

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

September 22, 2017

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

PSF No.: 98OD-168

OAHU

*Amend Prior Board Action of January 12, 2007, Agenda Item D-10; Set Aside to the State Department of Transportation, Highways Division for Highway Right-of-Way and Highway Boundary Purposes, Cancellation of Revocable Permit Nos. S-7152, S-7329, and S-7402 and Re-issuance of new Revocable Permits Covering the Remaining Areas and Issuance of a Right-of-Entry for Construction and Construction Staging Area Purposes, Honouliuli, Ewa, East Kapolei, Oahu, Tax Map Keys: (1) 9-1-18: Portions of 3 and 5, and (1) 9-1-17: Portions of 86 and 88.*

The amendment is to remove all references to the cancellation of revocable permit No. 7402 and re-issuance of a new revocable permit with more updated information provided in the new request.

Cancellation of Revocable Permit No. 7402 and Re-Issuance of Revocable Permit to Sugarland Farms, Inc. for Agriculture Purposes, Honouliuli, Ewa, Oahu, Tax Map Key: (1) 9-1-016:008, 9-1-018:008, and 9-1-018:014.

APPLICANT:

Sugarland Farms, Inc., a domestic corporation.

LEGAL REFERENCE:

Sections 171-13 and 55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Honouliuli, Ewa, Oahu, identified by Tax Map Key: (1) 9-1-016:008, 9-1-018:008, and 9-1-018:014, as shown on the attached maps labeled as **Exhibits 1-A** and **1-B**.

AREA:

(1) 9-1-016:008	31.915 acres	
(1) 9-1-018:008	40.731 acres	[reduced by 3.504 acres, TMK (1) 9-1-018:007]
(1) 9-1-018:014	59.088 acres	[reduced by 6.911 acres, TMK (1) 9-1-018:015]
Total:	131.734 acres,	more or less.

ZONING:

State Land Use District: Urban  
City and County of Honolulu LUO: AG-1

TRUST LAND STATUS:

Acquired after Statehood, i.e. non-trust lands

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Encumbered by Revocable Permit No. (RP) S-7402, Larry Jeffs dba Sugarland Farms, Inc., Permittee, for agriculture purposes.

CHARACTER OF USE:

Agriculture purposes.

COMMENCEMENT DATE:

July 1, 2017. See Remarks Section.

MONTHLY RENTAL:

The current monthly rent for RP 7402 is \$1,752.30 based on an area of 142.149 acres. Based on the reduction in the permit area as described in the Remarks Section, staff recommends the Board adopt the pro-rated rent for the requested RP, which is illustrated below:

$$\text{\$1,752.30} \div 142.149 \text{ acres} \times 131.734 \text{ acres} = \text{\$1,623.91}$$

In addition, it should also be noted that the subject lands are currently being appraised for agriculture use as of January 1, 2018, and the new appraised rent will be implemented once determined and approved by the Chairperson.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the Exemption List for the Department of Land and Natural Resources, concurred and reviewed by the Environmental Council on 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" and item 51, which states, "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing." See **Exhibit 2**.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>x</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>x</u>	NO <u>  </u>
Applicant in good standing confirmed:	YES <u>x</u>	NO <u>  </u>

JUSTIFICATION FOR REVOCABLE PERMIT:

The subject parcels are planned to be developed into the source of long term income to the Department, and consultant has been hired by the Division to prepare the master plan. Therefore, staff believes a short term disposition via a revocable permit is appropriate until a decision on the long term development can be made.

REMARKS:

The subject parcels were acquired by the State from the Estate of James Campbell through a land exchange, pursuant to Act 295, SLH 1996 at East Kapolei, Oahu, subject to the lease issued by the previous private owner to the Applicant. Since the acquisition, RP 7402 was issued for the subject parcels.

At its meeting on January 12, 2007, under agenda item D-10, the Board authorized the cancellation of RP 7402<sup>1</sup> and re-issuance of a new RP due to the reduction of permit area for the construction of the Kualakai Parkway. A copy of the 2007 submittal is attached as **Exhibit 3**.

Subsequent to the 2007 approval, 3.504 acres were subdivided out of TMK (1) 9-1-

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<sup>1</sup> Other RPs covered in the 2007 approval (7152 and 7329) were cancelled subsequently.

018:008 and 6.911 acres were subdivided out of TMK (1) 9-1-018:014 for a water tank and public highway<sup>2</sup> respectively. Recently, staff became aware of the lack of a new RP document for the reduced area. Meanwhile, staff notes that the 2007 approval did not cover the rent payable under the reduced area and the proper entity to receive the new revocable permit. Staff brings the request to the Board today with details on the new revocable permit acreage, rent, and applicant.

Applicant also requests the new RP to commence retroactively on July 1, 2017 in order to be cleared of any responsibility for real property tax covering the current tax year on areas no longer used by the Applicant. Staff has no objection to the request.

There is no non-compliance issue under RP 7402. Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Staff discussed the subject request with the Department of Agriculture, which indicates no objection to the request.

There are no other pertinent issues or concerns, and staff recommends the Board issue a revocable permit pursuant to the terms and conditions described above.

For housekeeping purposes, staff recommends the Board amend its action of January 12, 2007, agenda item D-10, by removing the references relating to the cancellation of RP 7402 and issuance of a revocable permit.

RECOMMENDATION: That the Board:

1. Amend its prior action of January 12, 2007, agenda item D-10 by removing all references to the cancellation of revocable permit No. 7402 and re-issuance of a new revocable permit.
2. 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.
3. Authorize the issuance of a revocable permit to Sugarland Farms, Inc. covering the subject area for agriculture 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 revocable permit

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<sup>2</sup> Water tank has been set aside to Board of water Supply pursuant to Executive Order No. 4307, while documentation for the highway portion will be followed-up.



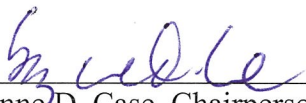
form, as may be amended from time to time;

- B. Review and approval by the Department of the Attorney General; and
  - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
4. Cancellation of Revocable Permit No. 7402 upon issuance of the requested revocable permit.

