

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

February 21-22, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Peter “Kahana” Albinio, Jr., Acting Administrator
Land Management Division ~~K~~A

Subject: FOR INFORMATION ONLY – Status on General Lease Extensions in Moanalua Kai, Island of Oahu, TMK Nos. (1) 1-1-064:008, :009, :012, :013, :014, :015, :016, and :017

RECOMMENDED MOTION/ACTION:

None; For Information Only

BACKGROUND

The purpose of this subject agenda item is to provide status on General Lease Extensions in Moanalua Kai, Island of Oahu, TMK Nos. (1) 1-1-064:008, :009, :012, :013, :014, :015, :016, and :017 as delineated on the map attached as Exhibit “A” in accordance with the approved HHC action taken at its regular monthly meeting of August 15-16, 2022, on Agenda Item No. F-3, attached hereto as Exhibit “B.”

For information purposes, LMD staff is currently in negotiations with a consultant who was selected as a DHHL service provider for the professional service category of: Real Estate Appraiser (Commercial/Industrial Properties.) Unfortunately, because negotiations are ongoing and the contract not yet executed, information on the selected real estate appraisal firm cannot be shared. However, contract negotiations are close to being finalized and executed.

Upon the conclusion of negotiations and full execution of the professional services contract, DHHL anticipates appraisals with the new rental rates as determined by our professional services consultant will be provided for respective lease amendments to be memorialized, documented and executed accordingly.

Exhibit "A"
Item No. F-5

This aerial map shows an industrial area with numerous parcels outlined in yellow. The parcels are labeled with their respective parcel numbers. The highlighted parcels include:

- 11005099
- 11005100
- 11005101
- 11064012
- 11064013
- 11064014
- 11064015
- 11064016
- 11064017
- 11064018
- 11064019
- 11064020
- 11064021
- 11064022
- 11064023
- 11064026
- 11064027
- 11064028
- 11064031
- 11064032
- 11064033
- 11064008
- 11064009
- 11064010
- 11064011

The map also shows several streets:

- AWAAWALOA ST
- KAKOIST
- KILHAU ST
- AWA ST
- KAM HWY
- H1WB EXIT 18 NIMITZ EXIT

Other parcel numbers visible on the map include 11005055, 11005054, 11005052, 11005051, 11005048, 11005046, 11005045, 11005041, 11005040, 11005039, 11005038, 11005037, 11005036, 11005035, 11005034, 11005033, 11005032, 11005031, 11005004, 11005001, 11064002, 11064003, 11064004, 11064005, 11064006, 11064007, 11064008, 11064009, 11064010, 11064011, 11064012, 11064013, 11064014, 11064015, 11064016, 11064017, 11064018, 11064019, 11064020, 11064021, 11064022, 11064023, 11064024, 11064025, 11064026, 11064027, 11064028, 11064029, 11064030, 11064031, 11064032, 11064033, 11064034, 11064035, 11064036, 11064037, 11064038, 11064039, 11064040, 11064041, 11064042, 11064043, 11064044, 11064045, 11064046, 11064047, 11064048, 11064049, 11064050, 11064051, 11064052, 11064053, 11064054, 11064055, 11064056, 11064057, 11064058, 11064059, 11064060, 11064061, 11064062, 11064063, 11064064, 11064065, 11064066, 11064067, 11064068, 11064069, 11064070, 11064071, 11064072, 11064073, 11064074, 11064075, 11064076, 11064077, 11064078, 11064079, 11064080, 11064081, 11064082, 11064083, 11064084, 11064085, 11064086, 11064087, 11064088, 11064089, 11064090, 11064091, 11064092, 11064093, 11064094, 11064095, 11064096, 11064097, 11064098, 11064099, 11064100, 11064101, 11064102, 11064103, 11064104, 11064105, 11064106, 11064107, 11064108, 11064109, 11064110, 11064111, 11064112, 11064113, 11064114, 11064115, 11064116, 11064117, 11064118, 11064119, 11064120, 11064121, 11064122, 11064123, 11064124, 11064125, 11064126, 11064127, 11064128, 11064129, 11064130, 11064131, 11064132, 11064133, 11064134, 11064135, 11064136, 11064137, 11064138, 11064139, 11064140, 11064141, 11064142, 11064143, 11064144, 11064145, 11064146, 11064147, 11064148, 11064149, 11064150, 11064151, 11064152, 11064153, 11064154, 11064155, 11064156, 11064157, 11064158, 11064159, 11064160, 11064161, 11064162, 11064163, 11064164, 11064165, 11064166, 11064167, 11064168, 11064169, 11064170, 11064171, 11064172, 11064173, 11064174, 11064175, 11064176, 11064177, 11064178, 11064179, 11064180, 11064181, 11064182, 11064183, 11064184, 11064185, 11064186, 11064187, 11064188, 11064189, 11064190, 11064191, 11064192, 11064193, 11064194, 11064195, 11064196, 11064197, 11064198, 11064199, 11064200, 11064201, 11064202, 11064203, 11064204, 11064205, 11064206, 11064207, 11064208, 11064209, 11064210, 11064211, 11064212, 11064213, 11064214, 11064215, 11064216, 11064217, 11064218, 11064219, 11064220, 11064221, 11064222, 11064223, 11064224, 11064225, 11064226, 11064227, 11064228, 11064229, 11064230, 11064231, 11064232, 11064233, 11064234, 11064235, 11064236, 11064237, 11064238, 11064239, 11064240, 11064241, 11064242, 11064243, 11064244, 11064245, 11064246, 11064247, 11064248, 11064249, 11064250, 11064251, 11064252, 11064253, 11064254, 11064255, 11064256, 11064257, 11064258, 11064259, 11064260, 11064261, 11064262, 11064263, 11064264, 11064265, 11064266, 11064267, 11064268, 11064269, 11064270, 11064271, 11064272, 11064273, 11064274, 11064275, 11064276, 11064277, 11064278, 11064279, 11064280, 11064281, 11064282, 11064283, 11064284, 11064285, 11064286, 11064287, 11064288, 11064289, 11064290, 11064291, 11064292, 11064293, 11064294, 11064295, 11064296, 11064297, 11064298, 11064299, 11064300, 11064301, 11064302, 11064303, 11064304, 11064305, 11064306, 11064307, 11064308, 11064309, 11064310, 11064311, 11064312, 11064313, 11064314, 11064315, 11064316, 11064317, 11064318, 11064319, 11064320, 11064321, 11064322, 11064323, 11064324, 11064325, 11064326, 11064327, 11064328, 11064329, 11064330, 11064331, 11064332, 11064333, 11064334, 11064335, 11064336, 11064337, 11064338,



Exhibit "B"

Item No. F-5

Helm asked if they had amenities. She stated they have a water system but no bathroom, but there is a bathroom and shower on the county side. In their 5-year plan, they hope to build a nice pavilion with restrooms for gatherings and be handicap accessible.

Commissioner Awo commented that what they have done was impressive. He asked if they worked with the Department to see if they qualify for any grant opportunities. She stated they are working on their 501c3 to be eligible for grants.

ACTION

Moved by Commissioner Neves, seconded by Commissioner Ka`upu, to approve the motion as stated in the submittal.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu		X	X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously. Eight (8) Yes votes.						

Chair Aila announced that the Commission would go into an executive session after Item F-3.

ITEM F-3 Approval to Extension of Lease Term scheduled to expire in October 2022, for various General Leases, and Authorization to Issue Request for Proposals to redevelop and mitigate drainage in portions Moanalua Kai (Mapunapuna/Shafter Flats) Island of O`ahu (various TMKs)

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following: Motion that the Hawaiian Homes Commission approve to Extension of the Lease Term scheduled to expire in October 2022 for various General Leases and Authorization to Issue Request for Proposals to redevelop and mitigate drainage in portions of Moanalua Kai (Mapunapuna/Shafter Flats) Island of O`ahu (various TMKs)

MOTION

Moved by Commissioner Neves, seconded by Commissioner Ka`upu, to approve the motion as stated in the submittal.

K. Albinio stated this was a two-part motion:

- A. A 10-year lease term extension and a modified fixed rent for each of the general leases identified on the list. There are eleven (11) listed that will be expiring on October 9, 2022. With their aggregate 55 years and the additional ten years, with a total of 65 years with the lease being set to expire October 29, 2032, and
- B. The preparation and issuance of a Request for Proposal for a developer agreement land disposition for the parcels identified in the list attached as Exhibit B.

