

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

January 22, 2016

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

Hawai'i

Request for Extension of Land License No. S-353, United States Department of Transportation, Federal Highways Administration for Removal of Rock Aggregate Purposes, Kaohe IV, Hamakua, Hawaii, Tax Map Key: (3) 4-4-015: portion of 008 and 4-4-016: portion of 005.

APPLICANT:

United States Department of Transportation, Federal Highway Administration (FHWA)

LEGAL REFERENCE:

Section 171-54, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kaohe IV situated at Pohakuloa, Hamakua, Island of Hawaii identified by Tax Map Key: (3) 4-4-015: portion of 008 and 4-4-016: portion of 005, as shown on the attached map labeled Exhibit A.

AREA:

84.629 acres, more or less.

ZONING:

State Land Use District:	Conservation, Resource Subzone
County of Hawaii CZO:	N/A

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:

Encumbered by Land License No. S-353, United States Department of Transportation, Federal Highways Administration, Licensee, for removal of rock aggregate material purposes. License to expire on December 19, 2015.

CHARACTER OF USE:

To enter and quarry, crush, stockpile, and remove rock and waste deposits for use in its construction and realignment of Saddle Road provided the operation of a rock crusher(s), concrete or asphalt batch plant(s) on and within the license area shall be a permitted use.

LIMITS ON REMOVAL

None.

LICENSE TERM:

Original Term:  
10 years or until completion of the Saddle Road project.

Extension Term:  
10 years<sup>1</sup>

COMMENCEMENT DATE:

December 20, 2015.

ROYALTY:

Gratis.

RENTAL REOPENINGS:

Not applicable.

PERFORMANCE BOND:

Not applicable.

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<sup>1</sup> **HRS §171-54 Land License.** The Board of Land and Natural Resources may issue land licenses affecting public lands for a period not exceeding twenty years.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In compliance with the National Environmental Policy Act and Chapter 343, Hawaii revised Statutes, as amended, the Final Environmental Impact Statement for the Saddle Road Improvement Project was submitted to the Office of Environmental Quality Control for publication of its Notice of Acceptance. The Record of Decision, summarizing all of the mitigation commitments for the project, was approved on October 30, 1999.

On September 28, 2001, the Board granted the Applicant a Conservation District Use Permit for the subdivision of the road right-of-way areas and construction of the Saddle Road improvements, subject to various terms and conditions.

The quarry is an existing use of the United States Army for rock aggregate for roads in the Pohakuloa Training Area. In accordance with the "Exemption List for the Department of Land and Natural Resources", approved by the Environmental Council and dated June 5, 2015, 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:

Not applicable.

REMARKS:

At its meeting of October 8, 2004, under agenda item D-6 (Exhibit B), the Board of Land and Natural Resources approved the issuance of a direct land license to the United States Department of Transportation, Federal Highway Administration, for the removal of rock aggregate purposes at Kaohe IV, Hamakua, Island of Hawaii. At its meeting of July 8, 2005, under agenda item D-9, the Board amended its previous action by clarifying the different parcels originally identified.

REQUEST:

The original land license was issued for a period of ten years commencing on the 20<sup>th</sup> of December, 2005 up to and including the 19<sup>th</sup> of December 2015, or until the completion of the Saddle Road project.

Plans are being finalized for the 5 mile portion of the project from the 11-mile marker to the Puainako Street extension on the Hilo side of the island with construction to begin soon. The FHWA is requesting a ten-year extension for Land License No. S-353 so that it may continue to utilize the quarry for its Saddle Road project. Plans have also begun on the portion of the Saddle Road Project within the Waikoloa area on the west side and

material from the quarry will be utilized for this portion as well.

The current land license states in part:

The license shall be for a term of ten (10) years, commencing on the 20<sup>th</sup> of December, 2005 up to and including the 19<sup>th</sup> of December 2015, or until the completion of the Saddle Road project.... Provided further that any work to complete the Saddle Road Project which exceeds the License term shall be pursuant to section 171-54, Hawaii Revised Statutes and approved by the Board.

The United States Department of Transportation, Federal Highway Administration is now requesting a 10-year extension pursuant to the terms and conditions of Land License No. S-353.

