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

August 24, 2012

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

PSF No.:12OD-101

OAHU

Quitclaim of State's Interests, if Any, over the Lane Adjacent to King Street to the City and County of Honolulu, Honolulu, Oahu, Tax Map Key: (1) 1-7-003.

APPLICANT:

City and County of Honolulu.

LEGAL REFERENCE:

Sections 171-95(a)(5), 264-2, Hawaii Revised Statutes, and Act 288, SLH 1993 as amended.

LOCATION:

Portion of a lane adjacent to King Street situated at Honolulu, Oahu, identified by Tax Map Key: (1) 1-7-003 as shown on the attached map labeled **Exhibit 1**.

AREA:

710 square feet, more or less.

ZONING:

State Land Use District:	Urban
City and County of Honolulu LUO:	BMX-4

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:

Existing County road.

CONSIDERATION:

Not applicable.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Final EIS of the Kekaulike Revitalization Project, in which the subject lane was included as part of the project, was published on July 23, 1991.

APPLICANT REQUIREMENTS:

Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.

REMARKS:

The subject lane was shown on Land Court Application 185, Map 1 dated December 13, 1912, attached as **Exhibit 2**. In the early 1990s, City and County of Honolulu ("City") proposed a mixed-use residential and commercial development to revitalize the Chinatown area. The project involved acquisition of the adjacent private properties and redevelopment of the City's Kekaulike Parking lot into housing rental units in addition to commercial space and parking. As noted on the Final EIS for the revitalization project published in July 1991, the subject lane was also included in the project boundary.

On June 21, 1993, a right-of-entry regarding the subject lane was issued to the City for roadway purposes. Condition 2 of the right-of-entry attached as **Exhibit 3** indicates, "... right-of-entry will terminate when a roadway easement or quitclaim deed for the subject roadway is issued to the City and County."

Through the Honolulu Affordable Housing Preservation Initiative (HAHPI), the City is conducting its Request for Proposal process in selecting a purchaser. Such purchaser, subject to City Council's approval, "would assume full responsibility for the operations, management, and maintenance of the rental housing complexes". The City intends to issue a 65-year ground lease to the qualified purchaser for the housing project. The City, by its letter attached as **Exhibit 4**¹, requests the Board quitclaim the fee title of the lane to the City to perfect the chain of title in issuing the new ground lease.

Pursuant to Section 264-2, HRS, all "public highways" (roads, alleys, streets, ways, lanes, bikeways, and bridges in the State, opened, laid out, or built by the government) are owned either by the State for state highways under the jurisdiction of the Department of Transportation or the county for all other public highways. While ownership was transferred by operation of law pursuant to this statutory section, the counties have continued to dispute that they own the roads because they do not have paper title.

¹ Exhibits D and E mentioned in the City's letter are filed in the request file.

Act 288, SLH 1993, stated in its preamble "In consideration of the State waiving its right to have the proceeds from the sale of county public highways remitted to the State, the counties shall acknowledge ownership and jurisdiction of all disputed public highways within their respective counties, as defined in section 264-1, HRS, without the necessity of conveyancing documents transferring title from the State to the respective counties, except when required for the purpose of disposal." (Emphasis added.)

As a result, it is staff's practice that formal documentation (i.e., quitclaim deeds) be issued on roads owned by the counties under Section 264-2, HRS, only when the county is going to subsequently dispose of any real property interests (fee conveyance or any interests less than fee) in at least a portion of the road to a third party. In all other cases, the State's position is that the fee simple interest in the road was passed to the counties by operation of law and documentation is unnecessary. This policy provides for the chain of title and enables subsequent real estate transactions to occur. This policy should not be misconstrued to mean or imply that the State does not assert that the roads being quitclaimed are already owned by the applicable county.

To enable the City to issue a new ground lease, staff is recommending the issuance of a quitclaim deed. The form of the deed has been approved by the Department of the Attorney General and contains specific wording that the State is releasing and disclaiming any interest since it is our assertion that the City already owns the road.

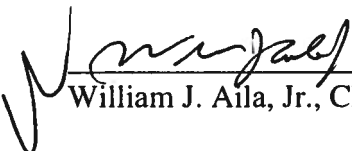
RECOMMENDATION: That the Board, subject to the Applicant fulfilling all of the Applicant requirements listed above authorize the quitclaim of interests, if any, the State may have in the subject roadway parcel to the City and County of Honolulu covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

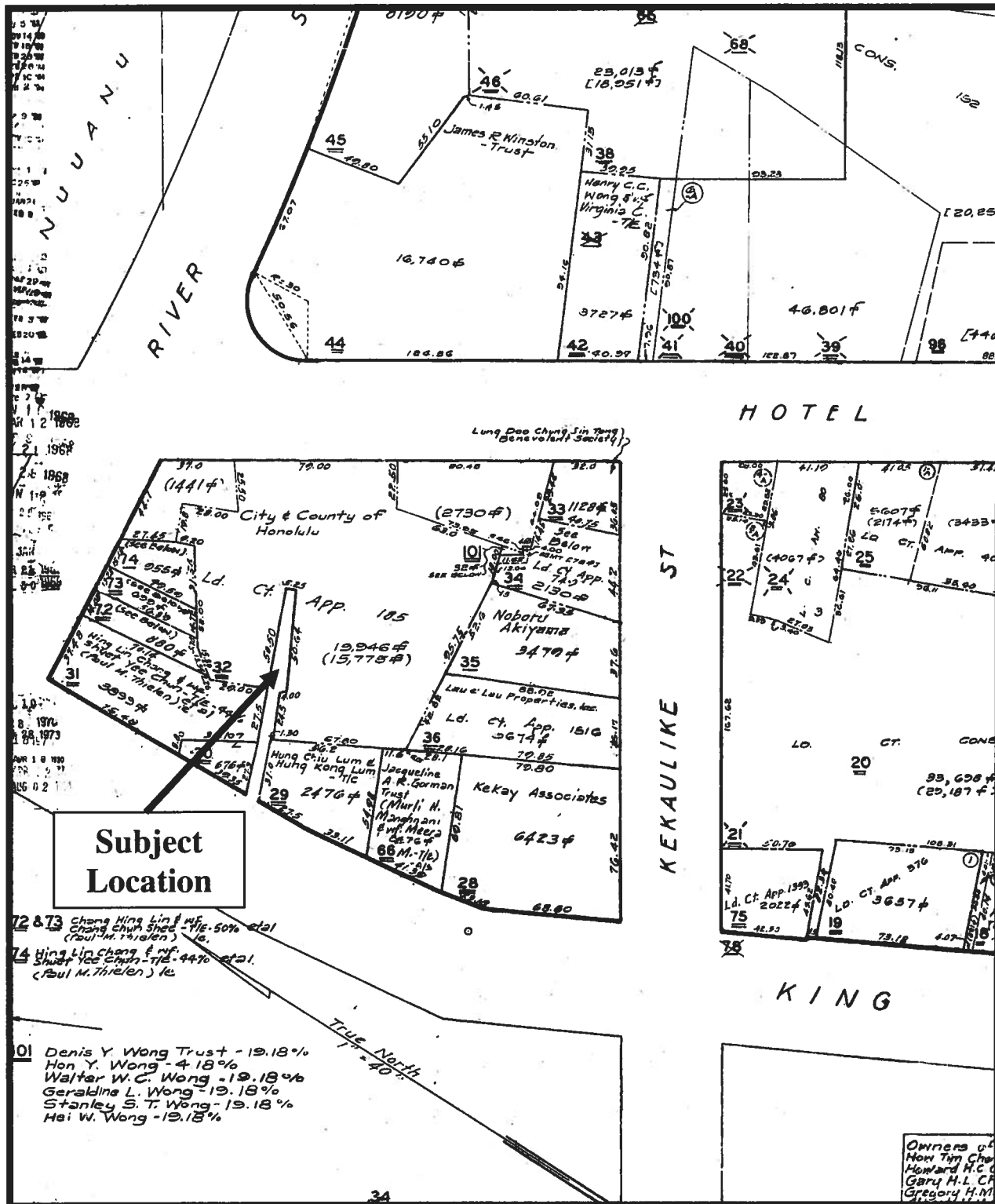
- A. The standard terms and conditions of the most current quitclaim deed (roads) form, as may be amended from time to time;
- B. Review and approval by the Department of the Attorney General; and
- C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:


William J. Aila, Jr., Chairperson



TMK (1) 1-7-003

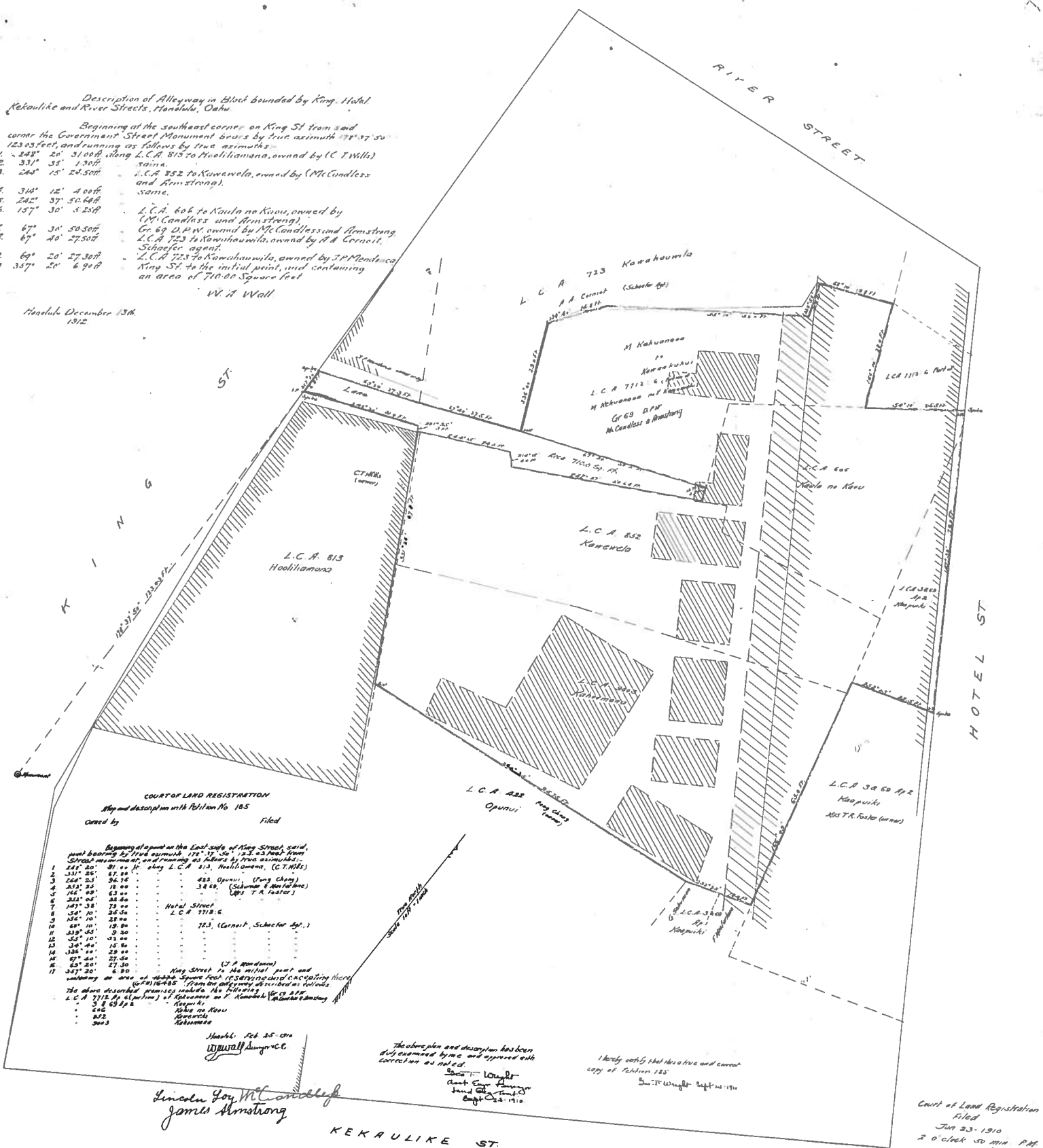
EXHIBIT 1

Description of Alleyway in Block bounded by King, Hotel, Kekaulike and River Streets, Honolulu, Oahu.

- Beginning at the southeast corner on King St. from said corner the Government Street Monument bears by true azimuth 178° 57' 50" 123.03 feet, and running as follows by true azimuths:
1. 248° 26' 31.08" along L.C.A. 815 to Hooliliamano, owned by (C.T. Mills)
 2. 331° 35' 1.705" same
 3. 248° 15' 24.502" L.C.A. 852 to Kawaewala, owned by (McCandless and Armstrong), same.
 4. 314° 12' 4.046" L.C.A. 606 to Kaula no Kaula, owned by (McCandless and Armstrong), same.
 5. 242° 37' 50.648" Gr. 69 D.P.M. owned by McCandless and Armstrong
 6. 157° 30' 5.251" L.C.A. 723 to Kawaewala, owned by A.A. Cornitt, Schaefer agent.
 7. 67° 30' 50.506" L.C.A. 723 to Kawaewala, owned by J.P. Mendonca
 8. 67° 40' 27.507" King St. to the initial point, and containing an area of 710.00 Square feet
 9. 69° 20' 27.307" same
 10. 337° 26' 6.909" same

W.A. Wall

Honolulu, December 13th, 1912.



COURT OF LAND REGISTRATION
 Map and description with Petition No. 185
 Created by _____ Filed _____

Beginning at point on the East side of King Street said point bearing by true azimuth 178° 57' 50" 123.03 feet from Street monument and running as follows by true azimuths:

1	248° 26' 31.08"	123.03	along L.C.A. 815, Hooliliamano, (C.T. Mills)
2	331° 35' 1.705"	67.00	same
3	248° 15' 24.502"	94.16	422 Opunui (Fung Chang)
4	314° 12' 4.046"	18.00	38 69 (Schumer & Mendonca)
5	242° 37' 50.648"	63.00	(L.C.A. 723)
6	157° 30' 5.251"	88.00	(L.C.A. 723)
7	67° 30' 50.506"	79.00	Hotel Street
8	67° 40' 27.507"	26.50	L.C.A. 718 C
9	69° 20' 27.307"	19.00	723 (Cornitt, Schaefer Agt.)
10	337° 26' 6.909"	9.00	same
11	337° 26' 6.909"	29.00	(J.P. Mendonca)
12	337° 26' 6.909"	27.00	King Street to the initial point and
13	337° 26' 6.909"	6.00	containing an area of 710.00 Square feet (S.D. 16-485) occupying there
14	337° 26' 6.909"	6.00	(C.T. Mills) from an alleyway described as follows
15	337° 26' 6.909"	6.00	The above described premises include the following
16	337° 26' 6.909"	6.00	L.C.A. 7715 (A. Cornitt) of Kawaewala to J. Mendonca (Kawaewala boundary)
17	337° 26' 6.909"	6.00	Gr 69 D.P.M.
18	337° 26' 6.909"	6.00	Kaula no Kaula
19	337° 26' 6.909"	6.00	Kawaewala
20	337° 26' 6.909"	6.00	Hooliliamano

W.A. Wall
 W.A. Wall
 Lincoln Jay McCandless
 James Armstrong

The description and description has been duly examined by me and approved with correct as on file etc.
 W.A. Wall
 Court Clerk
 Honolulu, Oahu
 Sept 24-1910

I hereby certify that this is a true and correct copy of Petition 185
 W.A. Wall
 Sept 24-1910

Court of Land Registration
 Filed
 Jun 23-1910
 2 0'clock 50 min P.M.
 M.J. Sumner
 Register



JUN 23 10:04

DEPT. OF HOUSING,
STATE OF HAWAII DEVELOPMENT
DEPARTMENT OF LAND AND NATURAL RESOURCES

P.O. BOX 821
HONOLULU, HAWAII 96809
JUN 21 1993

Keith W. Ahue
Chairperson

BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES

JOHN P. KEPPELER, II
DONA L. HANAIKE

AQUACULTURE DEVELOPMENT
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RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
PROGRAM
LAND MANAGEMENT
STATE PARKS
WATER AND LAND DEVELOPMENT

Ref:LM-CS

OD-90-302

Mr. E. James Turse, Director
City and County of Honolulu
Department of Housing and
Community Development
650 South King Street, 5th Floor
Honolulu, HI 96813

Attention: Mr. Michael Shiroma

Dear Mr. Turse:

Subject: Right-of-Entry, Unassigned Land, Government
Roadway to TMK 1-7-03:32, Honolulu, Oahu

We have received your request for conveying the captioned government lane to the City and County to be used in conjunction with the Kekaulike Revitalization: Ewa Block rental project situated on your site identified as TMK 1-7-03:32. We are considering a conveyance or a possible exchange with the City and County involving this roadway. For the interim period, we are issuing you a right-of-entry with this letter for this lane for roadway purposes.


