

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

May 27, 2016

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

PSF No.: 140D-047

Oahu

Acquisition of Private Lands and Set Aside to Division of  
Forestry and Wildlife for Conservation Purposes, situate at  
Kalauao, Ewa, Oahu, Tax Map Key: (1) 9-8-001:001.

APPLICANT AGENCY:

Division of Forestry and Wildlife (DOFAW)

PRIVATE LANDOWNER:

Bishop Museum, a Hawaii non-profit corporation. (Seller)

LEGAL REFERENCE:

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

LOCATION:

Privately-owned lands situate at Kalauao, Ewa, Oahu, identified  
by Tax Map Key: (1) 9-8-001:001, as shown on the attached map  
labeled Exhibit A.

AREA:

635.00 acres, more or less.

ZONING:

State Land Use District: Conservation  
County of Honolulu CZO: P-1

CURRENT USE:

Vacant and unencumbered.

CONSIDERATION:

\$760,000.00

PURPOSE:

Addition to Ewa Forest Reserve, Kalauao Section.

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. As the subject lands are unimproved, an EA is not required. 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 Landowner shall be required to:

- 1) Pay for the appraisal cost to determine the value of the properties to be acquired;
- 2) Provide survey maps and descriptions for the 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 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.

BACKGROUND:

Kalauao Valley is a significant watershed in the Ko'olau Mountains Watershed Partnership (KMWP) management area that supports a healthy native ecosystem, an important habitat for numerous rare and endangered plant and animal species, and a well-used recreation area. Its ability to serve as a healthy, functioning watershed, support public recreation and still be a haven for threatened and endangered species makes Kalauao an important conservation acquisition project. The native species and their associated habitat in Kalauao Valley are currently unmanaged and attention is needed to address the threats posed by invasive weeds, feral pigs, mosquitos, and small mammalian predators. Acquisition of Kalauao will enable DOFAW to protect this important area in perpetuity and facilitate management

actions for the recovery of threatened and endangered species and the critical habitats upon which they depend. Upon acquisition, DOFAW intends to add the property to the Kalauao Section of the Ewa Forest Reserve.

This acquisition is being partially funded by the Legacy Lands Conservation Program (LLCP) in the amount of \$192,750.00, which was recommended for funding by the Legacy Lands Conservation Commission for Fiscal Year 2012 and approved by the BLNR on September 26, 2014. Additional funds in the amount of \$578,250.00 were provided through a Recovery Land Acquisition grant from the U.S. Fish and Wildlife Service. The total purchase price of the property is \$760,000.00.

This acquisition does not qualify as a trigger under HRS Chapter 343 compliance due to it being "unimproved property" and therefore an Environmental Assessment is not required. The property is undeveloped and unencumbered with the exception of utility easements.

REMARKS:

As required by the RLA grant, the Department contracted with John Child & Co. for an appraisal report compliant with both the USPAP and UASFLA standards. The report dated June 5, 2014 determined a fair market value that supported the \$760,000.00 purchase price. Additionally, the Department contracted with Hastings, Conboy & Associates, Ltd. to for an appraisal review report which concluded that the initial appraisal report generally complied with the both the USPAP and UASFLA standards. Furthermore, the review report concluded that 1) the information and data used in the appraisal report were deemed to be applicable and appropriate for use in the valuation analysis; 2) the appraisal method and technique used in the report was appropriate for the valuation of the subject property; and 3) the analyses, opinions and conclusions were sufficiently reasonable and appropriate based on the intended use. Furthermore, in April 2016 John Child & Co. has provided a supplemental appraisal report to update their analysis. According to the supplemental report, the fair market value remains consistent with the original appraisal report. By letter dated May 5, 2016, the U.S. Fish & Wildlife Service accepted the conclusions of the appraisal report and appraisal review report for the purposes of the RLA grant.

In regards to the required survey map and description, the State Surveyor has issued a C.S.F. for the property. The Seller has provided a title report dated September 11, 2015, which identified a mortgage and financing statement currently encumbering the property. Seller has committed to have the mortgage and financing statement released at the closing of this acquisition. Given that they are unlikely to be released, DOFAW has agreed to assume management of the property subject to



utility easements.

DOFAW contracted for a Phase I environmental site assessment from Lehua Environmental Inc., dated January 2015. The Phase I concluded that there was no evidence of historical or current recognized environmental conditions in connection with the property. Under normal circumstances an update or new Phase I would need to be conducted due to the date of the original report. However, given the deadline for expending the RLA funds, DOFAW requests that the acquisition be allowed to close without conducting additional work.

Overall, there is a low risk of contamination on this property. There is no recorded access to a public roadway. Additionally, the property is bordered by large undeveloped parcels on all sides, with government land bordering two sides of the property. Furthermore, in the interest of an expedited closing, the Seller has agreed to fully accept the terms of the State's standard form warranty deed, including the hazardous materials indemnification language.

As part of the requested approval of this acquisition, the Board is also requested to delegate to the Chairperson the authority to enter into a Purchase and Sale Agreement with the Seller, as well as additional escrow documents deemed necessary. Additionally, the Board is requested to approve a management right of entry to DOFAW, so they may take immediate possession of the property upon closing, until the execution of the set aside.

RECOMMENDATION: That the Board:

1. Authorize the acquisition of the subject private lands 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 deed document form, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General;
  - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Pursuant to HRS Section 183-11, as amended, authorize the Division of Forestry and Wildlife to conduct a public hearing on the Island of Oahu regarding the proposed additions to and withdrawals from the State Forest Reserve

System on the Island of Oahu, and further, pursuant to 183-12, authorize the Chairperson to:

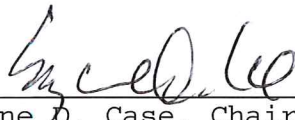
- A. Set the date, location and time of the public hearing;
  - B. Appoint a hearing master(s) for the public hearing.
3. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to the Division of Forestry and Wildlife under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
- A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
  - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
  - C. Review and approval by the Department of the Attorney General; and
  - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
4. Authorize the issuance of a management right-of-entry permit to the Division of Forestry and Wildlife covering the subject area under the terms and conditions cited above, effective immediately upon acquisition by the State, which are by this reference incorporated herein and further subject to the following:
- A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time;
  - B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Ian Hirokawa", with a long horizontal flourish extending to the right.

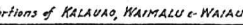
Malama Minn, Project Development Specialist  
Ian Hirokawa, Special Projects Coordinator

APPROVED FOR SUBMITTAL:

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Suzanne D. Case, Chairperson



FIRST DIVISION		
ZONE	SEC.	PLAT
9	8	0!
CONTAINING PARCELS		
SCALE: 1 in = 1000 ft.		

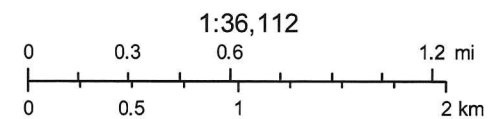
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# Public Land Trust Information System



May 11, 2016



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and