RECOMMENDATION: That the Board:

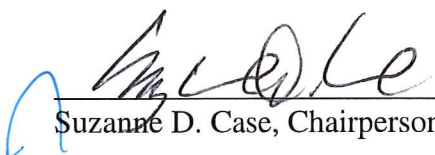
Authorize a ten (10) year extension of Land License No. S-353 issued to United States Department of Transportation, Federal Highway Administration covering the subject area for removal of rock aggregate material purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

- A. The standard terms and conditions of the most current extension of land license document 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,

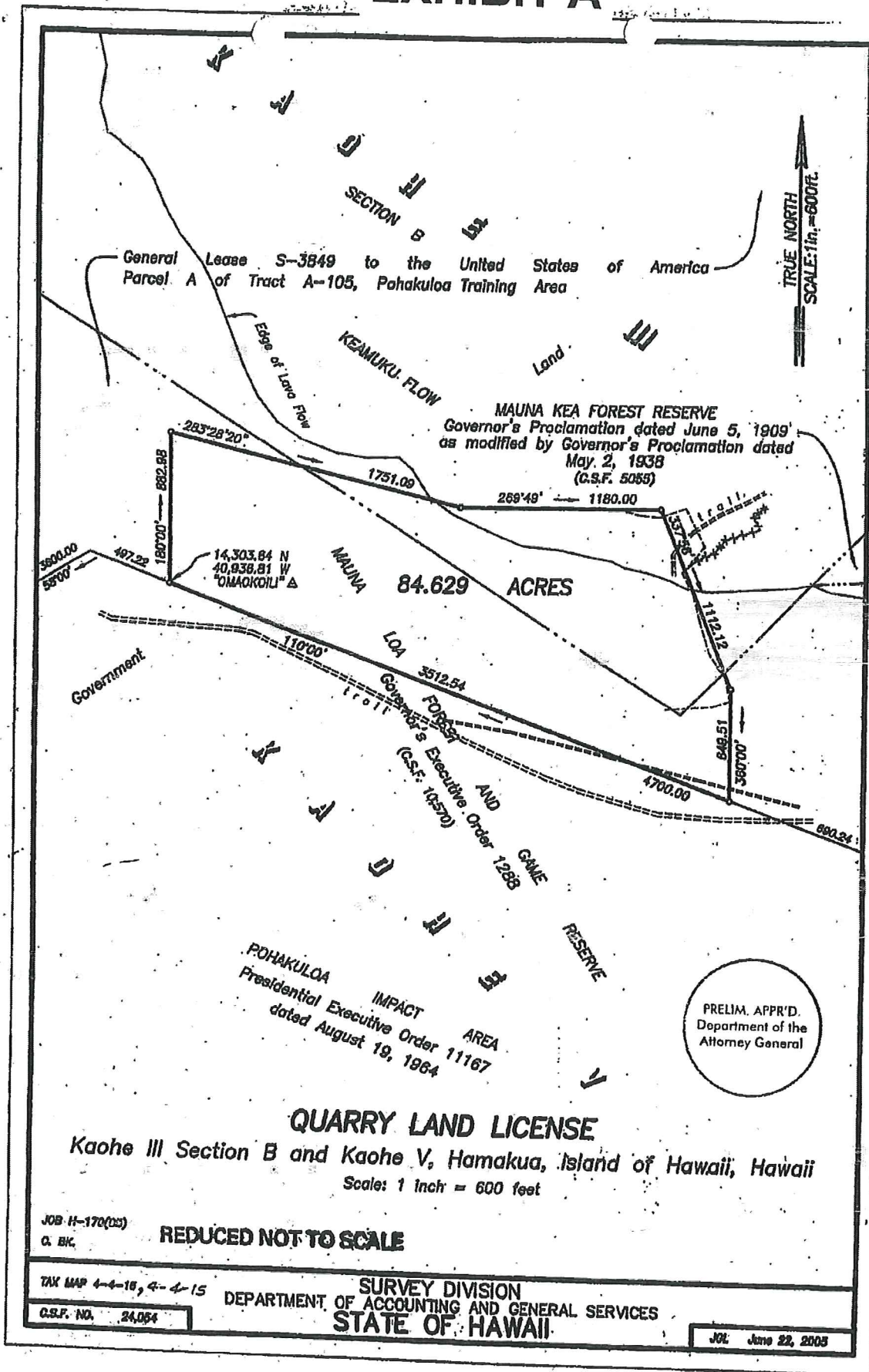
  
\_\_\_\_\_  
Gordon C. Heit  
District Land Agent

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
Suzanne D. Case, Chairperson



# EXHIBIT A



D-6

# EXHIBIT B

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

October 8, 2004

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

PSF No.: 04HD-243

Island of Hawaii

Issuance of Direct Land License to United States Department of Transportation,  
Federal Highways Administration for Removal of Rock Aggregate Purposes,  
Kaohe IV, Hamakua, Hawaii, Tax Map Key: 3<sup>rd</sup>/ 4-4-016: 5 and 10

## APPLICANT:

United States Department of Transportation, Federal Highways Administration (FHWA),  
whose business and mailing address is 12300 West Dakota Avenue, #380, Lakewood,  
Colorado 80228

## LEGAL REFERENCE:

Section 171-54, Hawaii Revised Statutes, as amended.

## LOCATION:

Portion of Government lands of Kaohe IV situated at Pohakuloa, Hamakua, Hawaii,  
identified by Tax Map Key: 3<sup>rd</sup>/ 4-4-016: 5 and 10, as shown on the attached map labeled  
Exhibit A.

## AREA:

12,991 acres, more or less.

## ZONING:

State Land Use District:	Conservation, Resource Subzone
County of Hawaii CZO:	Not Applicable

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON

October 8, 2004 *Yek*

ITEM D-6

**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:**

Encumbered by General Lease No. S-3849 to the United States of America (ARMY) for military purposes. Lease commenced August 17, 1964 and expires on August 16, 2029.

**CHARACTER OF USE:**

To enter and quarry, crush, stockpile, and remove rock and waste deposits for use its construction and realignment of Saddle Road provided the operation of a rock crusher(s), concrete or asphalt batch plant(s) on and within the license area shall be a permitted use.

**LIMITS ON REMOVAL**

None.

**LICENSE TERM:**

10 years or until the completion of its Saddle Road project.

**COMMENCEMENT DATE:**

To be determined by the Chairperson.

**ROYALTY:**

Gratis.

**RENTAL REOPENINGS:**

Not applicable.

**PERFORMANCE BOND:**

Not applicable.



#### CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

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."

In compliance with the National Environmental Policy Act and Chapter 343, Hawaii Revised Statutes, as amended, the Final Environmental Impact Statement was submitted to the Office of Environmental Quality Control for publication of its Notice of Acceptance. The Record of Decision, summarizing all of the mitigation commitments for the Saddle Road Improvements Project, was approved on October 30, 1999.

On September 28, 2001, the Board granted the Applicant a Conservation District Use Permit for the subdivision of the road right-of-way areas and construction of the Saddle Road improvements, subject to various terms and conditions. The quarry is an existing use being utilized by the US Army for rock aggregate on its own roads.

#### DCCA VERIFICATION:

Not applicable.

#### APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Obtain any and all necessary County, State and Federal permits in connection with the use of the quarry and associated equipment; and
- 2) Provide survey maps and descriptions of the licensed area, at Applicant's own cost.

#### REMARKS:

The Saddle Road Improvements Project will provide a safe and efficient route for cross-island traffic between East and West Hawaii. The improvements will upgrade and modernize Saddle Road (State Route 200) as a two-lane highway meeting State of Hawaii, Department of Transportation, Highways Division (DOT) and American Association of State Highway and Transportation Officials design standards for rural arterials. The entire Saddle Road Improvements Project is approximately 48 miles long and extends from Mamalahoa Highway (State Route 190) to Milepost 6, near the town of Hilo.



The proposed improvements would incorporate two (2) eleven-foot lanes within two (2) eight-foot paved shoulders. In sensitive portions of the Pohakuloa Training Area (PTA) additional features would be constructed to minimize fire hazards, including paved firebreaks, fencing and asphalt curbs.

Upon completion of the improvements, Saddle Road will be maintained by DOT, as part of its State Highway System. The Board has previously approved the set aside of the right-of-ways for the first phase of the Saddle Road Improvements Project in December 2001 to DOT.

