

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
WATER & LAND**

**Tuesday, April 6, 2021  
8:30 AM**

**State Capitol, Via Videoconference, Conference Room 430**

**In consideration of  
SENATE CONCURRENT RESOLUTION 207  
SUBMITTING TO THE LEGISLATURE OF THE STATE OF HAWAII FOR REVIEW  
AND APPROVAL OF ACTION TAKEN BY THE BOARD OF LAND AND NATURAL  
RESOURCES ON A LAND EXCHANGE BETWEEN THE STATE OF HAWAII AND  
PARKER LAND TRUST**

Senate Concurrent Resolution 207 requests the review and approval of a land exchange, previously approved in principle by the Board of Land and Natural Resources (Board) at its meeting on April 11, 2014, under agenda item D-6, and subsequently approved by the Board at its meeting on August 28, 2020, under agenda item D-3, pursuant to Section 171-50(c), Hawaii Revised Statutes (HRS). **The Department of Land and Natural Resources (Department) supports this concurrent resolution.**

To summarize the need for this concurrent resolution, Parker Land Trust, as landowner for Parker Ranch, Inc. (Parker Ranch), has been in discussion with the Department since 2003 concerning a proposal to exchange some private land in Waimea on the Island of Hawaii for the state-owned site of the former Lalamilo Reservoir, which is configured as a flag lot. The Department was also interested in acquiring, through exchange, other land with better development potential than its flag lot, so sought and received approval in principle from the Board at its meeting of April 11, 2014, under Agenda Item D-6, for a proposed land exchange involving the former Lalamilo Reservoir site.

Parker Ranch aims to carry out its Waimea Town Center Plan through developments that support the vision of its benefactor, Richard Smart, to benefit Waimea town. In 2019, the United States Postal Service (USPS) announced its need to relocate the Kamuela Post Office to a site that could better meet the needs of its Waimea postal customers. Soon thereafter, Parker Ranch offered the Department an exchange proposition that would enable it to assist the USPS. In this exchange scenario, the flagpole portion of the Lalamilo Reservoir flag lot would be exchanged for a portion

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

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
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

of a neighboring parcel that would provide the Department with alternative access to the otherwise inaccessible remaining flag portion of its lot. The exchange would also serve to straighten the lots lines of the state land. Parker Ranch would then be able to consolidate the newly acquired flagpole area with adjacent portions of its own land on either side of the flagpole to create a rectangular parcel suitable for a new post office site. At its meeting of August 28, 2020, under Agenda Item D-3, the Board approved the proposed land exchange, thereby also initiating statutory administrative procedures which include seeking legislative approval.

The proposed exchange complies with the requirements of Section 171-50, HRS. The value of the Parker Ranch land (\$250,000) exceeds that value of the state land to be exchanged (\$19,400). A copy of the draft concurrent resolution was submitted to the Office of Hawaiian Affairs on October 19, 2020. Compliance with these and other requirements of Section 171-50, HRS, is recited in the concurrent resolution.

Thank you for the opportunity to comment on this measure.

**SCR-207**

Submitted on: 4/4/2021 11:36:39 AM

Testimony for WAL on 4/6/2021 8:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Russell Tsuji	DLNR	Support	No

Comments:

I am available for questions. Please allow me Zoom access. Thank you.



### SCR207

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

Ke Kōmike Hale o ka Wai a me ka ‘Āina  
House Committee on Water & Land

‘Apelila 6, 2021

8:30 a.m.

