

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

April 13, 2017

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

PSF No.: 17HD-023

HAWAII

Sale of Lease at Public Auction for Pasture Purposes, Kiolakaa-Keaa Homesteads, Kau and Nukakaia, Kau, Hawaii, Tax Map Key: (3) 9-4-005:016.

REQUEST:

Sale of lease at public auction for pasture purposes.

LEGAL REFERENCE:

Sections 171-14, -14.5, -16, -17, and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kiolakaa-Keaa Homesteads situated at Kau and Nukakaia, Kau, Hawaii, identified by Tax Map Key: (3) 9-4-005:016, as shown on the attached map labeled Exhibit A.

AREA:

30.649 acres, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District:	Agriculture
County of Hawaii CZO:	A-20A (Agriculture 20 acre minimum)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Recently vacant. Formerly encumbered by General Lease No. S-4787, Alfredo J., Precy S. and Rudolfo S. Nazaire, Lessees, for Pasture purposes. Lease expired on March 22, 2017.

CHARACTER OF USE:

Pasture purposes

LEASE TERM:

Thirty (30) years

COMMENCEMENT DATE:

Sixty (60) days after the date of sale; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

MINIMUM UPSET ANNUAL RENT:

To be determined by staff or independent appraisal establishing fair market rent, subject to review and approval by the Chairperson.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

At the end of the 10th and 20th years of the lease term, by staff or independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities – Electric and phone.

Slope - Slight

Elevation – 1,885 ft. to 1,950 ft.

Rainfall – 45 to 65 inches per year

SCS Soil Series – 95% Keaa cobbly medial loam

Land Study Bureau (including carrying capacity) – Class D (bottom half) & E (upper half). Carrying capacity of 5-10 acres per animal unit. (1AU= 1,000 cow w/calf).

Legal access to property – Staff has verified that there is legal access to the property off of State Highway 11 (Mamalahoa Highway).

Subdivision – Staff has verified that the subject property to be auctioned is a legally subdivided lot.

Encumbrances – Staff has verified that the following encumbrance exist on the property: Land Office Deed No. S-28,301, Non-exclusive easement in favor of Hawaii Electric Light Company and GTE Hawaiian Telephone Company for utility pole guy wires and anchors. The area of easement is 48 square feet along Mamalahoa Highway.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Exemption List for the Department of Land and Natural Resources," approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 47 that states "Leases of State land involving negligible or no expansion or change of use beyond that previously existing." Refer to attached Exhibit B.

BACKGROUND:

The subject parcel was leased to Alan Curry at a public auction held on March 23, 1982 for pasture purposes with an annual lease rental of \$900.00 and a term of 35 years.

During the first rental reopening in 1992, the annual rent was appraised and adjusted according to a carrying capacity calculation resulting in a \$200.00 annual rental rate.

At its meeting of September 27, 1996, item D-1, the Board consented to an assignment of lease to Alfredo J., Precy S. and Rudolfo S. Nazaire. They were the lessees until the lease expired on March 22, 2017.

PROPOSED USE:

Staff is recommending that the Board authorize the auction of a new 30-year pasture lease covering the subject parcel. County zoning for this area is "Agriculture, 20 acre minimum" (AG-20A) and is consistent with the intended purpose of this lease auction proposed use. Consultation with the County of Hawaii Department of Water Supply revealed that the water system servicing this area is at or above capacity and is not allowing new water hookups in this area. Without water service, the highest and best use for the parcel is pasture.

The previous lessees have expressed interest in leasing the parcel for another 30-year term and we have had at least one other inquiry for like-size acreage. The Kau district has many small-scale cattle operations. The size of the parcel is ideal for wean-off pens. For these reasons, staff believes the property will successfully lease at public auction.

A request for comments was sent to the agencies listed in the table below with the responses indicated. There were no comments or suggestions.

