

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

June 22, 2007

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

PSF: 07HD-065

Hawaii

Land Conveyances Between the State of Hawaii and the County of Hawaii for the Purpose of Realigning a Common Property Boundary and Amend Governor's Executive Order No. 3951 Affected by such Realignment, Waiakea, South Hilo, Hawaii, Tax Map Keys: (3) 2-2-15: 33 (County Parcel) and 76 (State Parcel)

APPLICANT AGENCY:

The County of Hawaii whose business and mailing address is 101 Pauahi Street, Suite 7, Hilo, Hawaii 96720-4224.

LEGAL REFERENCE:

Section 171-95(a)(1), Hawaii Revised Statutes, as amended, relating to dispositions to governments, governmental agencies, public utilities, and renewable energy producers, which states:

- (a) Notwithstanding any limitations to the contrary, the board of land and natural resources may, without public auction:
 - (1) Sell public lands at such price and on such other terms and conditions as the board may deem proper to governments, including the United States, city and county, counties, other governmental agencies authorized to hold lands in fee simple and public utilities;

PROPERTIES TO BE CONVEYED:

State-Owned Property:

Location: Portion of the Hilo Judiciary Complex under the operation of Governor's Executive Order No. 3951 situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-15: Portion 76, as shown on the attached map labeled Exhibit A.

Area: 20,076 square feet, more or less, subject to confirmation by the Department of Accounting and General Services, Survey Division.

Zoning: State Land Use District: Urban
County of Hawaii CZO: General Commercial (GC-7.5)

Trust Status: Non-ceded land acquired after statehood.

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

Current Use: Encumbered by Governor's Executive Order No. 3951
issued to the Judiciary of the State of Hawaii for the Hilo
Judiciary Complex, which is currently in the construction phase.

County of Hawaii (COH)-Owned Property:

Location: Portion of the COH Office Complex situated at Waiakea,
South Hilo, Hawaii, identified by Tax Map Key: (3) 2-2-15: Portion
33, as shown on the attached map labeled Exhibit A.

Area: 20,076 square feet, more or less, subject to confirmation by
the Department of Accounting and General Services, Survey Division.

Zoning: State Land Use District: Urban
County of Hawaii CZO: General Commercial (GC-7.5)

Current Use: COH office complex and parking.

PUBLIC PURPOSE:

The proposed land conveyances would do the following:

1. Realign the common boundary between the State and COH parcels so that portions of the COH office building exterior wall columns and footings no longer encroach onto the State-owned land.
2. Accommodate COH's Aupuni Center Parking Lot Improvements, Job B-3750, which was based on the new common boundary being proposed in this request.
3. Result in a reconfigured State lot of the same size but with more usable area. Currently, over 142 feet of the State lot's western boundary is flanked by 20,076 square feet of COH land extending all the way to Kilauea Avenue. Under the proposed land conveyances the State would end up owning the 20,076 square feet and COH gets a strip of State land of equal size ranging in width from 10 feet to 30 feet, as shown on the attached map labeled Exhibit B.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is a transfer of ownership and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental

impact statements.

FAIR MARKET VALUE AND CONSIDERATION IF ANY:

The subject State and COH lands are adjacent to each other sharing a common property boundary. Both lots are zoned for general commercial use under the COH CZO.

A review of COH real property tax assessment records for fiscal year 2006/2007 indicated the following:

<u>TAX MAP KEY/OWNER</u>	<u>LAND AREA (Sq. ft.)</u>	<u>MARKET VALUE</u>	<u>\$/Sq. ft.</u>
(3)2-2-15:33/COH	284,970	\$3,419,600	\$12.00
(3)2-2-15:76/Judiciary	348,480	\$4,181,800	\$12.00
(3)2-2-14:10/Hilo Lagoon Centre	190,029	\$2,280,300	\$12.00
(3)2-2-14:72/SOH Office Bldg.	175,088	\$2,101,100	\$12.00
(3)2-2-15:75/Am. Savings Bank	46,882	\$ 582,600	\$12.43

The first two properties listed above are the subject COH-owned and State-owned properties, respectively. The other three listed are also zoned for commercial use and are located just across the street from the subjects.

