

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawai'i
Honolulu, Hawai'i

FINAL APPROVAL FOR THE ACQUISITION OF PRIVATELY-OWNED
LANDS AND SET ASIDE TO THE DEPARTMENT OF TRANSPORTATION
FOR ADDITION TO KAHULUI AIRPORT, SITUATE AT KAHULUI,
ISLAND AND COUNTY OF MAUI
TAX MAP KEY NOS: (2) 3-8-001-002 (POR.), 267 (POR.) and 269 (POR.) MAUI

APPLICANT AGENCY:

Department of Transportation, Airports Division ("DOT").

PRIVATE LANDOWNER:

Alexander and Baldwin, LLC, a Hawai'i limited liability company ("A&B").

LEGAL REFERENCE:

Sections 107-10, 171-11, 171-30, 261-4, Hawai'i Revised Statutes, as amended, and
Chapter 101, HRS as may be necessary.

LOCATION:

Privately-owned lands situated at Kahului, Island and County of Maui, identified by
Tax Map Key Nos. (2) 3-8-1-002 (portion), (2) 3-8-1-267 (portion) and (2) 3-8-1-269
(portion) as shown on attached Exhibits "A" and "B".

AREA:

Parcel 1, 9.637 acres, Tax Map Key No. (2) 3-8-1-002 (portion)
Parcel 2, 3.708 acres, Tax Map Key No. (2) 3-8-1-269 (portion)
Easement 2, 0.023 acre, Tax Map Key No. (2) 3-8-1-267 (portion)

(hereinafter referred to as Subject Area)

ITEM M-4

BLNR-FINAL APPROVAL FOR THE ACQUISITION OF PRIVATELY-OWNED LANDS
AND SET ASIDE TO THE DEPARTMENT OF TRANSPORTATION FOR ADDITION TO
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ZONING:

Parcel 1 -
State Land Use District: Agricultural District
County of Maui CZO: Agricultural

Parcel 2 and Easement 2 –
State Land Use District: Urban District
County of Maui CZO: M-1, Light Industrial

LAND TITLE STATUS:

Not applicable. Private lands
DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: YES __ NO X

CURRENT USE:

Unimproved vacant land subject to encumbrances of record.

CONSIDERATION:

An independent appraiser contracted by DOT determined the market value of Parcel 2 to be \$8,218,000.00. Parcel 1 and Easement 2 are to be conveyed gratis to the DOT. DOT also obtained the services of an independent review appraiser to conduct an appraisal review and field review of the appraisal. The review appraiser has approved the appraisal report for Parcel 2.

PURPOSE:

This request is for final approval for the acquisition of privately-owned lands for the purpose of preventing incompatible land uses of future development by the current landowner in an area that could impede airport operations and safety.

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

A Final Environmental Impact Statement (FEIS) was issued in September 1997 for Kahului Airport Improvements (including acquisition of subject lands) and published in the OEQC's The Environmental Notice on October 23, 1997. The FEIS was accepted by the Governor on February 18, 1998.

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REMARKS:

At its meeting of January 9, 2015, under agenda item M-8, the Board of Land and Natural Resources (BLNR) approved in principle the acquisition of approximately 15 acres of privately-owned lands situated at Kahului, Maui and further identified as Tax Map Key No. (2) 3-8-001-002 (portion).

DOT is requesting BLNR's final approval of the acquisition of private lands.

Pursuant to the January 9, 2015 BLNR approval in principle, A&B was required to:

- 1) Process and obtain subdivision approval.
- 2) Provide survey maps and descriptions of the parcels.
- 3) Obtain a title report of the parcels.
- 4) Conduct a Phase 1 environmental site assessment, and if necessary, conduct a Phase II environmental site assessment.

Following is a summary of A&B's fulfillment of their requirements as reported in the initial BLNR approval:

It is contemplated that this transaction will proceed through a condemnation proceeding for the acquisition of the Subject Area. Upon completion of the condemnation proceeding, a Final Order of Condemnation will be issued. With the Final Order of Condemnation, the County of Maui will recognize the parcels and easements as individual subdivided lots.

Survey maps and parcel descriptions have been prepared and approved for the parcels and easement.

A&B has provided title reports as of September and October 2015 prepared by Title Guaranty of Hawaii for each parcel and easement. A review of the title reports has revealed various encumbrances, declarations of conditions, utility easements, etc. A&B has committed to releasing those encumbrances that do not affect the Subject Area, being a portion of a larger parcel. For encumbrances that will not be released, A&B will provide title insurance that protects the State. A review of the utility easements determined that they do not adversely impact DOT's use of the Subject Area.

A&B has contracted for a Phase I environmental site assessment dated December 2015. The Phase I concluded that there was no evidence of historical or current recognized environmental conditions in connection with the Subject Area. An update to the Phase I was prepared in August 2016. The update found that there were no significant changes affecting the environmental status of the Subject Area between December 2015 and August 2016.