Pursuant to the authority granted to me by the Board of Land and Natural Resources at its meeting of June 24, 1983 (Item F-9), the Department of Housing and Community Development is hereby granted a right-of-entry to the government lane situated in downtown Honolulu leading to TMK 1-7-03:32 shown colored in yellow on the attached tax map labeled Exhibit "A" subject to the following conditions:

1. Commencement date is as of June 1, 1993.
2. Right-of-entry will terminate when a roadway easement or quitclaim deed for the subject roadway is issued to the City and County.
3. To be utilized for roadway access purposes to TMK 1-7-03:32.

EXHIBIT "3"

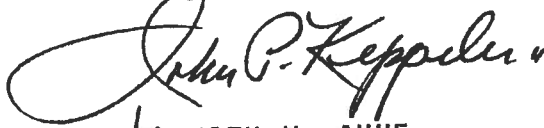
Mr. E. James Turse
Page 2
JUN 21 1993

4. The Department of Housing and Community Development of Honolulu shall indemnify and hold harmless the State of Hawaii, its officers, employees and agents against all claims for personal injury, death or property damage caused by or in any way connected with the permission granted herein.
5. The Department of Land and Natural Resources reserves the right to impose additional terms and conditions, if it deems them necessary.
6. The Department of Housing and Community Development shall comply with all applicable rules, regulations, ordinances and statutes of the city, state and federal governments relative to the use of the subject area, including those relating to public health and safety.

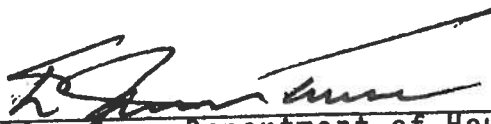
Should you have no objections to the foregoing terms and conditions, kindly have an authorized officer indicate this fact by signing in the space provided for same at the end of this letter and returning to this office an executed copy of this letter ~~together with the required liability insurance policy~~ 

If you have any questions, please feel free to contact Cecil Santos of the Oahu Land District at 587-0433.


Very truly yours,


for KEITH W. AHUE

ACCEPTED/REJECTED:



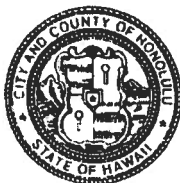
Director, Department of Housing
and Community Development

June 25, 1993
Attachment 

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7762 • FAX: 768-7792

PETER B. CARLISLE
MAYOR



SAMUEL E. II MOKU
DIRECTOR
BRIDGET HOLTJUS
DEPUTY DIRECTOR

July 18, 2012

Mr. William J. Aila, Jr.
Chairperson
Department of Land and Natural Resources
Kalanimoku Building
1151 Punchbowl Street, Room 130
Honolulu, Hawaii 96813
Attention: Russell Y. Tsuji

Re: Chinatown Manor Project
State Government Alleyway

Dear Mr. Aila,

The City and County of Honolulu (the "City") is seeking to obtain the fee interest in a small Chinatown alleyway owned by the State of Hawaii (the "State"). The alleyway is located off King Street and consists of approximately 710 square feet (the "Alley"). The Alley is currently used to provide secured pedestrian access to a City affordable housing project known as Chinatown Manor under a Right-of-Entry granted from the State to the City in 1993. The Alley is shown on Exhibit A attached hereto and is more particularly described in Exhibit B attached hereto.

A. BACKGROUND

1. HAHPI. Through the Honolulu Affordable Housing Preservation Initiative ("HAHPI"), the City is seeking to transition twelve (12) affordable housing complexes to private ownership and management in furtherance of the City's efforts to preserve and upgrade affordable rental units in Honolulu. The City plans to ground lease all 12 affordable housing complexes to the successful proposer for a term of 65 years. For additional information on HAHPI, see press release dated February 17, 2012, attached hereto as Exhibit C.

The Chinatown Manor project is one of the projects included in HAHPI. Chinatown Manor is located at 175 North Hotel Street, is identified as TMK (1) 1-7-003-032, and is shown on Exhibit A. This project consists of 90 affordable

EXHIBIT "4"

studio units and 4,660 square feet of commercial space. The Alley is secured and provides pedestrian access to King Street for the residents of Chinatown Manor.

