014 under agenda item D-4.

Request for comments were distributed to various government agencies and their responses are included below.

County of Hawaii Agencies	Comments
Environmental Management	No Response
Planning	No Response
Police Department	No Objection
Public Works	No Objection
Fire Department	No Comments
State of Hawaii Agencies	Comments
DLNR-Historic Preservation	No Response
DLNR- Forestry and Wildlife	No Comments
DLNR- Water Resource Management	Comments Below
DOH-Environmental Management	No Response
DHHL	No Response
DOT-Highways Division	No Comments
DLNR-OCCL	Comments Below

Other Agencies	Comments
Office of Hawaiian Affairs	No Response
Corps of Engineers	No Response
NRCS	No Response

The Commission on Water Resource Management (CWRM) requested information on the source and projected water usage for this property. Water is currently supplied through the county water system. The usage cannot be determined until the public auction takes place and the successful bidder and type of business is known.

The Office of Conservation and Coastal Lands (OCCL) noted that the parcel is located entirely within the State Land Use (SLU) Conservation District *General* Subzone. OCCL recognizes that the existing land use was established prior to the SLU Conservation District designation, and is therefore considered non-conforming. OCCL indicated two greenhouse structures were erected after the SLU designation and without approval or prior consent. OCCL would like to remind the Lessee that any future development conducted on the property will require a review and possible approval or permitting from their office.

The HDLO staff believes this request and the intended use of these State lands should be exempted from the preparation of an environmental assessment because the intended use is consistent with past use of the property. The property has been in use as a floral nursery for many decades. 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.

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. Find the area to be an economic unit in terms of the intended use.
3. Find that the subject area is not suitable for hunting, nor will it become so during the term of the lease.
4. Authorize the sale of a lease at public auction 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:

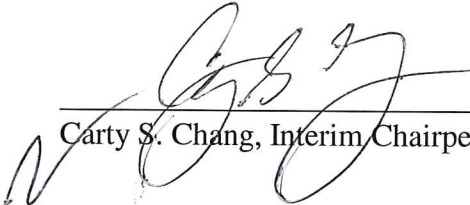
- a. The standard terms and conditions of the most current intensive agriculture use general lease form, as may be amended from time to time;
- b. Within the first 2 years of the lease term, the land under lease shall be utilized for the purposes for which the lease is sold, all in accordance with a conservation plan approved by the Chairperson;
- c. Residential use is not permitted;
- d. Review and approval by the Department of the Attorney General; and
- e. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Gordon C. Heit
District Land Agent

APPROVED FOR SUBMITTAL:



Carty S. Chang, Interim Chairperson

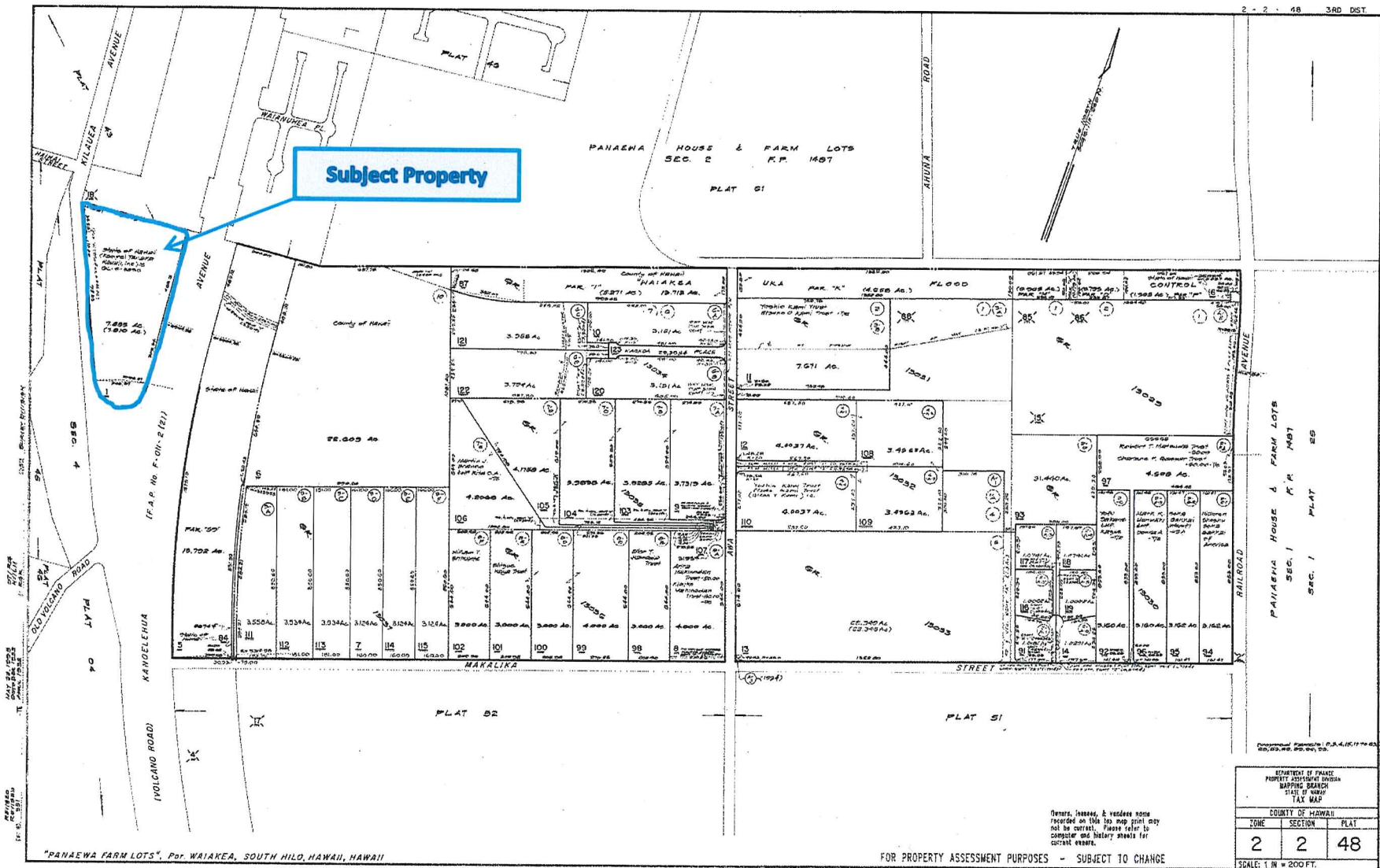


EXHIBIT A

TMK: (3) 2-2-048:001

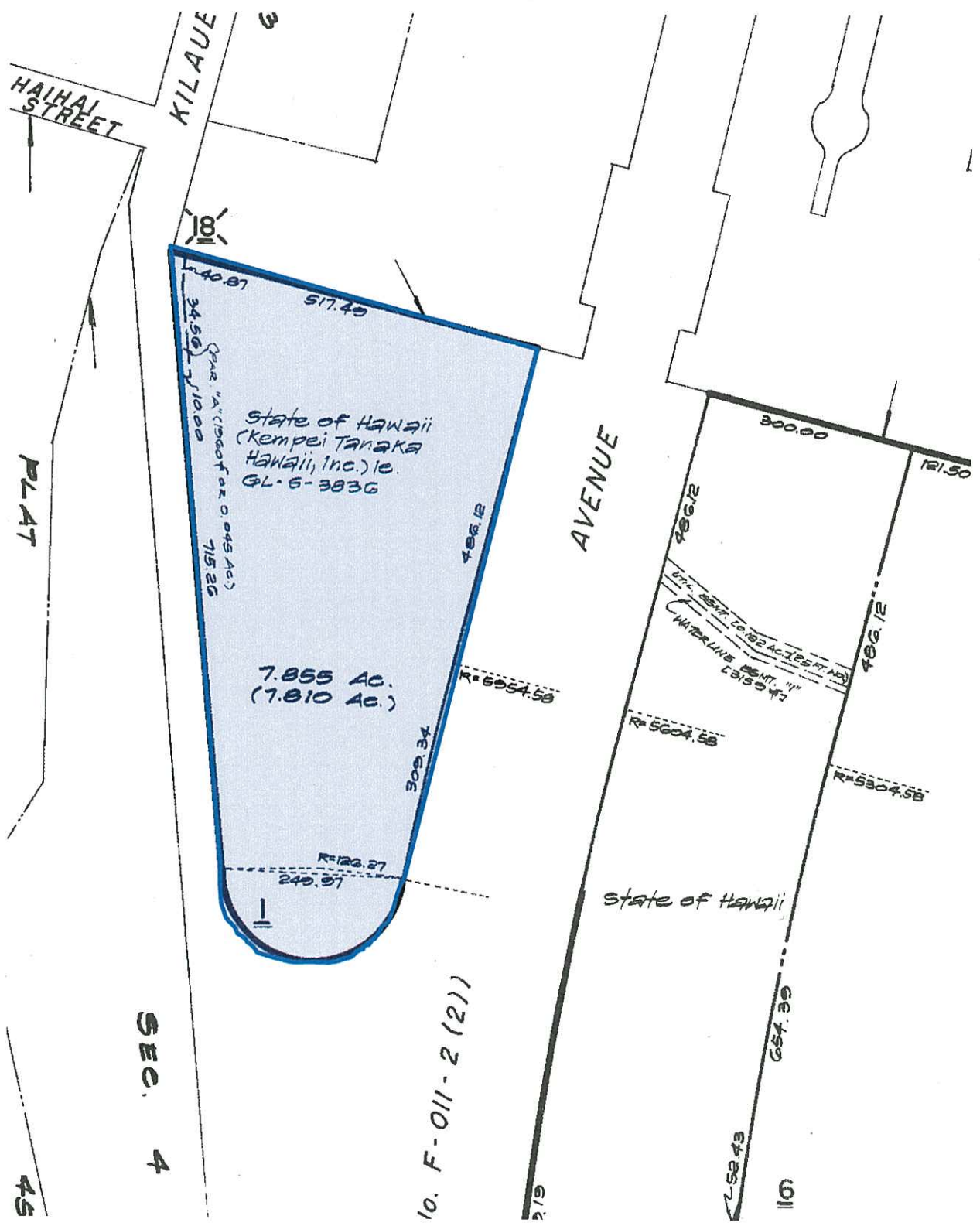
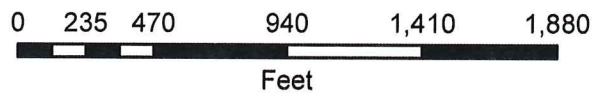
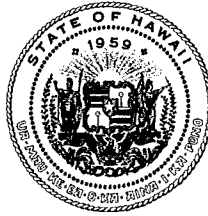
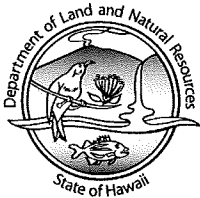


EXHIBIT A

Auction Property



DAVID Y. IGE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

CARTY S. CHANG
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DANIEL S. QUINN
INTERIM FIRST DEPUTY

W. ROY HARDY
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

EXEMPTION NOTIFICATION

From the preparation of an environmental assessment under the authority of Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Request for Sale of Lease Land for Intensive Agriculture Purposes.

Project Number: PSF No. 15HD-025

Project Location: Waiakea, South Hilo, Hawaii, TMK: (3) 2-2-048:001.

Project Description: The requested parcel was previously leased under GL S-3836 for agriculture purposes. The lease was cancelled at the request of the Lessee. The land is currently unencumbered. There have been several requests from nursery owners in the area for use of this State land.

Consulted Parties: None

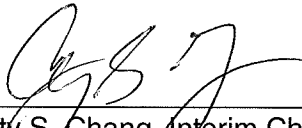
Exemption Class No.: In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment under the following:

Exemption Class No. 1, which 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."

EXHIBIT B

Recommendation:

It is anticipated this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.



Cary S. Chang, Interim Chairperson



Date 4/7/15