

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

December 13, 2013

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

Hawaii

Approval in Principle for Acquisition of Perpetual Conservation Easement by the
Division of Forestry and Wildlife, situate at Kealahou, South Kona, Island of Hawaii,
Tax Map Key No.: (3) 8-1-008:015 (portion).

APPLICANT AGENCY:

Division of Forestry and Wildlife, Department of Land and Natural Resources (DOFAW).

PRIVATE LANDOWNER:

Hokukano Ranch, Inc. as Fee Owner. ("Seller")

LEGAL REFERENCE:

Section 107-10, 171-11 and 171-30, Hawaii Revised Statutes, as amended.

LOCATION:

Privately-owned lands situated at Kealahou, South Kona, Island of Hawaii, identified by
Tax Map Key: (3) 8-1-008:015, as shown on the attached map labeled Exhibit A.

AREA:

1000 acres, more or less.

ZONING:

State Land Use District: Agricultural
County of Hawaii CZO: A-20A

CURRENT USE:

Vacant and unencumbered.

CONSIDERATION:

The purchase price will be the lower of either \$3,225,000.00 or the fair market value as established by an appraisal conducted by an independent appraiser contracted by the State/DLNR.

PURPOSE:

The conservation easement will be used to preserve the forested areas of the parcel.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 343-5(a)(1), HRS, an environmental assessment (EA) is not required where State or county funds are being used for the acquisition of unimproved real property. A determination will be required on whether the acquisition of an interest such as a conservation easement is equivalent to the acquisition of real property. Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

Applicant or Seller shall be required to:

- 1) Pay for the appraisal cost to determine the value of the interest to be acquired;
- 2) Provide survey maps and descriptions for the conservation easement and privately-owned property according to State DAGS standards and at Applicant's own cost;
- 3) Obtain a title report for the privately-owned property at Applicant's own cost and subject to review and approval by the Department;
- 4) Pay for and conduct a Phase I environmental site assessment and, if this Phase I identifies the potential for hazardous materials release or the presence of hazardous materials, conduct a Phase II environmental sampling and analysis plan and Seller shall perform any and all remediation, abatement and disposal as may be warranted and as satisfactory to the standards required by the Federal Environmental Protection Agency and/or the State Department of Health, all at no cost to the State and to the satisfaction of the Department.

REMARKS:

DESCRIPTION. The Kaawaloa Forest project is an approximately 1000 acre conservation easement acquisition on a 1374.8 acre property located on the western slope of Mauna Loa in the District of South Kona on the Island of Hawaii. The parcel constitutes the mauka portion of the Ka`awaloa ahupua'a beginning at approximately the

2,300 foot elevation to approximately the 4,300 foot elevation. The terrain is undulating and contains many different forest types including, primarily, 'ohi'a lehua montane wet forest, 'ohi'a lowland wet forest, and koa/'ohi'a montane mesic forest. The property is bounded on its north, east and south sides by the Kealakekua Heritage Ranch and Hokukano Ranch, and on its west lies the town of Kealakekua. Kailua-Kona is approximately 20 miles from the property.

The conservation easement will cover an approximately 1000 acre area on the property. The easement will provide recreational, educational, and scientific access to the property and will protect the native koa-'ohi'a forests, restore degraded forested patches and provide a source of sustainably harvested and managed timber for the local community.

NEED FOR ACQUISITION. Due to agricultural zoning, forests in Kona are threatened by conversion to non-forest uses. Sales for development or conversion to non-forest uses would result in drastic changes to the area's rare habitat and important watershed needs. In addition to development concerns, Kona's forests are threatened by the spread of invasive non-native plants and feral ungulates, all of which increase wildfire susceptibility and decrease natural forest regeneration. The Seller is committed to conservation of this parcel and is aiming to protect it in perpetuity through the conservation easement.

FUNDING SOURCE. DOFAW has secured a grant from the Forest Legacy Program, administered by the U.S. Department of Agriculture Forest Service, totaling \$3,225,000.00.

APPLICANT REQUIREMENTS. DOFAW shall provide funding for an appraisal to be contracted by the Department, pursuant to section 171-30, HRS. DOFAW shall also be responsible for conducting an acceptable Phase I Environmental Site Assessment, as well as a Phase II if necessary. Seller has provided a title report for review by the Department, and will conduct a survey that will be reviewed by DAGS Survey Division.

AGENCY COMMENTS. Because this is a request for approval in principle, no agency comments were sought. Agency comments will be sought if staff proceeds with obtaining final approval from the Board of Land and Natural Resources for this acquisition.

RECOMMENDATION: That the Board:

1. Approve in principle the above described acquisition of the conservation easement under the terms and conditions cited above which are by this reference incorporated herein, provided that the details of the proposed acquisition shall be submitted to the Board for final approval prior to documentation.