He addressed how the Department acquired the parcels in Moanalua Kai with Exhibit C showing the land deed and how it came under Hawaiian Home Lands. The deed reads: the general leases to be extended were originally awarded to the State of Hawai'i, Department of Land and Natural Resources to various commercial tenants for a term of 55 years commencing on October 10, 1967. By way of a land exchange between the State of Hawai'i, Department of Land and Natural Resources, and DHHL consummated in April 1986, DHHL took title to all of the Moanalua Kai (Mapunapuna/Shafter Flats) properties and became the long-term Lessor under the respective General Leases. (Exchange Deed attached as Exhibit C)

DISCUSSION

Commissioner Neves asked if the parcels in Exhibit B are going out as individual RFPs. K. Albinio stated it is not individual. It is to a developer.

Commissioner Teruya asked if WP was notified of not being current with their rent. K. Albinio stated they would be notified that they were delinquent. Their lease expires on October 9, 2022.

Commissioner Ka`upu asked about Exhibit A, Leases 9 & 10, and asked who Lease Properties Limited was. K. Albinio stated that it is the Watumull Family. They sublease out to tenants. Commissioner Ka`upu stated he thinks everything from the corner of Kili Hau should be put up for development, Nos. 9, 10, 11, and all those not pictured in the exhibit. He thinks for the redevelopment rights, leasing them in pieces loses the luster for the developer. Those are the most suitable for redevelopment and should be designated for the master redevelopment. The Department should keep those good-paying tenants.

Chair Aila suggested that the motion be amended to allow the Chair to figure out what that configuration is with the help of Commissioner Ka`upu to maximize the revenue stream. Commissioner Ka`upu stated with the help of all the Commissioners.

Public Testifier: Jarrett Watumull, was introduced by Chair Aila.

Commissioner Ka`upu asked if there was a reporting requirement on their lease to report their tenant lineup or revenue to the Department. J. Watumull stated he does not believe there is a requirement to provide that information. He stated he could look into it more to determine how many of his sublessees are beneficiaries. He stated that one of the sublessees is a Kamehameha School graduate and a beneficiary.

Chair Aila reminded the Commissioners that all lessees were handed to the Department with the land exchange. The Department is supposed to honor the lease, which is the condition we find ourselves with requesting an extension.

Commissioner Ka`upu asked J. Watumull what he thinks of his suggestion for those parcel blocks being suitable for redevelopment as one integrated commercial/industrial center. J. Watumull stated with the current lack of industrial land businesses on the island, he does not think it would make sense to try to move the use out of industrial. The real issue is until the fish stop swimming into the driveway when the water levels are up. He does not see any real investment in the area until that problem is solved. He stated his tenants deal with it because they have been there for generations and understand what it is.

Commissioner Ka`upu asked K. Albinio about the redevelopment, the proposal is that the developer address some of the issues regarding drainage. K. Albinio confirmed.

J. Masagatani asked for clarification on how he wanted to amend the motion. It can be discussed on break. Chair Aila stated the Commission could work on the wording and come back after lunch.

MOTION

Moved by Commissioner Neves, seconded by Commissioner Helm to convene in an executive session pursuant to Section 92-5(a)(4), HRS, to Consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

EXECUTIVE SESSION IN

12:16 PM

The Commission anticipates convening an executive meeting pursuant to Section 92-5(a)(4), HRS, to Consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

1. Update on issues related to Telecommunications and Broadband services on Hawaiian Home Lands

EXECUTIVE SESSION OUT

1:30 PM

Chair Aila stated the Commission came up with an amendment to the recommended motion to remove Section B and replace it to give the Department the flexibility to handle the various situations that exist there now.

MOTION TO AMEND

Moved by Commissioner Neves, seconded by Commissioner Ka`upu to amend the motion to remove the language in Section B and replace it with the following language: *Chairman of the Hawaiian Homes Commission is authorized to not extend one or more general leases identified in Exhibit A if the benefit to the trust from the redevelopment of the leased parcel or parcels outweigh the benefit of the existing lease.*

ACTION TO AMEND

Moved by Commissioner Neves, seconded by Commissioner Ka`upu to approve the amended language.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu		X	X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			8			
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED Motion passed unanimously. Eight (8) Yes votes.						

AMENDED MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Ka`upu to approve the main motion as amended.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu		X	X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously. Eight (8) Yes votes.						

J. Masagatani asked for clarification if the Commission is removing the authorization to go out for a Request for Proposal. She believed it to be two separate things: the authorization to go out and seek a master developer, use budgeted funds, and retain legal counsel. She thinks if it is added as a fifth condition is not a problem, but removing all of those conditions would be problematic for the Department operationally.

Commissioner Ka`upu suggested a Section C. Chair Aila stated the Commission has to amend the motion again. Commissioner Ka`upu checked with J. Masagatani if that would work. She stated that would work fine. Commissioner Ka`upu amended his motion as stated.

Chair Aila stated rather than removing Section B, Section B will remain, and the new language becomes Section C.

MOTION/ACTION TO AMEND #2

Moved by Commissioner Neves, seconded by Commissioner Ka`upu, to keep the language in Section B as stated in the submittal and add a Section C with the new language.						
Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu		X	X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously. Eight (8) Yes votes.						

ACTION ON MAIN MOTION AS AMENDED #2

Moved by Commissioner Neves, seconded by Commissioner Ka`upu to approve the amendment to keep the language in Section B as stated in the submittal and add a Section C with the new language.

Commissioner	1	2	`AE (YES)	A`OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Kaleikini			X			
Commissioner Ka`upu		X	X			
Commissioner Namu`o			X			
Commissioner Neves	X		X			
Commissioner Teruya			X			
Chairman Aila			X			
TOTAL VOTE COUNT			8			
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously. Eight (8) Yes votes.						

**ITEM F-4 Approval to Issue Right-of-Entry Permit to the State of Hawai`i,
Department of Land and Natural Resources, Waiohuli, Maui Island, TMK: (2) 2-2-
002:014 and designated safety zones**

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following:
Motion that the Hawaiian Homes Commission approve to Issue Right-of-Entry Permit to the State of Hawai`i, Department of Land and Natural Resources, Waiohuli, Maui Island, TMK: (2) 2-2-002:014 and designated safety zones

MOTION

Moved by Commissioner Neves, seconded by Commissioner Awo, to approve the motion as stated in the submittal.

DISCUSSION

Land Agent Shelly Carreira stated DLNR has begun dialog with DHHL for a wildlife control program of management and control of the excess deer population on DHHL land in Waiohuli. They are looking at a hunting program administered by DLNR. The drafted Memorandum of Understanding (MOU) is attached to the submittal and is subject to further review.

Chair Aila stated there are two things in the submittal, a Right-of-Entry and a Memorandum of Understanding (MOU). The agreement for the project in the MOU is effective according to the commencement date, for up to one year, and is tied to the Governor's Emergency Proclamation. He asked the Commission that they give him the authority to amend the drafted MOU so that it is consistent, to make it twelve months after the effective date and not tied to the emergency proclamation.

Chair Aila stated that DHHL does not have the authority to authorize the hunting of deer. The Department is seeking in the ROE and MOU to partner with DLNR and give them the authority to institute a deer reduction program on DHHL lands.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 15-16, 2022

To: Chairman and Members, Hawaiian Homes Commission

From: Peter "Kahana" Albinio, Jr., Acting Administrator
Land Management Division ~~KA~~

Subject: Approval to Extension of Lease Term scheduled to expire in October 2022, for various General Leases, and Authorization to Issue a Request for Proposal to redevelop and mitigate drainage in portions of, Moanalua Kai (Mapunapuna/Shafter Flats), Island of Oahu (various TMKs)

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission approve and grant consent to the following:

A. A 10 year extension of lease term and modified fixed rental period for each of the respective General Leases identified in the list attached hereto as Exhibit "A" (which General Leases are currently scheduled to expire on October 9, 2022), as authorized under Chapter 171-36(b)(c), Hawaii Revised Statutes, as amended ("HRS"), so that the aggregate of the original 55 year term and the extended 10 year term span a total of 65 years, with such extended General Leases therefore being set to expire on October 9, 2032, subject to the following terms and conditions:

1. Upon approval of the extension of the subject General Leases, the Department of Hawaiian Home Lands ("DHHL") shall hire one or more independent appraisers in the manner provided for in the General Leases to determine the lease rents for the respective 10 year extension periods beginning October 10, 2022, subject to the review and approval of the Chairman of the Hawaiian Homes Commission.
2. Notwithstanding anything to the contrary set forth in the subject General Leases as amended, the lease rents for the respective 10 year extension periods shall not be less than the rents in place immediately preceding the effective date of the extension of the respective lease terms.
3. Each LESSEE shall continue to pay the monthly lease rent currently due under their General Lease through December 31, 2022, after which date they shall commence paying the new lease rent as determined by an independent appraiser as set forth in paragraph A.1. above. On or before January 5, 2023, each LESSEE shall pay LESSOR a catch-up payment in the amount of the difference between the monthly rent paid to

ITEM NO. F-3

LESSOR and the new monthly lease rent due as set forth herein for the months of October (prorated), November and December, 2022.

4. A one-time lease extension fee will be assessed by LESSOR to each LESSEE. The extension fee shall be 20% of the new annual lease rent established as set forth herein and shall be due and payable (without interest) in 12 successive monthly installments commencing January 2023.

5. The Amendment document for the extension of the lease term of each of the subject General Leases shall be subject to the review and approval of the Department of the Attorney General.

6. The Chairman of the Hawaiian Homes Commission is authorized to negotiate and document any additional terms and conditions which are customary or necessary to effect the intended amendments of the subject General Leases as set forth herein.

7. Except as otherwise modified herein, all other terms and conditions of the subject General Leases shall continue and remain in full force and effect.

B. The preparation and issuance of a Request for Proposal (RFP) for a developer agreement land disposition for the parcels identified in the list attached hereto as Exhibit “B”, as follows:

1. The Department shall advertise and request proposals for the design and master development of a new, integrated commercial/industrial complex on the subject parcels, which design and development shall address and mitigate the drainage and periodic flooding conditions that affect all of the DHHL Moanalua Kai (Mapunapuna/Shafter Flats) properties.

2. All appropriate terms and conditions of the RFP and the resulting land disposition shall be in accordance with the requirements of HRS Chapter 171, Section 204(a)(2) and /or Section 220.5 of the HHCA of 1920, as amended and shall be approved by the Chairman of the Hawaiian Homes Commission.

3. The Department is authorized to expend budgeted funds for the purpose of conducting an appraisal and environmental assessment, if necessary, of the subject parcels in furtherance of their master development; and

4. The Department is authorized to retain legal counsel and such other consultants, as necessary, for the purpose of lease negotiations and to establish the final terms and conditions of the master development agreement.

DISCUSSION

Extension of Lease Terms

The General Leases to be extended were originally awarded by the State of Hawaii, Department of Land and Natural Resources to various commercial tenants for a term of fifty-five (55) years commencing on October 10, 1967. By way of a land exchange between the State of Hawaii, Department of Land and Natural Resources and DHHL consummated in April 1986, DHHL took title to all of the Moanalua Kai (Mapunapuna/Shafter Flats) properties (more specifically described in the Exchange Deed attached as Exhibit “C”) and became the long term LESSOR under the respective General Leases. The following is pertinent information on these General Leases:

Lessee:	Various
Location:	Moanalua Kai (Mapunapuna/Shafter Flats)
Tax Map Key No.:	(1) 1-1-064: various (See Exhibit “A”)
Land Area:	Ranging in sizes from 10,122/sq ft to 47,657/sq ft
Term:	55 years; 10/10/1967 – 10/09/2022
Annual Ren:	Various
Character of Use:	Commercial/Light Industrial
Site Improvements:	Existing improvements are older, typical industrial open canopy/warehouse building structures, all of which are constructed with steel framing, and a service station facility that consists of fuel dispensing tanks and a well-maintained asphalt/concrete driveway for fuel truck access. Perimeter chain link fencing surrounds some of the parcels. The improvements appear to be in old/worn condition and deferred maintenance appears to be necessary.
Mortgagee:	None
Compliance	The present commercial/light industrial use of the properties would be legally permitted under the current City and County of Honolulu zoning ordinances, if applicable. The respective lessees have all been productive tenants and are current on all rent obligations.

Since the respective current lease terms are scheduled to expire as of October 9, 2022, the lessees have indicated a desire to extend their respective lease terms on several occasions via electronic mail, and teleconference meetings to date. The requested lease extensions would provide some certainty for the respective lessees that they will be able to maintain their existing business operations, thus providing an incentive to conduct deferred maintenance and improvements to their premises. The extensions also are an opportunity for DHHL to reset and improve on lease

rents. Therefore, as authorized under HRS Chapter 171, an extension of the current 55 year terms to maximum 65 year terms are requested.

RFP for Developer Agreement Land Disposition

DHHL seeks to enter into a developer agreement land disposition for the purposes of: (1) re-development of the parcels identified in Exhibit “B” as a new, integrated commercial/industrial complex; and (2) drainage and flooding mitigation for all of DHHL’s Moanalua Kai (Mapunapuna/Shafter Flats) properties. Such improvements are critical to improve the financial return to DHHL on its revenue generating properties. Furthermore, master developer interest should be high given the favorable current market conditions for leasing commercial/light industrial space in this general area.

AUTHORIZATION

Act 114, enacted into law by the 1994 Hawaii Legislature, amends Section 171-36, Hawaii Revised Statutes, relating to Lease restrictions; generally. §171-36(b)(c), HRS, allows for extensions to a lease term.

Section 204(a)(2) of the Hawaiian Homes Commission Act, 1920, as amended, reads in part... “In the management of any retained available lands not required for leasing under Section 207(a), the Department may dispose of such lands to the public, including native Hawaiians, on the same terms, conditions, restrictions and uses applicable to the disposition of public lands as provided in Chapter 171, Hawaii Revised Statutes, provided that the Department may not sell or dispose of such land in fee simple...”

Section 220.5 of the Hawaiian Home Commission Act, as amended, also authorizes the Department to enter into project developer agreements with a qualified developer for commercial or multi-purpose projects, subject to Section 171-60(a)(3).

Section 10-4-1 of the Department’s Administrative Rules, as amended, states in part that... “The Department may lease, license or otherwise deal with any available lands as may not be immediately needed for the purposes of the Act as provided by Section 204(a)(2) of the act and Chapter 171, HRS, upon such terms and conditions as to it may deem fair reasonable.”

RECOMMENDATION

Land Management Division respectfully requests approval of the motion as stated.

Lease No.	Lessee	Current Annual Rent	Expiration Date	TMK
S-4113	U-Haul of Hawaii, Inc.	\$189,870	10/9/2022	1-1-064:008
S-4114	U-Haul of Hawaii, Inc.	\$245,247	10/9/2022	1-1-064:009
S-4117	Lease Properties, LTD	\$278,800	10/9/2022	1-1-064:012
S-4118	Lease Properties, LTD	\$278,800	10/9/2022	1-1-064:013
S-4119	GP Energy Company LLC	\$316,442	10/9/2022	1-1-064:014
S-4120	Frank & Sally White	\$181,200	10/9/2022	1-1-064:015
S-4121	Safety Systems and Signs Hawaii	\$185,200	10/9/2022	1-1-064:016
S-4122	Pacific Transfer, LLC	\$102,300	10/9/2022	1-1-064:017
S-4124	Lease Properties, LTD	\$162,200	10/9/2022	1-1-064:019
S-4125	Lease Properties, LTD	\$162,200	10/9/2022	1-1-064:020
S-4126	Living the Word	\$117,560	10/9/2022	1-1-064:021
		\$2,219,819		





FOR SHAFER PLATS INDUSTRIAL DEVELOPMENT - UNITS 1, 11 & 16 MOANALUA, HONOLULU (Form 1-1-06)

FOR PROPERTY ASSESSMENT PURPOSES, PARCELS MAY NOT BE LEGALLY SUBDIVIDED LOTS - SUBJECT TO CHANGE

PROPOSED PARCELS 4, 5, 24, 30, 36, 37

DEPARTMENT OF LAND & NATURAL RESOURCES
HAWAIIAN LAND DIVISION
CITY & COUNTY OF HONOLULU

ZONE	SECTION	PLAT
1	1	064

SCALE: 1 INCH = 100 FEET

Exhibit "B"
Agenda Item No. F-3

87-54281

RECORDATION REQUESTED BY:

AFTER RECORDATION, RETURN TO:

Hawaiian Home Lands.

RETURN BY MAIL () PICKUP ()

17 APR 16 P 1: 58

20572

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EXCHANGE DEED

THIS INDENTURE, made and entered into effective as of the 23rd day of April, 1986, by and between the STATE OF HAWAII, by its Board of Land and Natural Resources, hereinafter referred to as the "GRANTOR", and the Department of Hawaiian Home Lands, State of Hawaii by its HAWAIIAN HOMES COMMISSION, hereinafter referred to as the "GRANTEE",

WITNESSETH THAT:

WHEREAS, by Section 204(3), Hawaiian Homes Commission Act, 1920 and Section 171-50(d), Hawaii Revised Statutes, the GRANTEE and GRANTOR, respectively, are empowered to exchange lands designated as "available lands" in the Hawaiian Homes Commission Act for public lands of the State of Hawaii of equal value;

WHEREAS, the exchange of "available lands" for public lands has been approved by two-thirds of the members of the Board of Land and Natural Resources at its meeting held on Dec. 16, 1986;

WHEREAS, said exchange has been approved by the Hawaiian Homes Commission at its meetings held on November 30, 1984 and March 21, 1986;

WHEREAS, the lands of the GRANTOR have an appraised value of SEVENTEEN MILLION THREE HUNDRED FIFTY-SEVEN THOUSAND FIVE HUNDRED AND NO DOLLARS (\$17,357,500) as of September 8, 1983;

WHEREAS, the lands of the GRANTEE have an appraised value of SEVENTEEN MILLION FOUR HUNDRED TWENTY-ONE THOUSAND TWO HUNDRED AND NO DOLLARS (\$17,421,200.00) also as of September 8, 1983; and

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WHEREAS, the GRANTEE, in order to perfect this exchange, and in consideration of that Settlement Agreement dated November 30, 1984 entered into between departments of the State of Hawaii, namely GRANTOR, GRANTEE, and the Department of Transportation, waives the payment by GRANTOR of the sum of SIXTY-THREE THOUSAND SEVEN HUNDRED AND NO DOLLARS (\$63,700), the difference based on appraised values as of September 8, 1983 between said lands to be exchanged;

NOW, THEREFORE, the GRANTOR, in consideration of the conveyance to it of the lands hereinafter described, does hereby remise, release and forever quitclaim unto the said GRANTEE, its successors and assigns, all of its right, title and interest in and to the following parcels of land, more particularly described in Exhibit A, attached hereto and made a part hereof:

TRK	IDENTITY - SHAFER FLATS INDUSTRIAL DEVELOPMENT	AREA
1-1-64-8	Lot 5, Unit I	29,463 sq. ft.
1-1-64-9	Lot 7, Unit I	39,588 sq. ft.
1-1-64-10	Lot 8, Unit I	41,187 sq. ft.
1-1-64-11	Lot 9, Unit I	44,000 sq. ft.
1-1-64-12	Lot 10, Unit I	44,000 sq. ft.
1-1-64-13	Lot 11, Unit I	44,000 sq. ft.
1-1-64-14	Lot 12, Unit I	44,000 sq. ft.
1-1-64-15	Lot 13, Unit I	40,000 sq. ft.
1-1-64-16	Lot 14, Unit I	40,000 sq. ft.
1-1-64-17	Lot 15, Unit I	22,096 sq. ft.
1-1-64-18	Lot 16, Unit I	24,638 sq. ft.
1-1-64-19	Lot 17, Unit I	25,000 sq. ft.
1-1-64-20	Lot 18, Unit I	25,000 sq. ft.
1-1-64-21	Lot 19, Unit I	25,000 sq. ft.
1-1-64-22	Lot 20, Unit I	25,000 sq. ft.
1-1-64-31	Lot 5, Unit III	20,787 sq. ft.
1-1-64-32	Lot 4, Unit III	21,448 sq. ft.
1-1-64-33	Lot 3, Unit III	21,994 sq. ft.
1-1-64-34	Lot 1, Unit III	10,122 sq. ft.
1-1-64-35	Lot 2, Unit III	10,153 sq. ft.
Total Area (13.822 Acres)		602,103 sq. ft.

