

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

September 9, 2016

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

Hawaii

**Results of the Public Auction Sale of State of Hawaii Leased Lands on the
Island of Hawaii, Held on August 23, 2016**

A Public Auction was held on August 23, 2016 at the State building in Hilo Hawaii.

The public auction notice was advertised in the Honolulu Star-Advertiser, Hawaii Tribune Herald and the West Hawaii Today on Sunday June 12, 2016. In addition, the public auction notice and bid packet were posted on the Department's web site. Total advertising cost was \$823.05 per auction item.

ITEM NO. & DESCRIPTION	UPSET BID (per annum)	WINNING BID (per annum)	NO. of QUALIFIED APPLICANTS WINNING BIDDER
Item I Lot C-1 Waiakea, South Hilo, Hawaii TMK: (3) 2-2-032:064 For: Business and/or commercial purposes Area: 14,753 Square feet	\$14,280.00	\$14,280.00	One qualified applicant Lee-C Corp.
Item II Waiakea, South Hilo, Hawaii TMK: (3) 2-2-048:001 For: Intensive agriculture purposes Area: 7.810 acres.	\$11,720.00	0	No applications No bidders
Item III Hakalau-iki, South Hilo, Hawaii TMK: (3) 2-9-002:047 For: Intensive agriculture purposes Area: 6.793 acres	\$1,700.00	\$1,700.00	One qualified applicant Yun Yan Huang

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Item IV Kapapala, Parcel 3, Kapapala, Ka'u, Hawaii. TMK: (3) 9-8-001:002 For: Pasture purposes Area: 5,820.96 acres	\$8,300.00	\$8,300.00	One qualified applicant Ernest M. Mattos

The deadline for the submittal of applications was July 21, 2016. The Hawaii District office received two applications for item I, no applications received for item II, four applications received for item III, and one application received for item IV. Qualified applicants for items I, III & IV were present at the public auction held on Tuesday, August 23, 2016, at 10:00 a.m. on the Hamakua lanai of the State building located in Hilo, Hawaii.

Item II was an operating horticultural nursery until June, 2014. The property contains several greenhouses along with an irrigation system. The property also included an office/packing shed structure in addition to security fencing along Kilauea Avenue. Staff was curious as to why applications for this property were submitted and spoke with several nursery operators in the vicinity. The primary concern was the high annual rent. Although the property has physical improvements, a lack of production crops would delay any revenue. In addition, the office/packing area would require extensive renovations due to advanced termite and dry rot conditions. Another factor in the reluctance of any qualified bidding for the property is its location in a conservation district (General subzone).


Staff recommends that the upset rental amount for Item II be reviewed before bringing the property up for public auction again.

Respectfully Submitted,



Gordon C. Heit
District Land Agent

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson