

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

June 26, 2026

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

PSF No.: 25HD-081

HAWAII

Sale of Abandoned Flume Right-of-Way to Raymond M. Kobayashi, Jr. as Trustee of the Raymond M. Kobayashi, Jr. Revocable Living Trust dated December 8, 1998, and Rayson M. Kobayashi, Waiakea Homesteads, South Hilo, Hawaii, across Tax Map Key: (3) 2-4-006:020; and

Sale of Abandoned Flume Right-of-Way to Raymond M. Kobayashi, Jr. as Trustee of the Raymond M. Kobayashi, Jr. Revocable Living Trust dated December 8, 1998, and Gloria R. Kobayashi as Trustee of the Gloria R. Kobayashi Revocable Living Trust dated December 8, 1998, Waiakea Homesteads, South Hilo, Hawaii, across Tax Map Key: (3) 2-4-006:088

APPLICANTS:

- Raymond M. Kobayashi, Jr. as Trustee of the Raymond M. Kobayashi, Jr. Revocable Living Trust dated December 8, 1998.
- Rayson M. Kobayashi, single in severalty.
- Gloria R. Kobayashi as Trustee of the Gloria R. Kobayashi Revocable Living Trust dated December 8, 1998.

LEGAL REFERENCE:

Section 171-52, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Waiakea Homesteads situated at South Hilo, Hawaii, identified on Tax Map Keys: (3) 2-4-006:088 por., and (3) 2-4-006:020 por., with street addresses of 445 Hoaka Road and 475 Hoaka Road, Hilo, Hawaii. See Exhibit A, attached, for reference.

AREA OF REMNANT:

Abandoned Flume Right-of-Way (ROW): 10,072 square feet, more or less¹

ZONING:

State Land Use District: Agricultural
County of Hawaii CZO: A-3a (Agriculture, 3 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:

Vacant and unencumbered.

CONSIDERATION:

One-time lump sum payment of fair market value to be determined by independent appraiser, subject to review and approval by the Chairperson.

DCCA VERIFICATION:

The Applicants, as individuals, are not required to register with DCCA.

APPLICANT REQUIREMENTS:

Applicants shall be required to:

1. Pay for an appraisal to determine the one-time payment of fair market value for their portions of the subject remnant;
2. Provide survey maps and descriptions that are consistent with DAGS survey; and
3. Subdivide and Consolidate the remnant with the Applicant's abutting properties through the County subdivision process.

¹ A breakdown of the area for both portions of the ROW for each of the subject parcels cannot be determined until the survey and subdivision is completed.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rules (HAR) § 11-200.1-15 and the Exemption List for the Department of Land and Natural Resources reviewed and concurred on by the Environmental Council on November 10, 2020, the subject request is exempt from the preparation of an environmental assessment pursuant to:

Exemption Class No. 1: 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.

Part 1, Item 37: Transfer of title to land.

Part 1, Item 39: Creation or termination of easement, covenants, or other rights in Structures or land.

No development or land disturbance activities are proposed as a part of the Proposed Action. The Proposed Action is an administrative action which would transfer title of portions of the remnant ROW to private entities. Further, this action does not result in a material change in use since the ROW has not been used in over 75 years. Therefore, Staff recommends that the Board find that the subject request is a de minimis action that will have minimal or no significant impact on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of §11-200.1-17, HAR.

PUBLIC TRUST ANALYSIS:

Dispositions of ceded lands must be consistent with the public trust. In order to make the determination, the Board must consider the following:

1. Presumption in favor of public use;
2. Consideration of practicable alternatives; and
3. Clear articulation of the decision.

A presumption in favor of public use would suggest that the subject land remain vacant to allow for public access and recreation opportunities. However, in this case, this would be unreasonable and impractical as the abandoned flume and pipeline ROW cut through private property. However, one practicable alternative to the proposed disposition that aligns with this presumption would be to retain the property in its current state, foregoing any disposition. However, given the location and the size of the ROW, staff does not believe that leaving it vacant would be a responsible or beneficial course of action.

The sale of the subject remnant will be a one-time payment of the fair market value, of which 20% would go to the Office of Hawaii Affairs for the betterment of the conditions of Native Hawaiian. The remaining 80% of the consideration would go to the State General Fund for the benefit of the State as a whole.

BACKGROUND:

The subject remnant is a portion of an abandoned flume and pipeline ROW that was part of a broader railroad and flume system of the Upper Waiakea area to transport sugarcane and other commodities within the Hilo district. It was previously used by the Waiakea Mill Company starting in the early 1920's under the authority of General Lease Nos. 1216, 1265, 1430, 1616 and 1637. The State no longer has files associated with these five leases, but they were mentioned in the subsequent license document to Waiakea Mill Company.