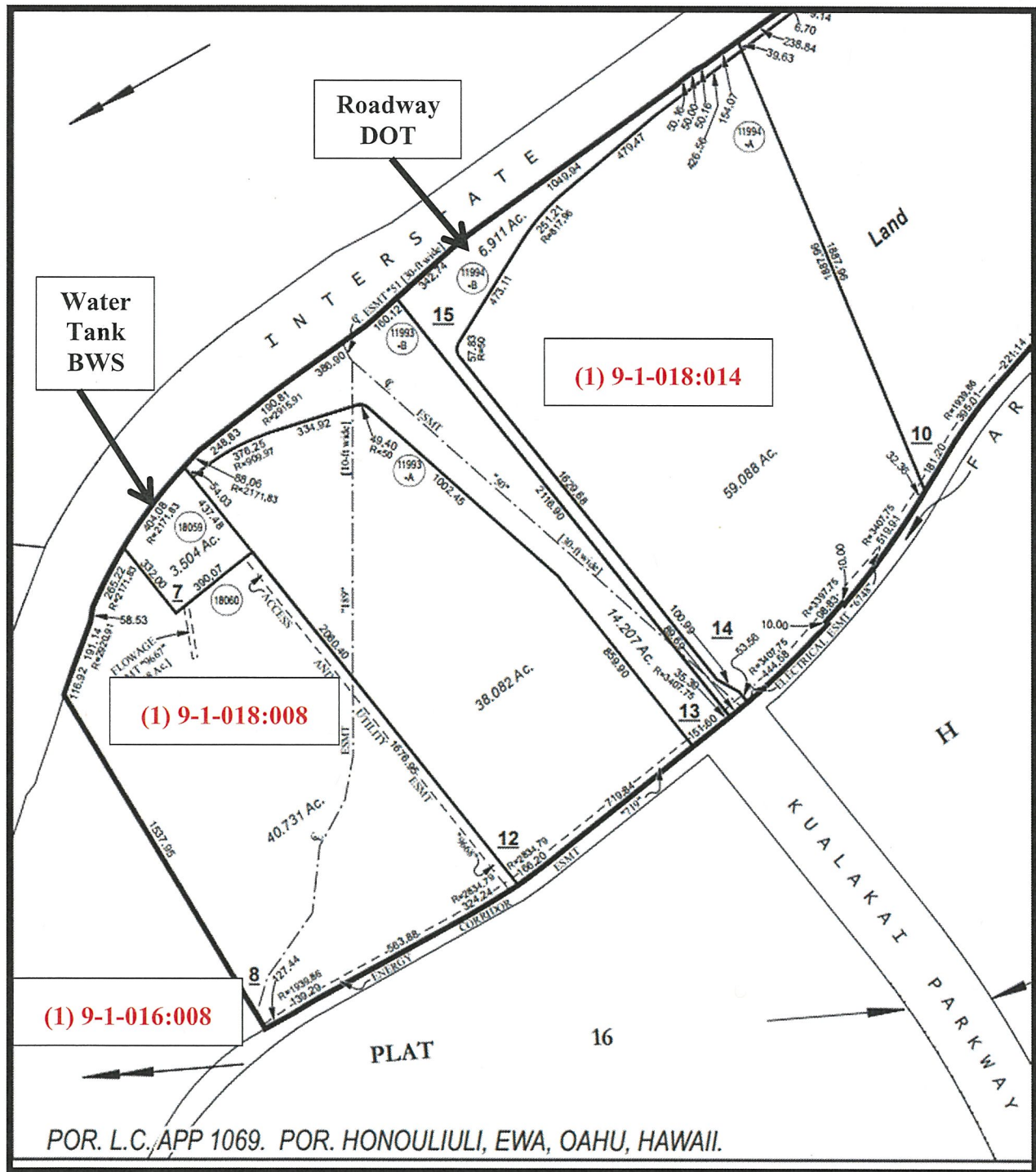
Respectfully Submitted,

  
Barry Cheung  
District Land Agent

APPROVED FOR SUBMITTAL:

  
Suzanne D. Case, Chairperson

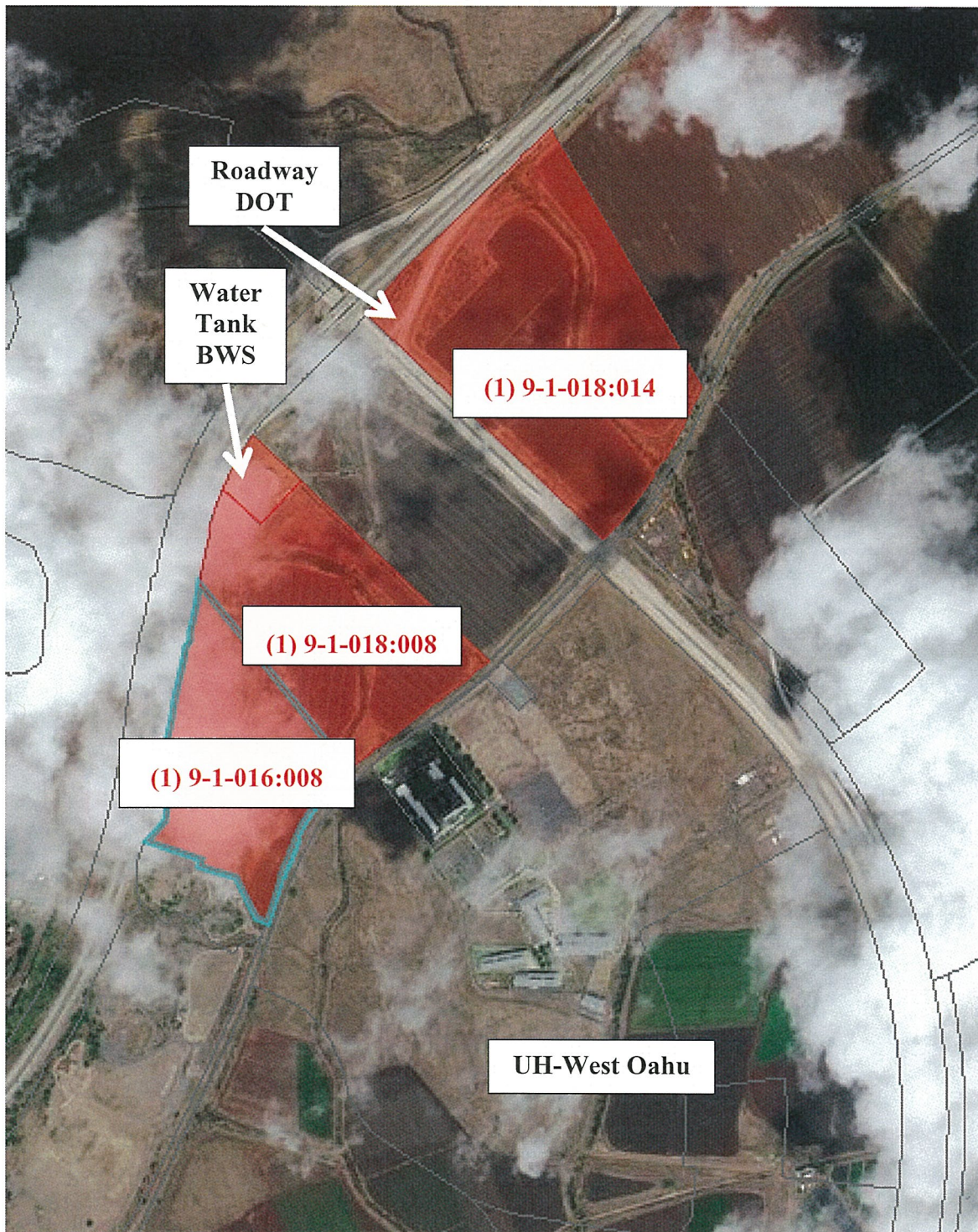
2



TMK (1) 9-1-016:008, (1) 9-1-018:008 and 014

**EXHIBIT 1-A**





TMK (1) 9-1-016:008, (1) 9-1-018:008 and 014

## EXHIBIT 1-B

### EXEMPTION NOTIFICATION

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

Project Title:	Issuance of Revocable Permit for Agriculture Purposes
Project / Reference No.:	PSF 98OD-168
Project Location:	Honouliuli, Ewa, Oahu, Tax Map Key: (1) 9-1-016:008, (1) 9-1-018:008, and (1) 9-1-018:014
Project Description:	Re-issuance of a new revocable permit for agriculture purposes due to reduction in acreages.
Chap. 343 Trigger(s):	Use of State Land
Exemption Class No.:	<p>In accordance with the Exemption List for the Department of Land and Natural Resources, concurred and reviewed by the Environmental Council on 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" and item 51, which states, "Permits, licenses, registrations, and rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing."</p> <p>The request is triggered by the reduction of permit area by other public uses, including water tank and public highway. Staff believes that the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing.</p>
Consulted Parties	Department of Agriculture
Recommendation:	That the Board 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.

**EXHIBIT 2**



**AMENDED**

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

January 12, 2007

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

PSF No.: OD98-168

OAHU

Set Aside to the State Department of Transportation, Highways Division for Highway Right-of-Way and Highway Boundary Purposes, Cancellation of Revocable Permit Nos. S-7152, S-7329 and S-7402 and Re-issuance of New Revocable Permits Covering the Remaining Areas and Issuance of a Right-of-Entry for Construction and Construction Staging Area Purposes, Honouliuli, Ewa, East Kapolei, Oahu, Tax Map Keys: (1) 9-1-18: Portions of 3 and 5, and (1) 9-1-17: Portions of 86 and 88

APPLICANT:

State of Hawaii, Department of Transportation, Highways Division (DOT)

LEGAL REFERENCE:

Sections 171-11, 13 and 55, Hawaii Revised Statutes, as amended.

LOCATION:

Portions of the acquired Government land situated at Honouliuli, Ewa, East Kapolei, Oahu, identified by Tax Map Keys: (1) 9-1-18: Portions of 3 and 5, and (1) 9-1-17: Portions of 86 and 88, as shown on the attached maps labeled Exhibit A.

AREA:

Right-of-Way Parcel 2:	6.911 acres, more or less (right-of-entry and set aside).
Boundary 1:	54.03 linear feet, more or less (right-of-entry and set aside).
Construction Parcel C-6:	0.322 acres, more or less (right-of-entry).
Construction Parcel C-8:	2.597 acres, more or less (right-of-entry).
Construction Parcel C-10 (Rev.):	1.311 acres, more or less (right-of-entry).
Construction Parcel C-11:	4.216 acres, more or less (right-of-entry).

ZONING:

State Land Use District:	Urban
City and County of Honolulu CZO:	Agriculture

TRUST LAND STATUS:

Acquired after statehood. Non-trust lands.  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

*and Amended*

**EXHIBIT "3"**

*January 12, 2007*

D-10

CURRENT USE STATUS:

Revocable Permit No. S-7402 issued to Larry Jeffs dba Sugarland Farms, Inc. for agricultural purposes encumbers Right-of-Way Parcel 2 (TMK: (1) 9-1-18: Portion 5), Boundary 1 (TMK: (1) 9-1-18: Portion 3), Construction Parcel C-10 Rev. (TMK: (1) 9-1-18: Portion 3) and Construction Parcel C-11 (TMK: (1) 9-1-18: Portion 5).

Revocable Permit No. S-7329 issued to A.M. Enterprises, LLC for agricultural purposes encumbers Construction Parcel C-8 (TMK: (1) 9-1-17: Portion 86).

Revocable Permit No. S-7152 issued to Aloun Farms, Inc. for agricultural purposes encumbers Construction Parcel C-6 (TMK: (1) 9-1-17: Portion 88).