The first section of the overall Saddle Road Improvement project and will involve the realignment and improvement of Saddle Road between Mileposts 29 and 42 (Saddle Road Section 2). Funding is appropriated for these improvements through the US Army's Defense Access Road (DAR) program, which is co-administered by the Army's Military Traffic Management Command (MTMC) and FHWA. The construction of this section is being contracted in several phases. The first two phases of which the first is currently underway involves the mass grading of the right-of-ways. The subsequent phase will involve the sub-base and paving of the roadway itself.

Due to the scale of the overall Saddle Road Improvement Project, approximately 48.47 miles, it will require a large quantity of aggregate for its construction. Due to concerns over traffic safety and the wear and tear of the existing roads, FHWA and the ARMY researched the possibility of using the existing quarry on lands within General Lease No. S-3849 as a source for rock aggregate for the project. Preliminary testing has indicated that the rock would be suitable for use in connection with the project.

Under General Lease No. S-3849, the ARMY is allowed to develop sources of coral, rock and similar materials occurring naturally on the premises for use in connection with road construction projects on the premises. As such, the quarry is allowed and use of the aggregate in connection with the portions of the Saddle Road Improvement Project within the lease would be acceptable. However, in the interest of reducing costs and improving public safety by reducing the heavy truck traffic on existing roads during the project, FHWA would like to use the aggregate from the quarry in connection the entire Saddle Road Improvement Project.

By way of letter dated June 28, 2004 from FHWA to the ARMY (Exhibit B) and letter dated July 23, 2004 from the ARMY to DLNR (Exhibit C), both FHWA and the ARMY have officially requested the use of rock from the existing ARMY quarry for the Saddle Road Improvements Project within and beyond the limits of General Lease No. S-3849. To allow for the use of rock aggregate beyond the limits of General Lease No. S-3849, staff is recommending that it is in the public interest that there be an issuance of a direct land license to FHWA for the purposes of quarrying, crushing, stockpiling, and removing

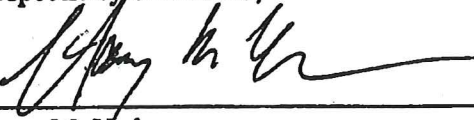
rock and waste deposits for use in its construction and realignment of the Saddle Road provided the operation of a rock crusher(s), concrete or asphalt batch plant(s) on and within the license area shall be a permitted use. Upon approval, FHWA will incorporate the use of rock from the ARMY's quarry in its bid package for the appropriate phases of the project and anticipates potential savings of \$2+ million dollars.

The proposed action was circulated for review and comment by the standard government agencies and no objections or substantive comments were received.

**RECOMMENDATION:** That the Board:

1. Given that the larger overall Saddle Road Improvement project was adequately covered by the Environmental Impact Statement specifically for that project, declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, the use of rock aggregate from the ARMY's existing quarry for the Saddle Road Improvement Project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a land license to the United States Department of Transportation, Federal Highway Administration covering the subject area to quarry, crush, stockpile, and remove rock and waste deposits for its construction and realignment of Saddle Road provided the operation of a rock crusher(s), concrete or asphalt batch plant(s) on and within the license area shall be a permitted use, 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 land license document form, as may be amended from time to time, subject to changes as may be negotiated with the FHWA legal representatives;
  - 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,

  
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Harry M. Yada  
District Land Agent

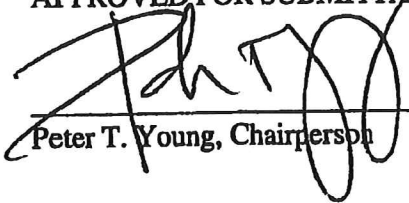
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BLNR – Direct Issuance of Land  
License to Federal Highways  
Administration for Saddle Road

Page 6

October 8, 2004

APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson









U.S. Department  
of Transportation  
Federal Highway  
Administration

*Rec'd  
5 Jul  
715  
(C. J. J. J.)*

Central Federal Lands Highway Division  
12300 West Dakota Avenue, #380  
Lakewood, CO 80228

June 28, 2004

Refer To: HFPM-16

LTC Frederick S. Clarke  
United States Army  
Commander  
Pohakuloa Training Area  
P.O. Box 4607  
Hilo, HI 96720-0607

Subject: Use of PTA Quarry for Saddle Road Construction

Dear LTC Clarke:

The Federal Highway Administration, Central Federal Lands Highway Division (CFLHD), in cooperation with the Hawai'i Department of Transportation (HDOT) and the Department of the Army's (DOA) Military Surface Deployment and Distribution Command (SDDC) is developing the Saddle Road improvement project, State Route 200, in the County of Hawai'i. The project extends from mile marker 6 in Kaumana to Mamalahoa Highway, State Route 190.

