

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

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IN REPLY REFER TO:
AIR-PM

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, HAWAI'I
TAX MAP KEY NOS: (2) 3-8-001-005, 015 AND 135 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) 3-8-1-005, (2) 3-8-1-015 and (2) 3-8-1-135 as shown on attached
Exhibits "A" and "B".

AREA:

Tax Map Key No. (2) 3-8-1-005, 87.623 acres, more or less
Tax Map Key No. (2) 3-8-1-015, 48.662 acres, more or less
Tax Map Key No. (2) 3-8-1-135, 176.733 acres, more or less

(hereinafter referred to as Subject Area)

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ZONING:

State Land Use District: Agricultural District, Important Agricultural Land Designation.
County of Maui CZO: Agricultural

LAND TITLE STATUS:

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

CURRENT USE:

Vacant land subject to encumbrances of record.

CONSIDERATION:

An independent appraiser contracted by DOT determined the market value of Parcel 005 to be \$2,616,000.00, of Parcel 015 to be \$1,624,000.00, and of Parcel 135 to be \$4,365,000.00. 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 Parcels 005, 015 and 135.

PURPOSE:

The 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. The subject area lands are needed for a new parallel runway, east of the existing Runway 2-20, as described in the Kahului Airport Master Plan Update, dated December 2016 (“Master Plan”).

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

A Final Environmental Impact Statement (FEIS) was issued in September 1997 for Kahului Airport Improvements (including acquisition of the subject area) and published in the OEQC’s The Environmental Notice on October 23, 1997. The FEIS was accepted by the Governor on February 18, 1998. The Chapter 343 environmental requirements will apply to DOT’s future development of the lands, and the DOT shall then be responsible for compliance with Chapter 343, HRS, as amended.

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REMARKS:

At its meeting of January 12, 2018, under agenda item M-14, the Board of Land and Natural Resources (“Board”) approved in concept the acquisition of approximately 300 acres of privately-owned lands situated at Kahului, Maui and further identified as Tax Map Key Nos. (2) 3-8-001-005, 015 and 135.

A. A final version of the proposed purchase agreement and deed document has been reviewed and mutually agreed to by A&B, the Department of the Attorney General, and DOT-Airport staff. Based on the foregoing, DOT recommends the Board approve the acquisition of the subject area.

Pursuant to January 12, 2018, Board’s approval in concept, (a) DOT contracted and paid for an independent appraisal to determine the market value of the subject area, and (b) A&B was required to:

- 1) Provide survey maps and descriptions of the parcels according to State DAGS Survey Office standards.
- 2) Obtain a title report of the parcels, subject to the review and approval of DOT.
- 3) Pay for and conduct a Phase 1 environmental site assessment, and if necessary, conduct a Phase II environmental site assessment with additional requirements if a Phase II assessment identified the existence of hazardous materials.

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

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

A&B has provided title reports dated July 11, 2017 (with revisions as of May 25, 2018), prepared by Title Guaranty of Hawaii for each parcel. A review of the title reports has revealed various encumbrances, utility easements, etc. For encumbrances that will not be released, DOT has reviewed and determined that they do not adversely impact DOT’s proposed use of the subject area or A&B will provide title insurance that protects the State. DOT’s review of the utility easement that will remain has determined that it does not adversely impact DOT’s proposed use of the subject area and that DOT has the right to request relocation of the utility easement.

A&B contracted for a Phase I environmental site assessment dated April 2018. The Phase I concluded that there was no evidence of historical or current recognized environmental conditions in connection with the subject area.

Funding for the acquisition of the necessary lands was approved by the State of Hawai‘i Legislature in the 2013 Regular Session. DOT received approval for the release of funds in April 2017 using Airport Special funds. DOT expects to request

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reimbursement from the Federal Aviation Administration using Airport Improvement Program grant funds or Passenger Facility Charge funds.

In discussions with A&B on the Important Agricultural Lands (IAL) designation for the subject area lands, DOT will utilize the lands as buffer land from incompatible land uses. However, A&B agrees that if DOT seeks to remove the IAL designation and/or change the agricultural classification after the State's proposed acquisition, A&B will not object or oppose such removal and will assist DOT as may be reasonably required.

- B. DOT is requesting the Board's approval of and recommendation to the Governor for the issuance of an executive order setting aside the subject lands to the DOT, Airports Division, under the terms and conditions cited herein.
- C. DOT is requesting the Board's approval of a management right-of-entry to DOT so that DOT may take immediate possession of the property upon closing by escrow, pending the issuance of the requested executive order to DOT.