Due to the adjacent proximity of the subject State and COH lands and their equal size and same per square foot values, the subject conveyances are being proposed at gratis.

APPLICANT REQUIREMENTS:

COH shall be required to:

- 1) Obtain subdivision approval for the adjusted boundary between the COH lot and State lot at its own cost and expense.
- 2) Provide survey maps and descriptions for the State and COH land areas to be conveyed according to State DAGS standards and at its own cost and expense.
- 3) Obtain a title report covering the COH lot at its own cost and expense.
- 4) Conduct a Phase I environmental site assessment of the COH land being conveyed to the State and if this Phase I identifies the potential for hazardous materials release or the presence of hazardous materials, conduct a Phase II environmental sampling and analysis plan and perform any and all remediation, abatement and disposal as may be warranted and as satisfactory to the standards required by the Federal

Environmental Protection Agency and/or the State Department of Health, at its own cost and expense and to the satisfaction of the Department.

- 5) Obtain the Hawaii County Council's approval of the proposed land conveyances.

REMARKS:

On August 30, 2002, the State, by its Board of Land and Natural Resources, purchased the remaining eight acres of the former Kaikoo Mall site from the Harry and Jeanette Weinberg Foundation, then the mall's owner. Subsequently, on October 21, 2002, the eight acres were set aside to the Judiciary by Governor's Executive Order No. 3951 and is currently being developed as the Hilo Judiciary Complex.

Prior to the State's purchase of the remaining portion of the mall, COH had already purchased 6.542 acres of the mall for development as the County of Hawaii Office/Parking Complex. Its 6.542-acre portion included the existing improvements from the entrance of the former J.C. Penny & Company store to the mall's northern boundary at Pauahi Street. COH renovated the existing commercial retail space into an office complex to house county agencies.

The Judiciary, at a March 28, 2003 meeting with COH, was informed by COH that it had done a boundary stake-out and discovered that the existing property line separating the State and COH lots was the exterior wall face of the COH office building. Accordingly, portions of the wall's columns and footings above and below grade encroach on the State lot.

Recently, to resolve its encroachment on the State lot COH proposed the subject land conveyances. The proposed land conveyances would realign the common boundary that separates the State-owned and COH-owned portions of the former Kaikoo Mall site.

The proposed land conveyances, in addition to resolving the encroachment issue, would provide the State with a reconfigured lot of the same size but with more usable land area and greater Kilauea Street frontage.

Also, Governor's Executive Order No. 3951 to the Judiciary, which encumbers the State lot, would need to be amended due to its reconfiguration.

RECOMMENDATION: That the Board:

1. Declare that this action, affecting land ownership, does not constitute a use of State land or funds, and therefore, is exempt from the provisions of Chapter 343, HRS, and Chapter 11-200, HAR, relating to environmental impact statements.
2. Approve the above described land conveyances between the State

of Hawaii and the County of Hawaii under the terms and conditions cited above which are by this reference incorporated herein.

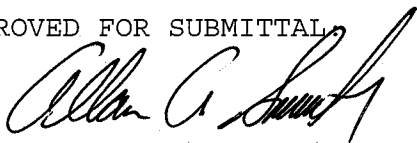
3. Approve of and recommend to the Governor the amendment of Governor's Executive Order No. 3951 as affected by the subject land conveyances, subject to disapproval by the legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the amendment.
4. Authorize the Chairperson to prescribe other terms and conditions as may be necessary to carry out the intent of the Board and to best serve the interests of the State.