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Funding for the acquisition of the necessary lands was approved in the 2013 Legislative session. DOT received approval for the release of funds in August 2015 using Airport Special funds. DOT expects to request reimbursement from the Federal Aviation Administration using Airport Improvement Program grant funds or Passenger Facility Charge funds.

As part of the requested approval of this acquisition, the Board is also requested to delegate to the Director of Transportation or the Chairperson of the Board of Land and Natural Resources, the authority to enter into a Disposition Agreement with A&B, as well as additional closing documents deemed necessary. Additionally, the Board is requested to approve a management right of entry to DOT, so they may take immediate possession of the property upon closing, until execution of the set aside.

RECOMMENDATION: That the Board:

- A. Authorize the acquisition of the subject private lands by the Department of Transportation, Airports Division, subject to the terms and conditions cited above which are by this reference incorporated herein, and further subject to the completion or issuance of the following items:
 1. Eminent domain proceedings, as may be necessary for the acquisition, pursuant to Chapter 101, Hawai'i Revised Statutes;
 2. Review and approval by the Department of the Attorney General; and,
 3. Such other terms and conditions as may be prescribed by the Director of Transportation or the Chairperson of the Board of Land and Natural Resources to best serve the interests of the State.

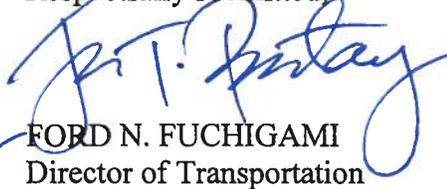
- B. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to the Department of Transportation, Airports Division, under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 1. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 2. 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;

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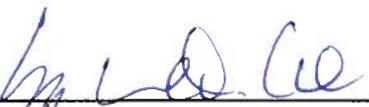
3. Review and approval by the Department of the Attorney General; and
 4. Such other terms and conditions as may be prescribed by the Land Board Chairperson to best serve the interests of the State.
- C. Authorize the issuance of a management right-of-entry permit to the Department of Transportation, Airports Division, covering the subject area under the terms and conditions cited above, effective immediately upon the acquisition by the State, which are by this reference, incorporated herein and further subject to the following:
1. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time;
 2. Such other terms and conditions as may be prescribed by the Land Board Chairperson to best serve the interests of the State.

Respectfully submitted,


FOR FORD N. FUCHIGAMI
Director of Transportation

Attachment

APPROVED FOR SUBMITTAL:


