HOUSE CONCURRENT RESOLUTION

SUBMITTING TO THE LEGISLATURE OF THE STATE OF HAWAII FOR REVIEW OF ACTION TAKEN BY THE BOARD OF LAND AND NATURAL RESOURCES ON A LAND EXCHANGE.

WHEREAS, section 171-50, Hawaii Revised Statutes, provides that any exchange of public land for private land shall be subject to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives or by majority vote of both in any regular or special session following the date of the Board of Land and Natural Resources' approval in principle of the exchange; and

WHEREAS, section 171-50(b), Hawaii Revised Statutes, provides that any difference in value of the public land over the private land shall be paid to the State at the time of the exchange, provided no exchange shall be made should the public land exceed one hundred twenty per cent of the value of the private land; and

WHEREAS, section 171-50(c), Hawaii Revised Statutes, provides that the state department or agency shall submit for introduction to the Legislature a resolution for review of action on any exchange to be consummated by the Board of Land and Natural Resources wherein exchange deeds will be executed by the parties together with the following information:

- (1) The specific location and size in square feet or in other precise measure of the parcels of land to be exchanged;
- (2) The value of the lands to be conveyed by the State and the private party;
- (3) The name or names of the appraiser or appraisers;

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- (4) The date of the appraisal valuation;
- (5) The purpose for which the lands are being exchanged;
- (6) A detailed summary of any development plans for the land to be exchanged; and
- (7) A statement of whether the land is, or is not, land that was classed as government or crown lands previous to August 15, 1895, or was acquired by the State in exchange for such lands, and a detailed explanation of how the state department or agency made this determination; and

WHEREAS, section 171-50(c), Hawaii Revised Statutes, also provides that a copy of the draft resolution shall also be submitted to the Office of Hawaiian Affairs at least three months prior to the convening of a regular or special session of the Legislature to allow the Office of Hawaiian Affairs to determine whether the land was classed as government or crown lands previous to August 15, 1895, or was acquired by the State in exchange for such lands; and

WHEREAS, at its meeting of October 24, 2008, under agenda item D-13, as amended at its meeting of August 10, 2012, under agenda item D-9, the Board of Land and Natural Resources approved in principle the proposed exchange involving state land located at Nuuanu, Honolulu, Oahu, being identified as Tax Map Key (1) 2-2-22:19, and privately owned land located at Hoaeae, Ewa, Oahu, being identified as Tax Map Key (1) 9-4-49:62, together with all improvements thereon; and

WHEREAS, following approval of the exchange by the Board of Land and Natural Resources, a copy of the draft resolution was transmitted to the Office of Hawaiian Affairs at least three months prior to the convening of this regular session of the Legislature to allow the Office to determine whether the land was classed as government or crown lands previous to August 15, 1895, or was acquired by the State in exchange for such lands; now, therefore,

LNR-R1(13)

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BE IT RESOLVED by the House of Representatives of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2013, the Senate concurring, that the following exchange between the State of Hawaii and Hawaii Baptist Academy, a nonprofit corporation, approved in principle by the Board of Land and Natural Resources at its meeting on October 24, 2008, under agenda item D-13, as amended at its meeting on August 10, 2012, under agenda item D-9, has been reviewed by the Legislature: The state land is located at Nuuanu Valley, Honolulu, (1)

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Oahu, Hawaii being portions of Grant 1 to William Paty, Grant 71 to R. C. Wyllie, and Grant 114 to Robert C. Wyllie, also currently identified as Tax Map Key (1) 2-2-22:19, having an area of 4.971 acres; and

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The private land, owned by Hawaii Baptist Academy, a nonprofit corporation, includes all that certain parcel of land (being portion(s) of the land(s) covered by Royal Patent Number 4490, Land Commission Award Number 10, 474, Apana 9 to N. Namauu) situate, lying and being on the east side of Leokane Street at Hoaeae, District of Ewa, City and County of Honolulu, State of Hawaii, being Lot 16-B, and being a portion of Lot 16, of the "WAIPAHU INDUSTRIAL PARK" (File Plan 973), also currently identified as Tax Map Key (1) 9-4-49:62, having a land area of 18,410 square feet.