State Agencies	Response
DOA	No Objections
DLNR - Forestry & Wildlife	No Comments
DOT - Highways	No Response
DOH - Environmental Planning	No Response
DHHL	No Response
Hawaii County Agencies	Response
Planning	No Objections
Water Supply	No Objections
Other Agencies & Interested Parties	Response
Office of Hawaiian Affairs	No Response

The current perimeter fence and entrance gate are in poor condition and as a requirement of the new lease must be totally replaced by the new lessee within the first year and verified by land division or the lease may be cancelled.

The successful bidder shall be required to apply as a cooperator with the Soil and Water Conservation District and remain a cooperator throughout the term of the lease.

The property is surrounded by private land on three sides and a state highway on the other side. As such, it does not provide access to the shoreline or forest areas.

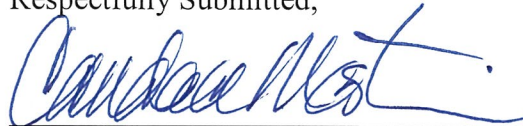
The proposed use has continued since 1982 and will continue. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. As such, staff believes that the proposed use would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

RECOMMENDATION: That the Board:

1. Find the area to be an economic unit in terms of the intended use.
2. Find that the subject area is not suitable for hunting and does not provide a corridor for beach access, nor will it become so during the term of the lease.

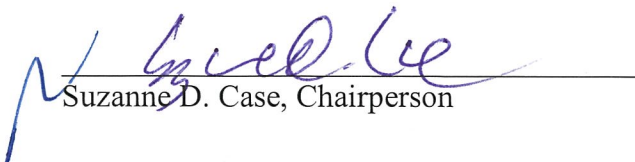
3. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
4. Authorize the sale of a lease at public auction covering the subject area for pasture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current pasture general lease form, as may be amended from time to time;
 - b. Within the first year of the lease term, the land under lease shall be utilized for the purposes for which the lease is sold, all in accordance with a conservation plan approved by the Chairperson;
 - c. New stockproof fencing with gate must be installed around the entire perimeter of the parcel, replacing any existing fencing, within the first year of the lease and must be verified by Land Division staff;
 - d. Residential use shall not be allowed on the premises;
 - e. Review and approval by the Department of the Attorney General; and
 - f. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



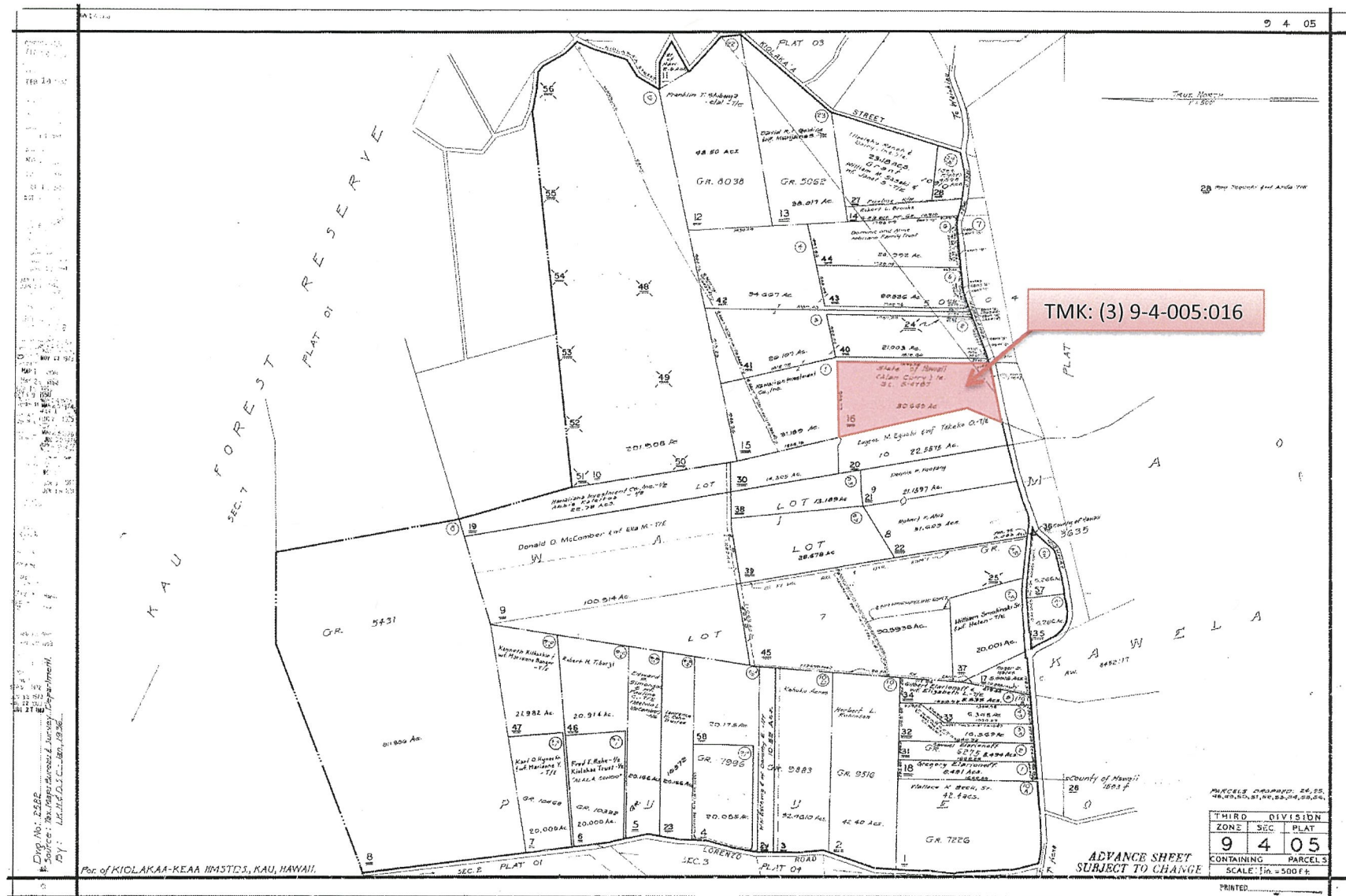
Candace Martin
Land Agent

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson

TMK: (3) 9-4-005:016



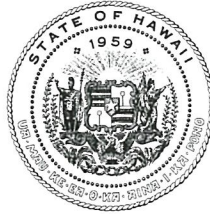


EXHIBIT B

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

March 22, 2017

EXEMPTION NOTIFICATION

regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Sale of Lease at Public Auction for Pasture Purposes

Project / Reference No.: PSF 17HD-023

Project Location: Kiolakaa-Keaa Homesteads, Kau and Nukakaia, Kau, Hawaii, Tax Map Key: (3) 9-4-005:016.

Project Description: Lease of State Lands for pasture purposes on lands previously leased for pasture purposes. Previous General Lease No. S-4787 (GLS-4787) sold at public auction on March 23, 1982 for pasture purposes. GLS-4787 expired on March 22, 2017. The property has been in continuous use since at least 1982 for the proposed purpose and will continue with negligible or no expansion or change in used of the subject area beyond that previously existing. Such use has resulted in no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area.

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule Sections 11-200-8(a)(1) & (4) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing" , Item No. 47 " Leases of state land involving negligible or no expansion or change of use beyond that previously existing."

Consulted Parties:

State of Hawaii:

DOA

DLNR – Forestry and Wildlife

DOH – Environmental Planning

DOT – Highways

DHHL

County of Hawaii:

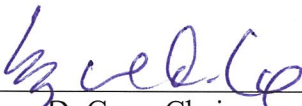
Department of Planning

Department of Water Supply

Office of Hawaiian Affairs

Recommendation:

That the Chairperson find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.


Suzanne D. Case, Chairperson


Date

3/30/17