



# HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

## **G-1**

## **GSA Surplus Land - Notice of Availability**

## **‘Ewa Beach, O‘ahu, Hawai‘i**

August 18, 2020



# GSA Surplus Property - 'Ewa Beach, O'ahu

## **AGENDA:**

1. Motion
2. Discussion and Background Information
3. Due Diligence Actions
4. Considerations for the Chairman - Decisions Options Matrix
5. Next Steps
6. Staff Recommendation



# GSA Surplus Property - 'Ewa Beach, O'ahu

## 1. Recommended Motion / Action

That the Hawaiian Homes Commission delegate authority to the Chairman to respond to the General Services Administration Notice of Availability to select approximately 80 acres of surplus lands in 'Ewa Beach, O'ahu.



## 2. Discussion and Background

The GSA Notice of Availability for surplus property was presented as an information item at the Hawaiian Homes Commission meeting on July 21, 2020. (Exhibit A)

1. General Services Administration – Notice of Availability
2. Hawaiian Homes Lands Recovery Act – Provisions and Status of Claims
3. Description of the Surplus Property
4. DHHL Due Diligence Actions
5. Next Steps



# GSA Surplus Property - 'Ewa Beach, O'ahu

## 2. Background: Property Description



- 80 acres in 'Ewa Beach, O'ahu
- Primarily residential neighborhood
- Landscaped area (Ft. Weaver Road entrance and lawn) leads to seven (7) buildings, including 5 homes, 1 office and 1 storage building and parking area
- Remainder of the property is heavily vegetated
- Perimeter dirt road for security and fire access



## 3. DHHL Due Diligence Actions

DHHL Due Diligence team includes Land Development Division, Land Management Division and Planning Office

Potential Issue Areas:

1. Property title and boundary issues
2. Environmental hazard considerations
3. Development potential and constraints
4. Interim cost to maintain and manage the property prior to development



# GSA Surplus Property - 'Ewa Beach, O'ahu

## 3. Due Diligence Matrix

Category	Uncertainties	Action Needed	Findings
Property Title & Boundaries	Location of boundaries, easements, encroachments, and deed restrictions.	1) Title Report 2) Surveyor's Report	1) The property is Land Court property. 2) GSA provided a preliminary title report showing no encumbrances of record. 3) Visual inspection and follow-up inquiry with GSA indicated no off-record encumbrances. 4) GSA provided surveyor's report and plat map showing the proposed subdivision of the property. The easement area reserved aligns with an existing paved driveway leading to the retained parcel.
	Subdivision of the current 175-acre parcel into 2 parcels: 1) 80-acre surplus parcel and 2) 95-acre USGS-retained parcel	3) DHHL action	5) The GSA will convey the property through a Quit Claim Deed to the DHHL. DHHL will undertake the process to subdivide the 175-acre property into the DHHL-offered and USGS-retained parcels.
Environmental Considerations	Onsite presence of contaminants/hazardous materials.	1) Phase I Environmental Site Assessment (ESA) 2) Hazardous Materials Survey (HMS), e.g. arsenic, asbestos and lead-based paint	1) Phase 1 ESA did not show significant REC (recognizable environmental condition i.e. not likely that the site contains hazardous materials. EXHIBIT B 2) HMS completed. EXHIBIT C
	Presence of other hazardous anomalies such as unexploded ordinance (UXO).	Magnetometer, topography and aerial imagery survey.	Survey maps received. Magnetometer survey did not show conclusive presence of UXO. EXHIBIT D.
	Impact of sea level rise (SLR)	Obtain SLR map	Map indicates SLR could impact makai portion of the parcel. However, map is a guide, versus an absolute prediction. Assumes possible 3.2 feet of sea level rise by year 2081-2100.



# GSA Surplus Property - 'Ewa Beach, O'ahu

## 3. Due Diligence Matrix

Category	Uncertainties	Action Needed	Findings
Environmental Considerations (continued)	Tsunami inundation zone (TIZ).	Obtain TIZ map	Map indicates makai portion of the parcel is in the tsunami evacuation zone. The mauka portion is in the extreme tsunami evacuation zone. Consider potential impact when designing the layout. EXHIBIT E
	Wetlands	Obtain wetlands map	The property does not contain wetlands. EXHIBIT F
	Flood Hazards	Obtain flood hazards map	The mauka area of the property is in the Firm D Area of Undetermined Flood Hazard and the makai area of the property is in the Firm XS 0.2% Annual Chance Flood Hazard. EXHIBIT G
Development Potential and Constraints	Presence of historic properties	State Historic Preservation Office determination (SHPD)	SHPD determination received



# GSA Surplus Property - 'Ewa Beach, O'ahu

## 3. DHHL Due Diligence Actions

Category	Uncertainties	Action Needed	Findings To Date
Development potential and constraints (continued)	Potential number of single-family and multi-family residential lots that can be developed .	Conduct evaluation and analyses for future development: A. Development within constraints of the existing infrastructure. B. Maximum development with infrastructure improvement(s).	Analysis and schematic design options received. EXHIBIT H  Infrastructure capacity for water confirmed, even at maximum development. Will require improvements for water, wastewater, drainage, electrical, traffic and communications. Anticipate raising the grade to mitigate environmental concerns and avoid digging into coral.
	Current infrastructure capacity		
	USGS-retained parcel	Confirm USGS' intent to install a perimeter fence around their property.	USGS intends to install fencing around their parcel. Design, construction and funding to be determined.
Interim Cost(s) to maintain the property for an unknown amount of time before DHHL development can occur	Existing cost(s) for security, maintenance, utilities	Obtain copies of monthly bills and contracts.  Obtain copies of security incidence logs.	The GSA will continue to maintain the property until the property is transferred. A final inspection and clean-up will also be conducted prior to the property transfer.  The current average monthly costs for entire property is: 1) Landscaping, pest control and security patrols \$9,857/month 2) Electricity \$2,000/month 3) Water/Sewer \$4,500/month  Cost-sharing with the USGS for their proportionate share has been requested.  Consider interim leasing of existing structures to generate revenue to help to monthly maintenance expenses.