On April 18, 1930, a land license for railroad purposes with intake and flume systems included was sold at public auction to Waiakea Mill Company, the highest bidder, as Licensee. The land license was issued as General Lease No. 2088 (GL-2088), by the Commissioner of Public Lands of the Territory of Hawaii, as the Licensor. This license covered the much larger railroad, flume, ditch, tunnels, intakes, collection tanks and pipelines for moving water throughout the flume transportation system. The subject remnant is a small portion of that larger system.

On October 1, 1948, GL-2088 was cancelled by mutual agreement. Since its cancellation in 1948, various portions of the flume system included in GL-2088 have been sold as remnants to abutting private landowners.

REMARKS:

Pursuant to section 171-52, HRS, a remnant is defined as "*a parcel of land economically or physically unsuitable or undesirable for development or utilization as a separate unit by reason of location, size, shape, or other characteristics. A remnant may be: ... (2) Vacated, closed, abandoned, or discontinued road, street or alley or walk, railroad, ditch, or other right-of-way.*"

The subject parcel is a remnant by this definition for the following reasons:

1. The parcel is a 10-foot-wide abandoned flume and pipeline ROW;
2. The ROW traverses the two subject private residential parcels for use as a flume and pipeline right-of-way, which is of no use to the public for its intended purposes; and
3. Has an impractical shape (1007.2' x 10').

In September 2025, HDLO received an application to purchase the abandoned, ten-foot-wide flume and pipeline right-of-way that traverses through the applicants' private properties. The portion of the flume and pipeline right-of-way traversing the subject properties are determined to be a remnant pursuant to section 171-52, HRS.

Applicants Raymond M. Kobayashi, Jr. Trustee of the Raymond M. Kobayashi, Jr. Revocable Living Trust dated December 8, 1998, and Rayson M. Kobayashi are the owners of parcel (3) 2-4-006:020 and Raymond M. Kobayashi, Jr., Trustee of the Raymond M. Kobayashi, Jr. Revocable Living Trust dated December 8, 1998 and Gloria R. Kobayashi, Trustee of the Gloria R. Kobayashi Revocable Living Trust dated December 8, 1998 are owners of parcel (3) 2-4-006:088. Both parcels are the servient properties to the remnant right-of-way. HDLO staff has confirmed ownership via County of Hawaii Real Property Tax Office property search and State of Hawaii Public Land Trust Information System database. There are no other abutting properties to the subject remnant.

The applicants are in the process of subdividing and reconsolidating their two private properties but need to purchase the subject State ROW in order to complete the subdivision/reconsolidation process.

The applicants have 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 notes that this sale of an abandoned flume right-of-way is a relinquishment of the State's right to use the subject area for flume and pipeline purposes. The State does not intend to exercise its right-of-way over the subject area for its reserved purposes, nor would the intended reserved use be practical for public purposes.

RECOMMENDATION:

That the Board:

1. Determine whether the proposed sale of the remnant flume and pipeline right-of-way are consistent with the public trust. If the Board determines that this action is consistent with the public trust, then the Board is recommended to approve the following:
2. Find that the subject lands are economically or physically unsuitable or undesirable for development or utilization as a separate unit by reason of location, size, shape, or other characteristics as stated above and, therefore by definition, is a remnant pursuant to Chapter 171-52, HRS;

3. Authorize the subject request to be applicable in the event of a change in the ownership of the abutting parcels described as Tax Map Key: (3) 2-4-006:088 and (3) 2-4-006:020, provided the succeeding owner has not had a lease, permit, easement or other disposition of State lands terminated within the last five (5) years due to non-compliance with such terms and conditions;
4. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, 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;
5. Authorize the subdivision and consolidation of the subject remnant by the Applicants; and
6. Subject to the Applicant fulfilling all of the Applicant Requirements listed above, authorize: 1) the sale of the abandoned flume right-of-way to Raymond M. Kobayashi, Jr. as Trustee of the Raymond M. Kobayashi, Jr. Revocable Living Trust dated December 8, 1998, and Rayson M. Kobayashi, and 2) the sale of the abandoned flume right-of-way to Raymond M. Kobayashi, Jr., as Trustee of the Raymond M. Kobayashi Revocable Living Trust dated December 8, 1998 and Gloria R. Kobayashi, as Trustee of the Gloria R. Kobayashi Revocable Living Trust dated December 8, 1998, 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 deed or grant (remnant) form, as may be amended from time to time;
 - B. Pay for an appraisal to determine the one-time payment of fair market value for the subject remnant;
 - C. Provide survey maps and descriptions consistent with DAGS survey standards;
 - D. Consolidate the remnant with the Applicant's abutting property through the County subdivision process;
 - 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,

Dan Gushiken

Dan K. Gushiken
Land Agent

CDM

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APPROVED FOR SUBMITTAL:

R.K.P.

Ryan K.P. Kanakaole, Acting Chairperson