2. **Right-of-Entry for the Alley.** As part of the development of Chinatown Manor in 1993, the State granted to the City a Right-of-Entry dated June 21, 1993, over the Alley for access to King Street from Chinatown Manor (see Right-of-Entry attached hereto as **Exhibit D**). The Right-of-Entry provides, in pertinent part, that it shall terminate when a roadway easement or a quitclaim deed is issued to the City.

3. **Agreement for Issuance of Conditional Use Permit.** In furtherance of the development of Chinatown Manor, the State and the City executed that certain unrecorded Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated _____, 1993 (notary date of July 21, 1993) (the "**JDA**"). The City obtained a conditional use permit for the joint development of the City-owned property and the Alley for the Chinatown Manor project. The conditional use permit and the JDA are attached hereto as **Exhibit E**. In the JDA, the State and the City agreed that all of the parcels of land (the City property and the Alley) shall at all times remain an integral part of the development. Noteworthy is a statement on the DLU Master Application Form, which states, "State-owned Alley will be conveyed to City in near future per Act 288."

B. REQUEST FOR CONVEYANCE OF FEE INTEREST

The City desires to secure the fee interest in the Alley so that it may own in fee all of the lands upon which Chinatown Manor is located. As noted above, the City plans on ground leasing all 12 of the affordable housing complexes for a term of 65 years. Since the Right-of-Entry and the JDA are not recorded documents, as time progresses and records of these unrecorded documents are lost, it will become more and more difficult to ascertain the status of the Alley and the City's right to use the Alley. Thus, it will be much easier for the City, the State and the ground lessee if the entirety of the fee interest in the land underlying Chinatown Manor is held by the City. Since it appears from the documents that it was the intent of the State and the City to enter into a more formal grant to the City, the City is now pursuing the completion of such plans and intent.

In addition, the Alley is a remnant parcel of unusual shape and containing only 710 square feet. Consequently, it would be difficult for the State to make any use of this parcel and, moreover, the State has committed the Alley to be a part of the Chinatown Manor project as set forth in the JDA. Thus, conveyance of the Alley to the City makes sense and is reasonable.

Although the DLU Master Application Form states that the Alley will be conveyed to the City per Act 288, this conveyance was not completed. Perhaps it was

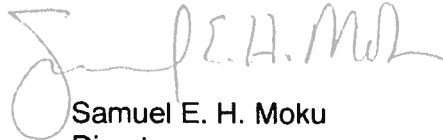
Mr. William J. Aila, Jr.
July 18, 2012
Page 2

because this property, not being a "State highway" (because it is an alley), may have been considered a county highway under Hawaii Revised Statutes Section 264-1 and Act 288 (1993). However, even if the foregoing is applicable, the City seeks formal conveyance of the Alley and the recordation of a quitclaim deed so that it is clear that the City owns the fee in the Alley, and that such ownership will be clearly evident in title searches and future examinations of title records.

For the foregoing reasons, the City requests that the State convey the Alley to the City. Since a quitclaim deed was contemplated in the Right-of-Entry, the City seeks the conveyance in the form of a quitclaim deed.

Thank you very much for your assistance in this matter. Should you have any questions, please contact Carl J. Schlack, Jr. at (808) 523-6044 or Natalie S. Hiu at (808) 523-6003, the City's outside counsel retained in connection with the HAHPI project.

Sincerely,

A handwritten signature in black ink, appearing to read "S. E. H. Moku". The signature is written in a cursive style with a large initial "S" and "M".