SUZANNE D. CASE
Chairperson and Member

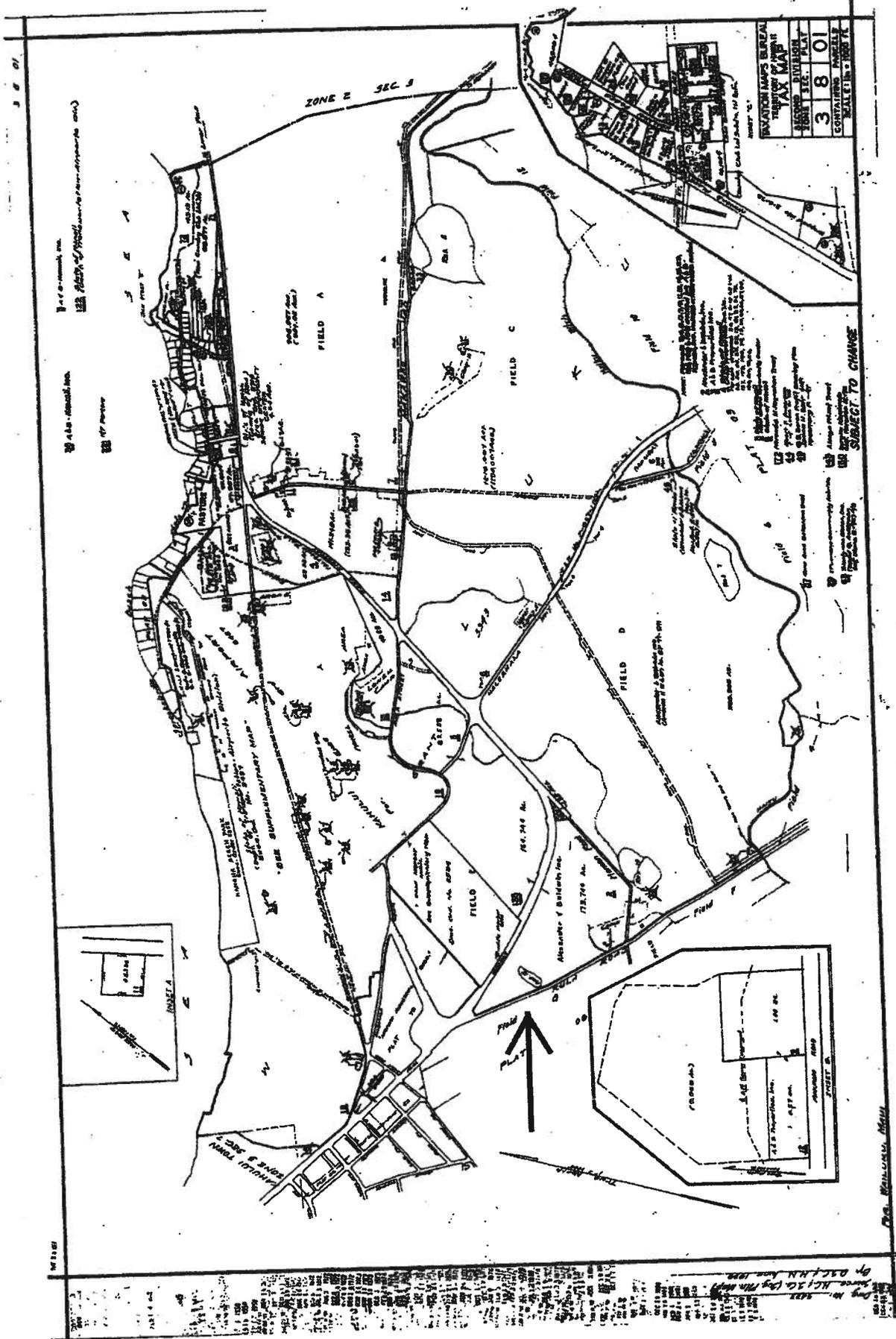


Exhibit A

PARCEL 1

KAHULUI AIRPORT

PROJECT NO. AM1021-11, A & B LAND ACQUISITION

SITUATED ON THE SOUTH SIDE OF HANA HIGHWAY [DA-NC 8(1)]

AT KAHULUI, MAUI, HAWAII

BEING A PORTION OF GRANT 3343 TO CLAUS SPRECKELS

A Parcel for Kahului Airport affecting Lot 4, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207) and described as follows:

Beginning at the Northwest corner of this Parcel, along Hana Highway, the coordinates of said point of beginning referred to Government Survey Triangulation Station "LUKE" being 39.80 feet North and 18,161.46 feet East and running by azimuths measured clockwise from True South:

1. Along Hana Highway on a curve to the left with a radius of 11,509.16 feet, the radial azimuth to the point of curve being $19^{\circ} 13' 04''$ and the radial azimuth to the point of tangent being $14^{\circ} 43' 04''$, the chord azimuth and distance being:
 $286^{\circ} 58' 04''$ 903.70 feet;
2. $26^{\circ} 24' 57''$ 609.13 feet along the remainder of Lot 4, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207);
3. $124^{\circ} 56' 48''$ 949.94 feet along the remainder of Lot 4, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207);

4. 214° 56' 48" 323.45 feet along Lot 3, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207) to the point of beginning and containing an area of 9.637 Acres.



R. T. TANAKA ENGINEERS, INC.

A handwritten signature in black ink, appearing to read "Kirk T. Tanaka".

Kirk T. Tanaka
Licensed Professional Land Surveyor
Certificate No. 7223
License Expires: April 30, 2016

871 Kolu Street, Suite 201
Wailuku, Hawaii 96793

May 27, 2015
Revised: June 18, 2015
Revised: July 8, 2015

5. Thence, along Hana Highway, on curve to the left with a radius of 11,509.16 feet, the radial azimuth to the point of curve being $22^{\circ} 37' 56.8''$ and the radial azimuth to the point of tangent being $19^{\circ} 13' 04''$, the chord azimuth and distance being:

$290^{\circ} 55' 30.4''$ 685.81 feet;

to the point of beginning and containing an area of 3.708 Acres.



R. T. TANAKA ENGINEERS, INC.

A handwritten signature in black ink that reads "Kirk T. Tanaka".

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Licensed Professional Land Surveyor
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EASEMENT 2

KAHULUI AIRPORT

PROJECT NO. AM1021-11, A & B LAND ACQUISITION

SITUATED ON THE SOUTH SIDE OF HANA HIGHWAY [DA-NC 8(1)]

AT KAHULUI, MAUI, HAWAII

BEING A PORTION OF GRANT 3343 TO CLAUS SPRECKELS

An Easement for Kahului Airport affecting Lot 1, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207) and described as follows:

Beginning at the Southeast corner of this Easement, along Lot 2, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207) the coordinates of said point of beginning referred to Government Survey Triangulation Station "LUKE" being 217.57 feet North and 17,342.42 feet East and running by azimuths measured clockwise from True South:

1. 124° 56' 48" 26.88 feet along the remainder of Lot 1, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207);
2. 223° 28' 39" 74.46 feet along the remainder of Lot 1, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207);
3. Thence, along Lot 2, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207) on a curve to the right with a radius of 53.00 feet, the radial azimuth to the point of curve being 286° 00' 58" and the radial azimuth to the point of tangent being 293° 07' 09", the chord azimuth and distance being:
19° 34' 03.5" 6.57 feet;

4. 23° 07' 09" 68.76 feet along Lot 2, First Assembly of God Subdivision - Phase II (Subdivision File No. 3.2207) to the point of beginning and containing an area of 0.023 Acre.



R. T. TANAKA ENGINEERS, INC.

A handwritten signature in black ink, appearing to read "Kirk T. Tanaka".

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