CFLHD is currently developing a 13-mile long section of Saddle Road that passes through the DOA's Pohakuloa Training Area (PTA), referred to as PTA-1. This segment is being funded by the DOA through the Defense Access Road (DAR) program. Construction of the first phase of PTA-1 began in February 2004 and consists of 6 miles of earthwork grading and drainage. Construction of Phases 2 and 3 is expected to start in FY 2004 and 2005, respectively. Phase 2 construction will consist of another 7 miles of earthwork grading and drainage. The third and final phase will include construction of an aggregate base or subbase course and the final pavement surface.

Over the many years that the Saddle Road project has been in development, CFLHD has been aware of an existing quarry site within PTA that could provide a suitable source of aggregate materials for roadway construction. The quarry is located approximately 1 mile south of Saddle Road mile marker 38 and 0.5-miles west of Pu'u Ahi (see enclosed map and photographs). CFLHD engineers recently inspected the site and believe that the quarry could produce materials of sufficient quality and quantity to meet roadway construction requirements. The purpose of this letter is to request the use of this quarry as a source of material for construction of the segment of Saddle Road within PTA.

**EXHIBIT B**

CFLHD believes that use of the PTA quarry would be extremely beneficial to the Saddle Road project and that granting permission to use it would be in the best interest of the Army, Federal and State of Hawai'i Governments, and taxpayers for the following reasons:

- A. **Addresses Environmental Issues.** The Biological Opinion (BO) issued by the U.S. Fish & Wildlife Service and the Record of Decision (ROD) for the Saddle Road project both call for maximum usage of on-site materials to prevent the introduction and spread of alien plant and invertebrate species. We believe materials from this quarry would satisfy these environmental requirements and commitments.
- B. **Reduces Construction Costs.** Construction costs would be significantly reduced thereby producing substantial savings for the following reasons:
- An on-site source of aggregate will eliminate the need to haul materials from sources located elsewhere on the island. Known commercial pits in Hawai'i County are generally located along the coastal areas, thus materials will have to be hauled uphill a considerable distance to the project. CFLHD has recently estimated that the savings in aggregate haul costs would be approximately \$3 million if all of the aggregate needs can be obtained from the PTA quarry.
  - An on-site source of materials will prevent extensive damage from occurring to the existing Saddle Road from hauling materials from coastal areas. Repairing damage to the existing road would cost in the thousands of dollars.
  - If imported materials are used in construction of the Saddle Road, the BO and ROD require that they be sterilized to prevent the spread of alien plant and invertebrate species. We believe that the PTA quarry site constitutes 'on-site' materials and therefore will not require costly sterilization treatments that may be required for materials obtained from coastal quarry sites. The type and cost of any necessary sterilization treatments are not known but can be assumed to be in the thousands of dollars.
- C. **Prevents Construction-Related Traffic Congestion.** The slow moving, uphill haul of heavy aggregate loads from coastal pits will cause traffic delays and create other operational problems for the traveling public. An on-site material source would eliminate these problems.
- D. **Prevents Construction-Related Safety Problems.** The slow moving haul vehicles may cause motorists to become impatient and attempt dangerous passing maneuvers. Sight distances along the existing Saddle Road are often extremely poor and therefore the accident potential along existing Saddle Road may rise if a coastal quarry site is used. Also, damage to the existing Saddle Road caused by construction hauling equipment will present a safety hazard to the traveling public as well as to the maintenance crews doing the repair work.