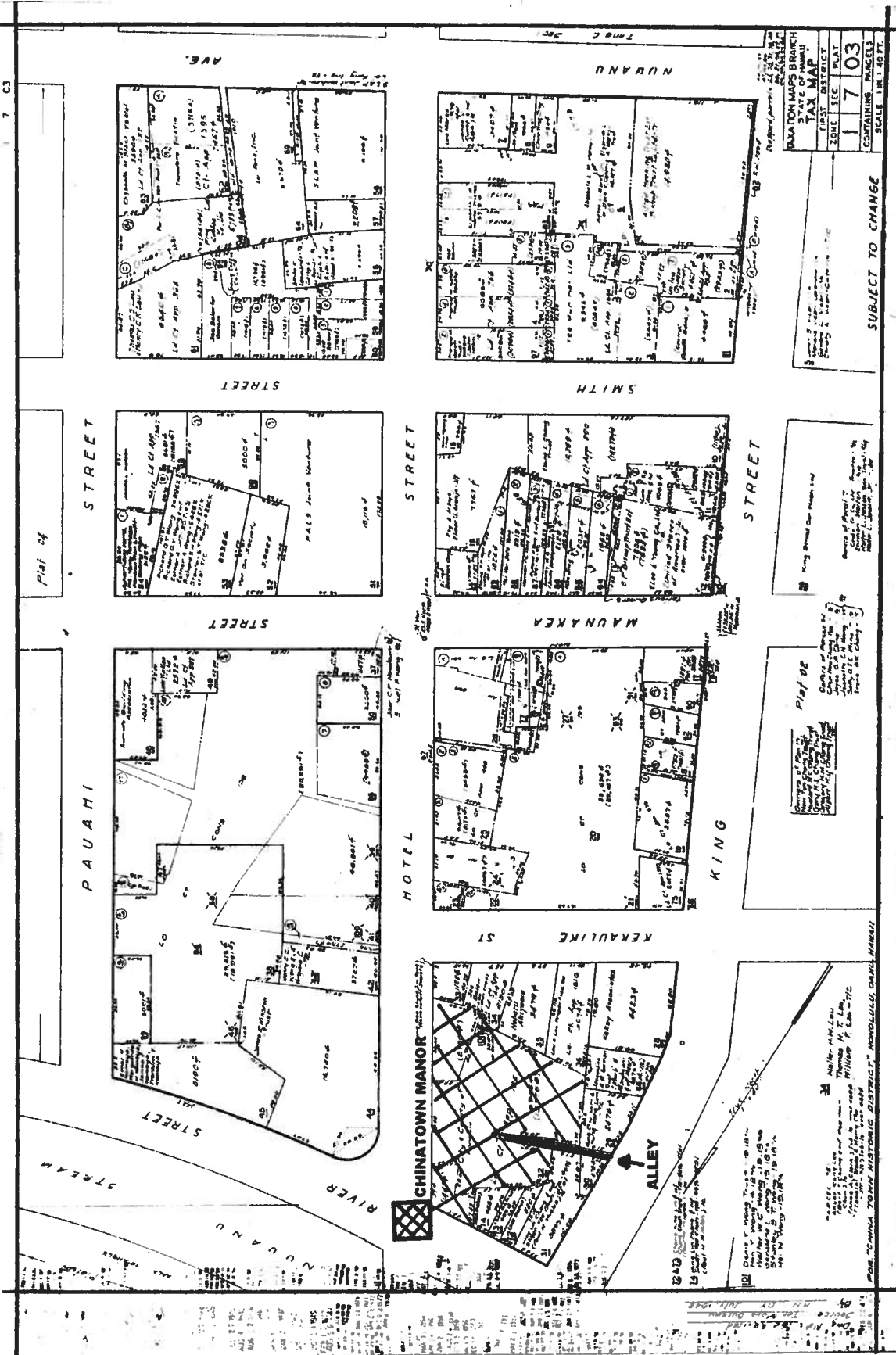
Samuel E. H. Moku
Director

Department of Community Services

SEHM

cc: Gordon D. Nelson, Esq., Deputy Corporation Counsel
Carl J. Schlack, Jr., Esq.
Natalie S. Hiu, Esq.

EXHIBIT A



7 C3

Plat 14

PAUAMI STREET

NUANU AVE

SMITH STREET

MAUNAKEA STREET

HOTEL STREET

KING STREET

CHINTOWN MANOR

ALLEY

KENAULIKE STREET

RIVER

STREAM

DADAION MAPS BRANCH
TAXE OF HAWAII
FIRST DISTRICT
ZONE SEC PLAT
1703
CONTAINING PARCELS
SCALE 1 IN = 40 FT.