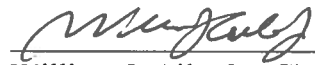
2. Authorize the Chairperson to prescribe other terms and conditions as may be necessary to carry out the intent of the Board and best serve the interests of the State.

Respectfully Submitted,



Ian C. Hirokawa
Special Projects Coordinator

APPROVED FOR SUBMITTAL:



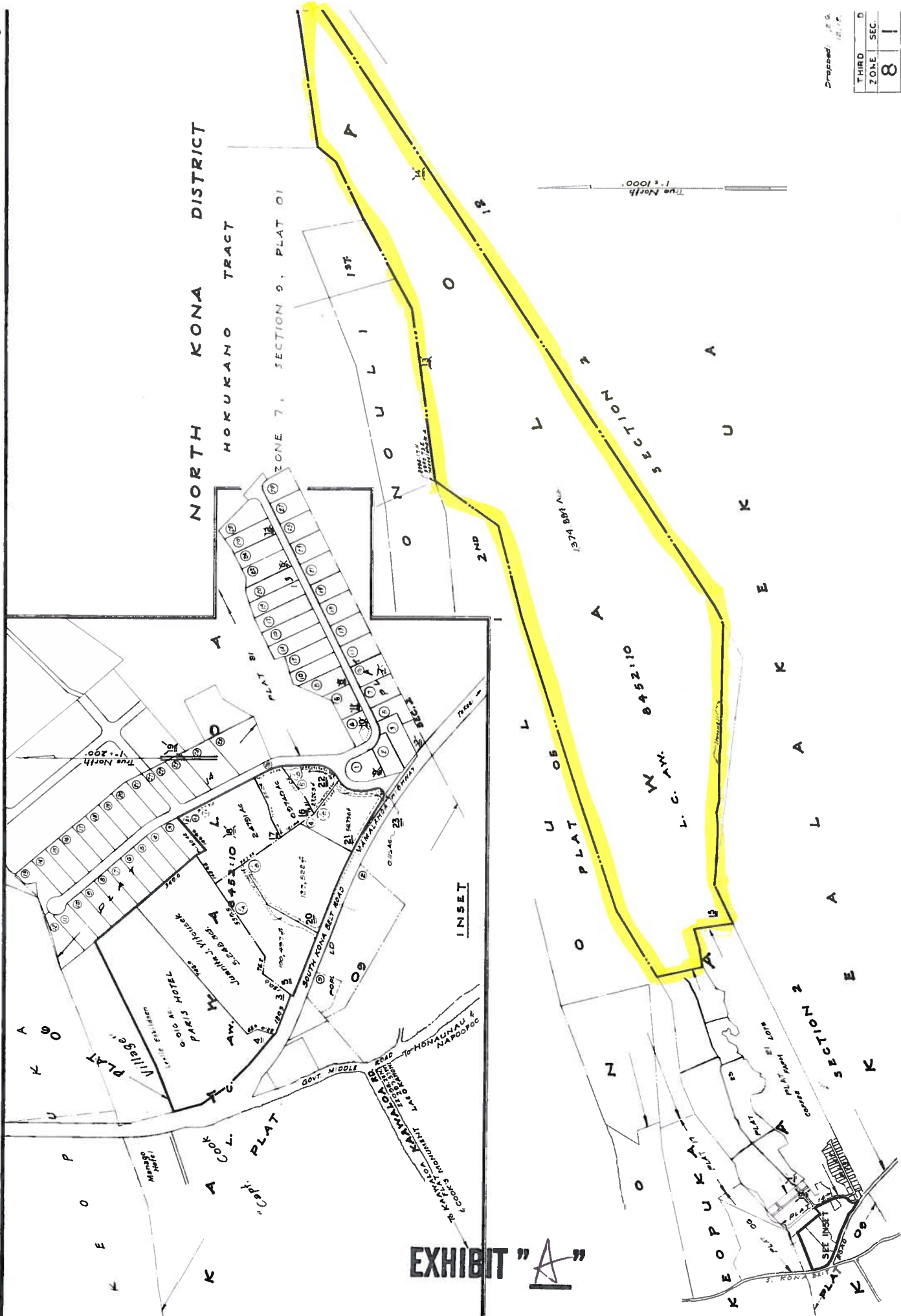
William J. Aila, Jr., Chairperson



NORTH KONA DISTRICT

HOKUKANO TRACT

ZONE 7, SECTION 9, PLAT 01



Dropped 18.0
18.0

THIRD	D
ZONE	SEC.
8	1
CONTAINING P	
SCALE: 1" = 1000'	

ADVANCE SHEET
SUBJECT: J. KONA

INDEXED

EXHIBIT "A"



KAAYALOA (MAUKA), S. KONA, HAWAII