Lumi 430

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SCR207, which approves a land exchange of approximately 0.5368 acres of state land for approximately 0.3420 acres of private land owned by Parker Land Trust in Waimea, Hawai‘i. Although the identified state parcel is “ceded” lands, the state land set to be exchanged is currently undeveloped and has a significantly lower appraised value than the private parcel that would be received by the State as a result of the exchange. OHA also received a copy of this proposal more than three months prior to the current legislative session as required under state law and was able to evaluate the appropriateness of the exchange. Accordingly, **OHA does not oppose this exchange.**

SCR207 has been offered for consideration by the Legislature in accordance with HRS §171-50. Among other things, HRS §171-50 only allows for an exchange of public land for private land for valid “public purposes” and requires a two-thirds approval by both houses of the Legislature before any specific lands controlled by the State can be exchanged (including, but not limited to, “ceded” lands). HRS §171-50 also requires notice to OHA of proposed exchanges at least three months prior to the legislation in which the aforementioned legislative approval would be sought. In general, exchanges of “ceded” lands raise concerns for OHA and its beneficiaries, because the Native Hawaiian people’s unrelinquished claims to “ceded” lands have yet to be resolved.

In this case, the proposed exchange appears to meet the statutory requirements of HRS § 171-50 and further does not raise concerns regarding the appropriateness of the exchange. OHA was provided with three months’ notice as required under the law. As acknowledged in the measure, the 0.3420 acres of land that will be acquired by the State will take on the status of “ceded” and public land trust lands by virtue of the exchange. The value of the lands acquired by the State would also be commensurate with the value of the lands that would be exchanged for those lands.

Accordingly, OHA does not oppose the proposed exchange in SCR207. Mahalo for the opportunity to testify on this measure.



April 6, 2021

The Honorable David Tarnas, Chair  
Hawaii State House of Representatives  
Committee on Water and Land  
State Capitol, Conference Room 325  
415 South Beretania Street  
Honolulu, Hawaii 96813

RE: Testimony on SCR 207 Reviewing and Approving the Action Taken by the Board of Land and Natural Resources on a Land Exchange between the State of Hawaii and Parker Ranch, Inc.  
Waimea, South Kohala, Hawaii Island

Dear Chair Tarnas and Committee Members:

Thank you for this opportunity to provide you with our comments on Senate Concurrent Resolution 207 related to the Exchange of Land between the State of Hawaii and Parker Land Trust. **Parker Ranch, Inc. strongly supports this land exchange which would convey title to 0.3420 acres of land owned by Parker Land Trust for 0.5368 acres of State land in Waimea, South Kohala, Hawaii Island.**

Through the exchange, there is benefit to the State, Ranch, and to the Waimea Community. The exchange will result in alternate access for lands for the State's former reservoir site (no longer in use), and address planning and design for the corner of Ala Ohia Road and Mamalahoa highway. The Ranch and the State identified the need for this land exchange in 2003, and this is the first step in a plan to enable use of lands by the State for prospective civic uses and remove impediments to consolidating a prospective site for future community development, including the relocation of the Kamuela Post Office.

While this land exchange process has been ongoing for a number of years, Parker Ranch is fully committed to finalizing this exchange as soon as possible. This exchange will allow the Ranch to continue planning for its Waimea Town Center Plan community development purposes, and make necessary improvements in addition to those that have already been completed, including the construction of Ala Ohia Road between Mamalahoa Highway and Pukalani Road, development of the Waimea wastewater treatment plant, construction of a major drainage diversion which allowed the construction of the North Hawaii Community Hospital's main building and development of residential housing projects in Waimea.

As you may be aware, Parker Ranch, Inc.'s sole shareholder is the Parker Ranch Foundation Trust, which was created by Richard Smart shortly before his death in 1992. The Trust supports four charitable beneficiaries, Queens North Hawaii Community Hospital, Parker School, Hawaii Preparatory Academy, and the Hawaii Community Foundation (Richard Smart Fund).

House Committee on Water and Land  
Testimony on SCR 207  
April 6, 2021  
Page No. 2

Accordingly, the overall benefits derived from this land exchange and the continued implementation of community development plans will create value for the Waimea Community today and into the future.

Accordingly, we are seeking your support for this exchange which we believe is in the best interests of the State of Hawaii, the Waimea Community, and Parker Ranch.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Mitchell". The signature is written in a cursive style with a large, prominent initial "J".

Jonathan Mitchell  
Vice President – Land & Asset Management  
Parker Ranch, Inc.

cc: DLNR, Land Management