SUBJECT TO CHANGE

Plat 14

Plat 14

FOR "CHINA TOWN HISTORIC DISTRICT" MONUMENTS, DANIEL KERRILL

ALL RIGHTS RESERVED BY THE STATE OF HAWAII
 HONOLULU, HAWAII, 1988
 ENGINEER: [Illegible]
 SURVEYOR: [Illegible]

EXHIBIT B

KEKAULIKE PARKING LOT REDEVELOPMENT PROJECT

ACCESS LANE FROM KING STREET

Being an alleyway in block bounded by King, Hotel, Kekaulike and River Streets. Situate at Honolulu, Oahu, Hawaii.

Beginning at the Southwest corner of this parcel of land, on the East side of King Street, the true azimuth and distance to said point of beginning from Government Street Monument being $178^{\circ} 37' 50''$ 123.03 feet, as shown on Land Court Application 185, and running by azimuths measured clockwise from true South:

- | | |
|----------------------|---|
| 1. $177^{\circ} 20'$ | 6.90 feet along the East side of King Street; |
| 2. $249^{\circ} 20'$ | 27.30 feet along R. P. 1115, L. C. Aw. 723 to Kawahauwila; |
| 3. $247^{\circ} 40'$ | 27.50 feet along same; |
| 4. $247^{\circ} 30'$ | 50.50 feet along Land Court Application 185; |
| 5. $337^{\circ} 30'$ | 5.25 feet along same; |
| 6. $62^{\circ} 37'$ | 50.64 feet along same; |
| 7. $134^{\circ} 12'$ | 4.00 feet along same; |
| 8. $64^{\circ} 15'$ | 24.50 feet along same; |
| 9. $151^{\circ} 35'$ | 1.30 feet along R. P. 1999, L. C. Aw. 813 to Hooliliamanu; |
| 10. $68^{\circ} 20'$ | 31.00 feet along same to the point of beginning and containing an area of 710.00 square feet. |

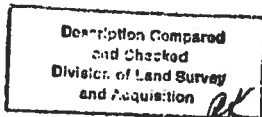
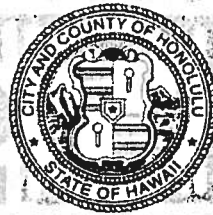


EXHIBIT C

NEWS RELEASE



Office of the Mayor

CITY AND COUNTY OF HONOLULU

FOR IMMEDIATE RELEASE

February 17, 2012

CITY MOVES FORWARD WITH AFFORDABLE HOUSING PLAN

(Fri., Feb. 17, 2012)—Mayor Peter Carlisle today announced a major milestone for the Honolulu Affordable Housing Preservation Initiative through the release of a Request for Proposals on February 15, 2012.

“The City is committed to preserving affordable rental units,” Carlisle said. “Through the Request for Proposals, we hope to accomplish our decade-long effort to secure the future of the City’s rental housing portfolio, while creating an opportunity for a new public-private collaboration that will benefit the residents and the City.”

The Request for Proposals seeks a qualified entity to purchase the City’s 12 rental housing complexes and lease the land from the City for 65 years. The purchaser would be subject to City Council approval and would be required to abide by current affordable housing guidelines throughout the term of the lease, and would assume full responsibility for the operation, management, and maintenance of the rental housing complexes.

The release of the Request for Proposals drew the support of Faith Action for Community Equity (FACE), a community interest group that has worked with the City to keep residents informed of the City’s plans. “FACE is supportive of the City’s plan to transition ownership of the its rental housing projects,” said Drew Astolfi, Oahu Director for Faith Action for Community Equity, “We are pleased that through this offering, the City is affirming its commitment to maintaining long term affordability.”

The 12 complexes include 850 apartment units which qualify under the federal Department of Housing and Urban Development guidelines for low and moderate income households with incomes of 80 percent or less of the median; 189 “gap group” apartments for families with incomes of 80 to 120 percent of the median; and 218 market rate rental units (see attached fact sheet).

The City retained CB Richard Ellis, one of Hawaii’s leading real estate brokerage firms, to help solicit and review proposals from private entities interested in acquiring the City’s rental housing complexes.

The Request for Proposals is available at www.CBREMarketplace.com/HAHPI for a fee of \$100. The public can review copies of the Request for Proposals at the Department of Community Services, 715 South King Street, Suite 311, and at the Department of Budget and Fiscal Services, Division of Purchasing, 530 South King Street, Room 115, between the hours of 7:45 a.m. to 4:30 p.m. Monday through Friday, excluding State holidays.

-30-

Media contact: Louise Kim McCoy, Mayor’s Office, 768-7798.