- E Expedites Completion of Construction.** The segment of the Saddle Road improvement project within the PTA is funded entirely through the DAR program. DAR funds are appropriated on an annual basis. The proposed third and final DAR project may not be entirely fundable in FY 2005 due to the significant cost of materials needed for aggregate base and pavement. The use of the PTA quarry would reduce these costs significantly and thus, possibly expedite the completion of the PTA-1 segment. Fewer projects needed to complete the PTA-1 segment will accomplish the following:
- Allow the new road to be opened to the public at the earliest possible time.
  - Reduce vehicle operational costs for the motoring public.
  - Provide a safer road earlier to the traveling public, and thus possibly save lives that might otherwise be lost as a result of accidents on the dangerous existing Saddle Road.
  - Improve training by separating military and public traffic along this segment of Saddle Road.
- F. Development of the Quarry.** As a condition to granting its use, the Army could stipulate that CFLHD develop the quarry site for PTA's subsequent use, and/or provide a royalty or non-cash compensation such as the production of additional aggregate materials for PTA use.
- G. Stakeholder Cooperation.** The approval of the use of the quarry would demonstrate to the public that governmental agencies are cooperating to 'get the job done' as economically and expediently as possible.

CFLHD estimates that 170,000 cubic yards of aggregate may be needed to construct the entire base and surface courses of the PTA-1 segment of Saddle Road. We believe the use of materials from this quarry is a permitted use (Item No. 22) under the 65-year lease granted by the State of Hawai'i to the United States of America (State General Lease No. S-3849). No new roads would need to be constructed to reach the site as the quarry is readily accessible via existing PTA trails. Any dust resulting from hauling on these trails can be controlled by means of watering or the use of Army-approved palliatives.

If our request to use the quarry is approved, CFLHD will conduct a geotechnical investigation to determine the quality and quantity of material available. If the material meets the requirements for our road construction, CFLHD will then conduct environmental field studies of the quarry in conformance with the National Environmental Policy Act (NEPA), Hawai'i Revised Statute (HRS) Chapter 343, and Section 106 of the National Historic Preservation Act, if these efforts were not already performed by the Army as part of its current use of the quarry.

As noted previously, the third and final DAR project is expected to be advertised in late FY 2005 and will include an aggregate base course and the final asphalt pavement surface. Because of this schedule and the time requirements to conduct the field studies and subsequent coordination with various federal and state regulatory agencies, we request your immediate attention to this matter. A prompt and favorable decision would be greatly appreciated.

If you have any questions regarding the information contained in this letter or others pertaining to the Saddle Road project, please contact Mr. Dave Gedeon, CFLHD Project Manager, at (720) 963-3723.