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> (2) The state land has a value of \$2,080,000; and The private land, together with all improvements thereon, has a value of \$1,825,000.

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> (3) The state land was appraised by Hastings, Conboy, Braig and Associates Ltd.; and

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The private land, together with all improvements thereon, was appraised by Rehkemper & Company, Inc.

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The state land was appraised on February 28, 2012; and (4)

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The private land, together with all improvements thereon, was appraised on February 10, 2012.

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(5) At its meeting of October 24, 2008, under agenda item D-13, the Board of Land and Natural Resources approved the public purpose of the proposed exchange, which is to increase revenues to support the Department of Land and Natural Resources' public land trust and fiduciary duties.

(6) The state land is currently leased to Hawaii Baptist Academy and is currently improved with middle school campus facilities as covered in the Final Environmental Assessment published in the Office of Environmental Quality Control's Environmental Notice on September 8, 2002, with a Finding of No Significant Impact. Subsequent to the proposed exchange, the state land will be private property; and

The private property is improved with a two story building, currently leased to private businesses. Subsequent to the proposed exchange, the private property will be state property. Whereas the department will continue to operate the existing improvements for commercial/mixed-use uses, there are no further development plans for the then state-owned property. Any future change in the use of the then state-owned property shall remain subject to compliance with the provisions of chapter 343, Hawaii Revised Statutes, as amended.

 (7) The state land was not classed as government or crown lands on August 15, 1895. Prior to August 15, 1895, these lands were private lands, being portions of Grant 1 to William Paty, Grant 71 to R. C. Wyllie, and Grant 114 to Robert C. Wyllie, all dated between 1846 and 1848. Whereas these lands were acquired by the Territory of Hawaii by Final Order of Condemnation: Civil No. 4177, dated September 24, 1958, and are classified as Section 5(a) lands under the Admission Act of 1959; and

BE IT RESOLVED that pursuant to section 171-50(b), Hawaii Revised Statutes, at the time of the exchange, Hawaii Baptist Academy shall pay to the State the difference in value of the public land over the value of the private land together with all improvements thereon; and

BE IT FURTHER RESOLVED that a certified copy of this Concurrent Resolution be transmitted to the Chairperson of the Board of Land and Natural Resources.

OFFERED BY:

JAN 2 2 2013

HCR 25

JUSTIFICATION SHEET

DEPARTMENT:

Land and Natural Resources

TITLE:

CONCURRENT RESOLUTION SUBMITTING TO THE LEGISLATURE OF THE STATE OF HAWAII FOR REVIEW OF ACTION TAKEN BY THE BOARD OF LAND AND NATURAL RESOURCES ON A LAND EXCHANGE.

PURPOSE:

To submit to the Legislature by concurrent resolution review of action taken by the Board of Land and Natural Resources approving in principle a land exchange between the State of Hawaii (State) and Hawaii Baptist Academy.

MEANS:

Concurrent resolution pursuant to section 171-50, Hawaii Revised Statutes.

JUSTIFICATION:

The State owns 4.971 acres of land situated at Nuuanu, Honolulu, Oahu, currently identified as Tax Map Key (TMK) (1) 2-2-22:19, and currently leased to Hawaii Baptist Academy solely for school and related purposes.

The Board of Land and Natural Resources at its meeting of October 24, 2008, under agenda item D-13, as amended at its meeting of August 10, 2012, under agenda item D-9, approved in principle a land exchange between the State and Hawaii Baptist Academy. The land exchange involves state lands identified above and private lands, together with improvements thereon, situated at Hoaeae, Ewa, Oahu, and currently identified as TMK (1) 9-4-49:62.

Additionally, Hawaii Baptist Academy will pay the Department \$255,000 at the time of exchange, in order to bring the value of their exchange asset in line with the value of the state lands. These monies will be kept in reserve by the Department and used for repairs and maintenance on the



commercial private property acquired in the exchange.

Impact on the public: None.

Impact on the department and other agencies:
Revenues generated from the commercial
private property acquired by the State will
be used to support the public land trust and
departmental programs to protect, preserve
and manage the State's cultural, historic,
and natural resources.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: LNR 101.

OTHER AFFECTED

AGENCIES: None.

EFFECTIVE DATE: Upon adoption.