PURPOSE:

Highway right-of-way purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Assessment for the subject project was published in the OEQC's Environmental Notice on October 8, 2004 with a finding of no significant impact (FONSI).

APPLICANT REQUIREMENTS:

Applicant shall be required to:

1. Process and obtain subdivision at Applicant's own cost.
2. Provide survey maps and descriptions according to State DAGS standards and at the Applicant's own cost.

REMARKS:

The North-South Road (NS Road) is part of the East Kapolei Master Plan that was prepared by the Housing and Community Development Corporation of Hawaii, presently known as the Hawaii Housing Finance and Development Corporation.

The NS Road is a multiple phased project by DOT that when completed will extend from the Kapolei Parkway to the H-1 Interstate Freeway. Freeway access will be via a new interchange. The NS Road will help relieve traffic congestion on Fort Weaver Road and Barrette Road during peak traffic hours.

The first Phase 1A, which represents approximately 20% the NS Road, is nearing completion. The State lands comprising Phase 1A were approved for set aside to DOT by the Board at its September 24, 2004 meeting, under agenda item D-11.

DOT's subject request covers the State lands that comprise the next Phase 1C of the NS Road. Phase 1C consists of the NS Road right-of-way from Farrington Highway to the H-1 Interstate Freeway and a 54.03-foot boundary portion of TMK: (1) 9-1-18: Portion 3. A governor's executive order setting aside the NS Road right-of-way and boundary land areas under its management jurisdiction and control is being requested by DOT.

In addition to the highway right-of-way and boundary areas, DOT's current request includes four temporary construction staging areas. Initially, all would be covered under a temporary right-of-entry at gratis because it is for a government project.

Funding for the design, acquisition and construction of the NS Road is authorized by Act 328, SLH 1997.

The 15.357 total acres being requested by DOT under this request will affect an equal number of acres currently under the operation of Revocable Permit Nos. S-7152, S-7329 and S-7402 combined. The permittees have always been aware of the fact that their occupancy would be temporary and could continue until planned development of the permit areas was to commence. Since DOT's land needs will affect only portions of the subject revocable permit's premises, their cancellation and re-issuance of new revocable permits covering their respective remaining premises would be in order.

RECOMMENDATION:

That the Board, subject to Applicant fulfilling the Applicant Requirements above:

- A. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject highway right-of-way and highway boundary to the State Department of Transportation, Highways 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.
  - 3. Review and approval by the Department of the Attorney General.
  - 4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
- B. Approve the cancellation of Revocable Permit Nos. S-7152, S-7359 and S-7402 and re-issue new revocable permits to the permittees covering their respective remaining areas, subject to the following:
  - 1. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time.
  - 2. Review and approval by the Department of the Attorney General.
  - 3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.



- C. Approve the issuance of a right-of-entry at gratis to the State Department of Transportation, Highways Division, covering the subject highway right-of-way, highway boundary and the four construction parcels for construction and construction staging area purposes, subject to the following:
1. The standard terms and conditions of the most current applicable right-of-entry form, as may be amended from time to time.
  2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Gary Martin  
Land Agent

APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson

APPROVED AND AMENDED. The amendment is as follows:

Recommendation B, correct Revocable Permit No. 7359 and replace it with 7329.



CORRECTED

JUN 18 PM 11  
AUG 15 1978  
DEC 13 1978

MAY 7 1978  
MAY 23  
JUN 12 1978  
JUN 26 1978  
JUN 27 1978  
JUN 28 1978  
JUN 29 1978  
JUN 30 1978  
JUN 31 1978

TAXATION MAPS BUREAU TERRITORY OF HAWAII TAX MAP			
FIRST	DIVISION		
ZONE	SEC.	PLAT	
9	1	18	

CONTAINING PARCELS  
SCALE: 1 in. = 600 FT.



Owners, lessees, & vendees name recorded on this tax map print may not be current. Please refer to computer and history sheets for current owners.

COPYRIGHT CITY & COUNTY OF HONOLULU - ALL RIGHTS RESERVED 2004

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

Dropped Parcels: 5,9,11,13,18,19,31,34,35  
40,42,47-54,63,73,74,81,766

DEPARTMENT OF FINANCE  
PROPERTY ASSESSMENT DIVISION  
TAX MAPS BRANCH  
STATE OF HAWAII  
TAX MAP

CITY & COUNTY OF HONOLULU		
ZONE	SECTION	PLAT
9	1	17

SCALE: 1 IN. = 600 FT