

City Council finalizing DHHL-city swap for rail

Department of Hawaiian Home Lands will be able to build housing units on its new property

By Ashley Mizuo

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The Department of Hawaiian Home Lands might soon swap its Ewa Facility Drum site, a 56-acre property in Wahiawa, for the city's 52-acre Varona Village property in Kapolei.

Although the city entered a memorandum of agreement with DHHL in March 2010 to allow both parties to make improvements on the properties they hoped to obtain, the land swap has been stalled so the properties could be appraised. Because the Ewa Drum site is on Hawaiian homeland, the appraisal also needed to be approved by the U.S. Department of Interior.

The MOA allowed for the rail operations center to be built on the Ewa Drum site, despite the land swap not being finalized.

In 2016 the city and DHHL commissioned an appraisal of the properties, which was approved Sept. 29 by the Department of Interior.

The Ewa Drum site was appraised at \$4.99 million, while the Varona Village property was appraised at \$4.66 million, about \$330,000 less. Because of this, the city will also pay DHHL \$415,323 to compensate for the difference in property values. The additional payment was an adjustment based on the consumer price index from 2008 to 2021.

The payment will come out of the Department of Transportation Service's budget.

DHHL Director William Aila Jr. testified in favor of the land swap.

"We're looking forward to the certainty so that the rail can move on with its project and the Department of Hawaiian Home Lands can move on with our projects," he said during Wednesday's Honolulu City Council budget meeting. Department of Transportation Services Director Roger Morton attributed the long process to getting the appraisals and the Interior Department's approval.

"It's quite a complicated process. It has the Department of Interior involved in it; it has consultations on the part of beneficiaries under the Department of Hawaiian Home Lands. It required appraisals back and forth," he said.

"Should they take 11 years or 12 years? Probably not. No. But that it is what it is.

"I'm just happy that we have an agreement so we can put this behind us."

Council member Esther Kia'aina asked Alia how many housing units the department plans to establish to address the long list of Native Hawaiians who are waiting for property, citing DHHL's ability to swap land as an effective tool.

"I believe it's one of its most powerful tools. And sadly, it's for a sad reason.

It's because the federal government did a horrific job in the establishment of the Hawaiian homelands program," she said.

"They gave first the territory, and then the state of Hawaii lands that were not conducive for housing. And this is a perfect example of a win-win situation where

all of it to the Department of Transportation Services by the end of the year.

"They will be the owneroperator of that property, but we will still need use of the land, mainly the trains. We're transferring over the first seven trains to (the department)," she said.

you help the city but you also provide housing for our home and beneficiaries.”

However, Aila did not yet have a number as the department is still evaluating what would be the best use of the Varona Village property.

“We haven’t calculated the number of housing units yet because we’re still reviewing a parcel of land for its highest and best use,” he said.

“It sits right next to a huge commercial shopping center. So we do know that as part of the due diligence that went into the land exchange, there are some covenants on residential use, but we would like the opportunity to review.”

Currently, the Honolulu Authority of Rapid Transportation uses the railroad operations center at the Ewa Drum site, but HART CEO Lori Kahikina hoped to transfer

“The remaining (trains) still need to be tested and commissioned, so we will still need access to the property. We will use it for laydown (to leave equipment) for some of our other work ... but they’re going to be the owners of the property before the end of the year.”

The resolution passed out of the Budget Committee unanimously. It is expected to be heard by the full Council for adoption at its meeting Wednesday.

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