RECOMMENDATION: That the Board:

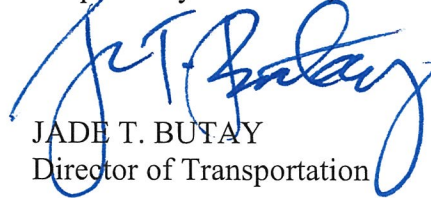
- A. Authorize the acquisition of the subject private lands by the Department of Transportation, Airports Division, subject to the terms and conditions cited above which are by this reference incorporated herein, and further subject to the completion or issuance of the following items:
 - 1. Review and approval by the Department of the Attorney General; and,
 - 2. 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;
 - 3. Review and approval by the Department of the Attorney General; and

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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.

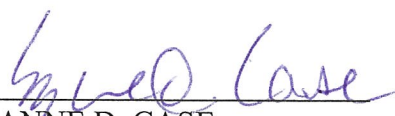
Respectfully submitted,



JADE T. BUTAY
Director of Transportation

Attachments (2)

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE
Chairperson and Member

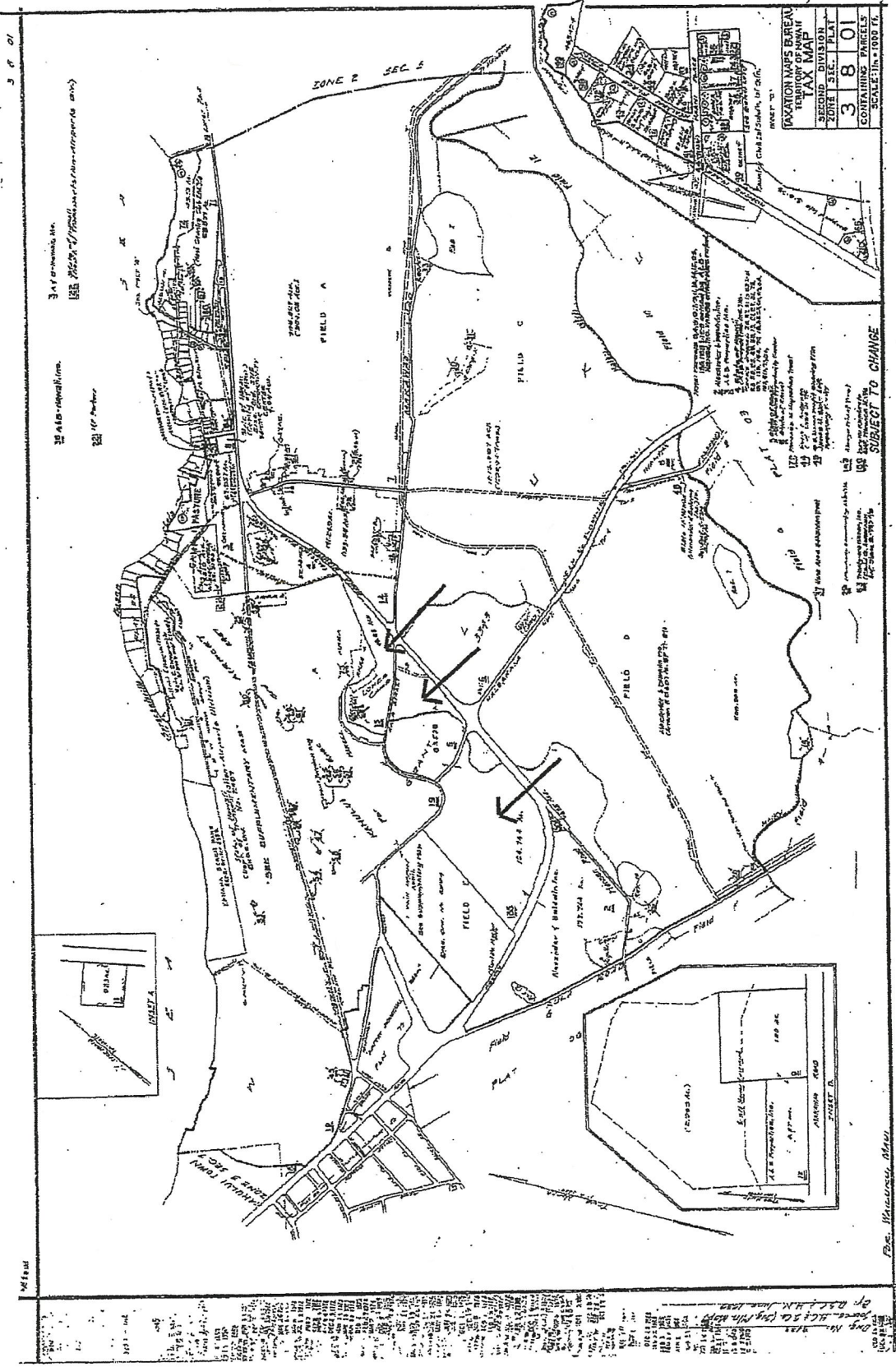
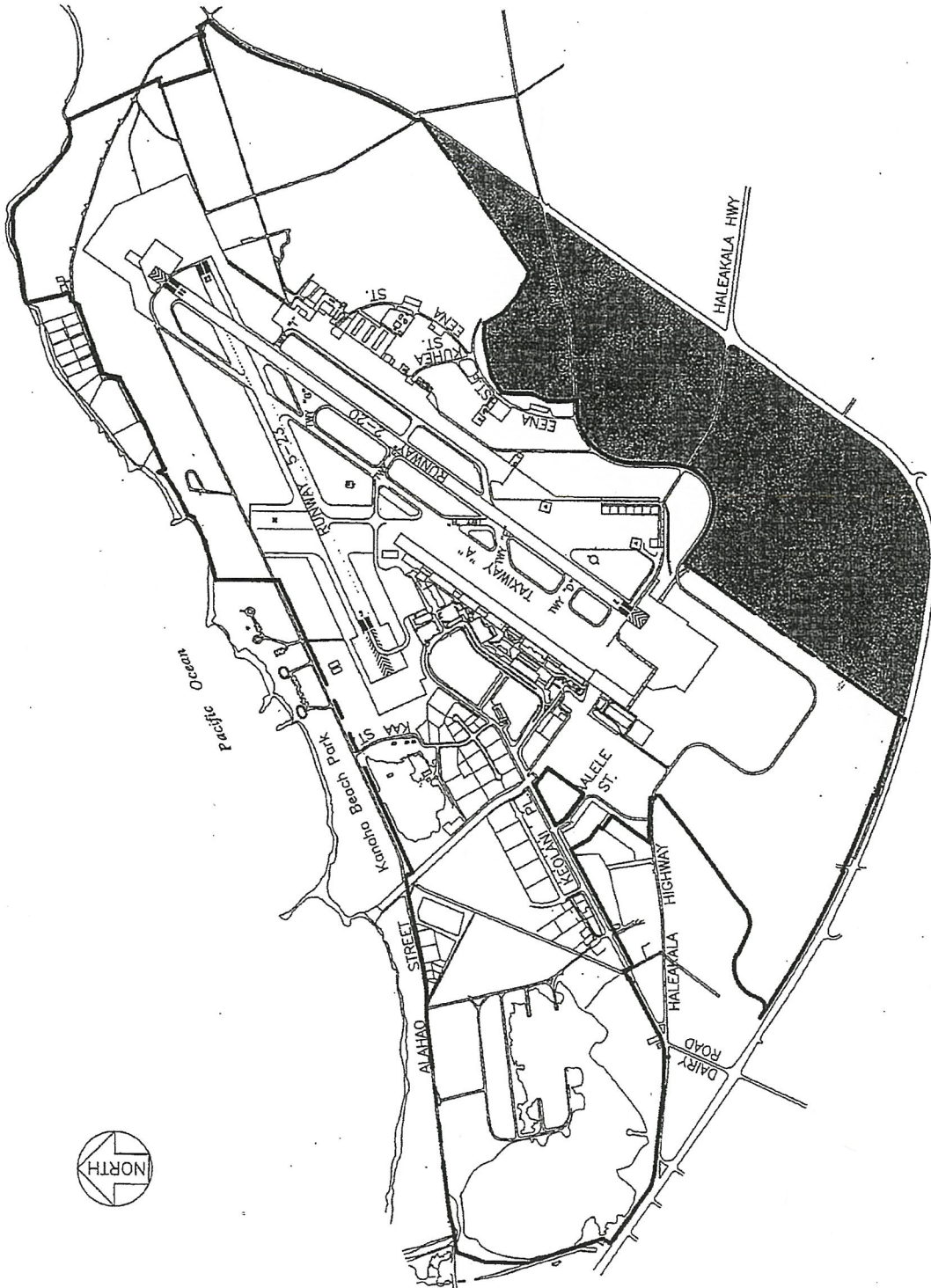


EXHIBIT "A"



— — — AIRPORT BOUNDARY


 Airports Division	Date : JANUARY 2017	EXHIBIT:
	LAND ACQUISITION MAP	

EXHIBIT "B"

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