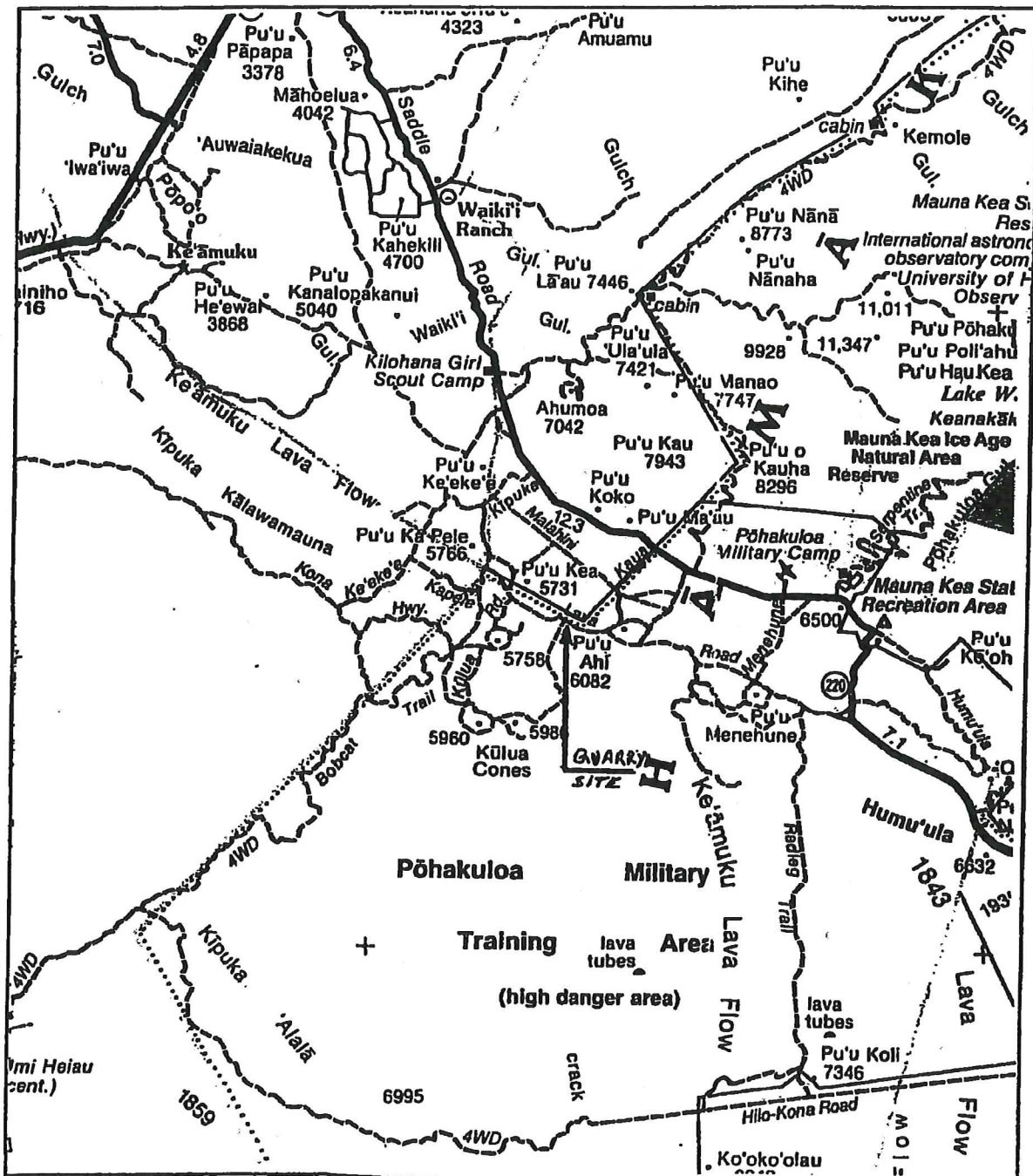
Sincerely,



for Larry C. Smith, P.E.  
Division Engineer

Enclosures





Pōhakuloa Training Area is bordered on the north, east, and south by Mauna Kea and Mauna Loa Forest Reserves and on the west by privately owned grazing land. Pōhakuloa Training Area is 32 miles from Hilo (pop. 41,000) on the eastern coast of the island and 27 miles from Waimea (pop. 6,000) on the western plain.

## Pōhakuloa Training Area

Island of Hawai'i, Hawai'i



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
HEADQUARTERS, UNITED STATES ARMY GARRISON, HAWAII  
SCHOFIELD BARRACKS, HAWAII 96857-5000

July 23, 2004

Directorate of Public Works

Mr. Harry Yada  
District Land Agent  
State of Hawaii  
Department of Land and Natural Resources  
Land Division  
75 Aupuni Street, Room 204  
Hilo, Hawaii 96720

RECEIVED  
LAND DIVISION  
HILO, HAWAII

2004 JUL 28 A 11:14

Dear Mr. Yada:

This headquarters received the enclosed letter from the Federal Highway Administration (FHWA), US Department of Transportation, requesting to use the quarry at Pohakuloa Training Area (PTA) as a source of material for the construction of the segment of Saddle Road within PTA. The quarry is located on land leased to the Army by State General Lease No. S-3849.

The lease states, "The Government shall have the right to develop and use for road construction projects on the demised premises sources of coral, rock, and similar materials occurring naturally on the said premises." However, FHWA is requesting to use quarry material within the leased parcels (demised premises) as well as sections of Saddle Road located on Army ceded land which is not included in the State's lease to the Army.

Request permission to use quarry material on ceded land.

Should you have any questions, please contact Ms. Ginger Sagum, (808) 656-1027 ext 1113.

Sincerely,

*Phyllis B. Rollins*  
for  
Floyd A. Quintana  
Colonel, US Army  
Director of Public Works

Enclosure

EXHIBIT C