TO HAVE AND TO HOLD the same, together with all the rights, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining or held and enjoyed therewith, unto said GRANTEE, its successors and assigns, forever, and subject to the existing general leases affecting the respective parcels.

AND the GRANTEE, in consideration of the aforesaid conveyance, does hereby remise, release and forever quitclaim unto said GRANTOR, its successors and assigns, all of its right, title and interest in and to the following parcels of land, more particularly described in Exhibit B, attached hereto and made a part hereof:

TWS	IDENTITY	AREA
3d Div. 2-1-12:22 (Por)	Area 5 General Lyman Field	07.607 Acres
3d Div. 2-1-12:30	Area 6 General Lyman Field	3.928 Acres
3d Div. 6-7-01:8 (Por)	Parcel 1 Kamuela Airport	40.682 Acres
2d Div. 5-2-04:84 (Por)	Tract B Molokai Airport	11.176 Acres
2d Div. 5-2-04:83 (Por)	Tract E-1 Molokai Airport	2.941 Acres
2d Div. 5-2-04:84 (Por)	Tract E-2 Molokai Airport	0.107 Acres
2d Div. 5-2-04:8 (Por)	Area 6 Molokai Airport	20.284 Acres
	Total Area	167.285 Acres
2d Div. 5-2-04: Pors. of 55, 57 & 102	Avigation Easement Area 3-A Molokai Airport	37.502 Acres
	Total Avigation Easement Area	37.502 Acres

TO HAVE AND TO HOLD the same, together with all the rights, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining or held and enjoyed therewith, unto said GRANTOR, its successors and assigns, forever.

Rentals for Exhibit A and Exhibit B lands shall be prorated as of the effective date hereof. Department of Hawaiian Home Lands General Lease Nos. 210, 211, and 212 shall terminate on the effective date hereof.

IN WITNESS WHEREOF, the STATE OF HAWAII, by its Board of Land and Natural Resources, has caused the seal of the Department of Land and Natural Resources to be hereunto affixed and these presents to be duly executed this 22nd day of April, 1986, and the HAWAIIAN HOMES COMMISSION, has caused these presents to be duly executed by the Chairman of the Hawaiian Homes Commission this 16th day of April, 1986, both effective as of the day and year first above set forth.

Department of Lands and Natural
Resources
STATE OF HAWAII

By: S. Cho
Chairman and Member
Board of Land and Natural
Resources

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON
Dec. 14, 1986

And By: [Signature]
Member
Board of Land and Natural
Resources

Department of Hawaiian Home
Lands
STATE OF HAWAII

By: [Signature]
Chairman, Hawaiian Homes
Commission

APPROVED:

[Signature]
Governor of Hawaii

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APPROVED:

Ronald Paul Hodel
Secretary of the Interior
United States of America

APPROVED AS TO FORM
AND LEGALITY:

For K. L. C. P.
Deputy Attorney General
Dated: 3/24/82

APPROVED AS TO FORM
AND LEGALITY:

For K. L. C. P.
Deputy Attorney General
Dated: 3/24/82

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STATE OF HAWAII }
CITY AND COUNTY OF HONOLULU } SS.

On this 16th day of April, 19 82,
before me personally appeared Georgiana K. Padeken, to me
personally known, who, being by me duly sworn, did say that she
is Chairman of the Hawaiian Homes Commission and the person
described in and who executed the foregoing instrument and
acknowledged to me that she executed the same freely and
voluntarily for the use and purposes therein set forth.

Helen G. Duke
Notary Public, State of Hawaii
My commission expires 2-20-81

L.S.

STATE OF HAWAII }
CITY AND COUNTY OF HONOLULU } SS.

On this ___ day of ___, 19 ___,
before me personally appeared _____
and _____, to me personally known, who, being
by me duly sworn, did say that they are _____
and _____ of the Board of Land and Natural
Resources and the persons described in and who executed the
foregoing instrument and acknowledged to me that they executed
the same freely and voluntarily for the use and purposes
therein set forth.

Helen G. Duke
Notary Public, State of Hawaii
My commission expires _____