## 4. Considerations for the HHC

Under the HHLRA, the HHC effectively has three options:

1. Select all of the 80-acre parcel for appraisal
2. Select a portion of the 80-acre parcel for appraisal
3. Reject the parcel.



# GSA Surplus Property - 'Ewa Beach, O'ahu

## 4. Decision Options Matrix

Decision Options	Pros	Cons
<p><b>(Higher-Risk; Higher-Reward)</b></p> <p><b>Take the entire 80-acre property</b></p>	<ul style="list-style-type: none"> <li>• More homestead lots / housing opportunities. More space for more homestead lots and multi-family lots. Approximately twice as many single-family lots.</li> <li>• Alternative access. Access to Fort Weaver Road and North Road.</li> <li>• Revenue generation. Potential opportunity to generate revenue via general leases.</li> <li>• Exchange of lands. Lands conveyed to the DHHL under the HHLRA may subsequently be exchanged pursuant to Section 204(3) of the Hawaiian Homes Commission Act.</li> <li>• Sale of certain lands. The Chairman may, at the time that lands are conveyed to the DHHL as compensation for lost use under the HHLRA, designate lands to be sold.</li> </ul>	<ul style="list-style-type: none"> <li>• Sea Level Rise. Makai portion of the property is in an area expected to be affected by 3.2 FT. Sea Level Rise scenario. 2017 Hawaii Climate Change Report predicts that this is most likely scenario by year 2100 if current trends continue. However, frequency of flooding or high wave action unknown and the severity/intensity of events is unknown.</li> <li>• Makai portion also in tsunami inundation zone.</li> <li>• Magnetometer shows higher readings in south east corner (probability of presence of metal debris higher).</li> <li>• Cost to maintain property. In the interim may be high. Unsure about how long DHHL would maintain the property prior to leasing to third parties either via homestead lease or non-homestead lease / license. (\$196k annual cost for federal gov't to maintain includes landscaping, pest control, security, utilities).</li> <li>• Who would pay for the infrastructure cost for commercial area?</li> </ul>



# GSA Surplus Property - 'Ewa Beach, O'ahu

## 4. Decision Options Matrix

Decision Options	Pros	Cons
<p data-bbox="71 511 351 601"><b>(Lower-Risk; Lower-Reward)</b></p> <p data-bbox="71 662 415 958"><b>Take a portion of the property mauka of potential hazard areas (approximately 38-acres).</b></p>	<ul data-bbox="435 605 1536 861" style="list-style-type: none"><li data-bbox="435 605 886 634">• Avoids potential hazard areas</li><li data-bbox="435 676 1505 748">• Magnetometer shows lower readings (less probability of presence of metallic debris).</li><li data-bbox="435 791 1536 861">• Property maintenance costs would be lower. Vacant land with access only from North Road.</li></ul>	<ul data-bbox="1551 662 2244 843" style="list-style-type: none"><li data-bbox="1551 662 2201 691">• Less homestead lots / housing opportunities.</li><li data-bbox="1551 733 1905 762">• Only one access point</li><li data-bbox="1551 805 2244 843">• Less space for revenue generating opportunities</li></ul>
<p data-bbox="71 1119 300 1215"><b>Reject entire property</b></p>	<ul data-bbox="435 1176 1014 1205" style="list-style-type: none"><li data-bbox="435 1176 1014 1205">• No more additional cost and staff time.</li></ul>	<ul data-bbox="1551 1119 2219 1225" style="list-style-type: none"><li data-bbox="1551 1119 2219 1148">• No additional land for homesteading on Oahu.</li><li data-bbox="1551 1190 2201 1225">• Settlement of the HHLRA remains unfulfilled.</li></ul>



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## 5. Next steps

1. August 31, 2020
  - Deadline for the DHHL to notify the GSA of its intent to accept the entire property, accept a portion of the property, or reject the property offer based on the HHC's decision on the August 2020 HHC meeting
  
2. Should DHHL intend to accept the surplus property offer
  - GSA and the DHHL will conduct a property appraisal (6 to 9 months)
  
3. Within 30 days after the appraisal is completed
  - DHHL may accept or reject the property
  
4. If the DHHL accepts the surplus property
  - Conveyance documents are completed and executed. (Timeframe TBD)



## 6. Recommendation

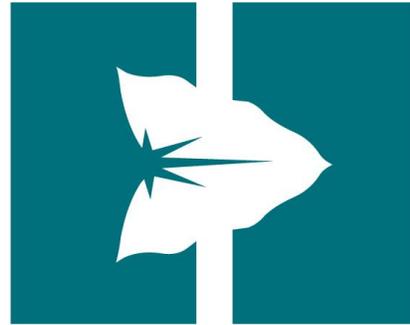
- Pros and cons for each of the options have been considered and evaluated
- Potential benefit of additional housing opportunities outweighs the potential future risks
- Potential future hazards could be mitigated through future design considerations, e.g. adding in-fill to elevate structures and buildings
- Interim maintenance costs could be offset by interim land dispositions, e.g. month-to-month leases

Therefore, the motion is for the Hawaiian Homes Commission to:

**Delegate authority to the Chairman to respond to the General Services Administration Notice of Availability to select approximately 80 acres of surplus lands in 'Ewa Beach, O'ahu.**



# Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

[www.dhhl.hawaii.gov](http://www.dhhl.hawaii.gov)