Respectfully Submitted,



Gary Martin
Land Agent

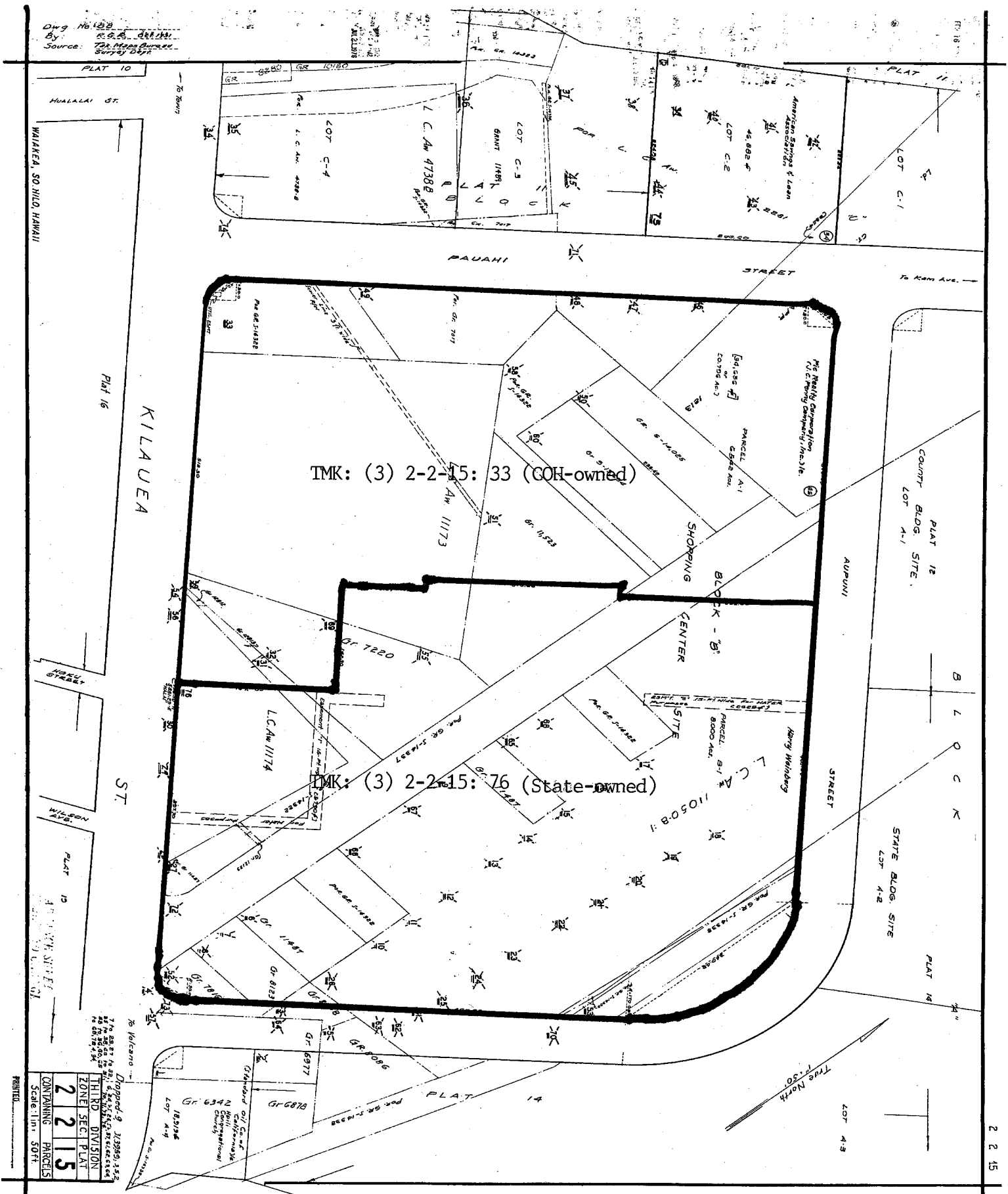
APPROVED FOR SUBMITTAL



ALLAN A. SMITH, Interim Chairperson

W

DWG No. 100
 By: R.G.B. [unclear]
 Source: The Maps Bureau
 Survey Dept.



TMK: (3) 2-2-15: 33 (COH-owned)

TMK: (3) 2-2-15: 76 (State-owned)

KILAUEA

ST

HUALALAI ST

WAIKAE, SOHILO HAWAII

PAUHI STREET

STREET

To Kam Ave.

PLAT 12
 COUNTY BLDG. SITE
 LOT A-1

SHIPPING
 CENTER
 BLOCK - B

AUPUNI

STATE BLDG. SITE
 LOT A-2

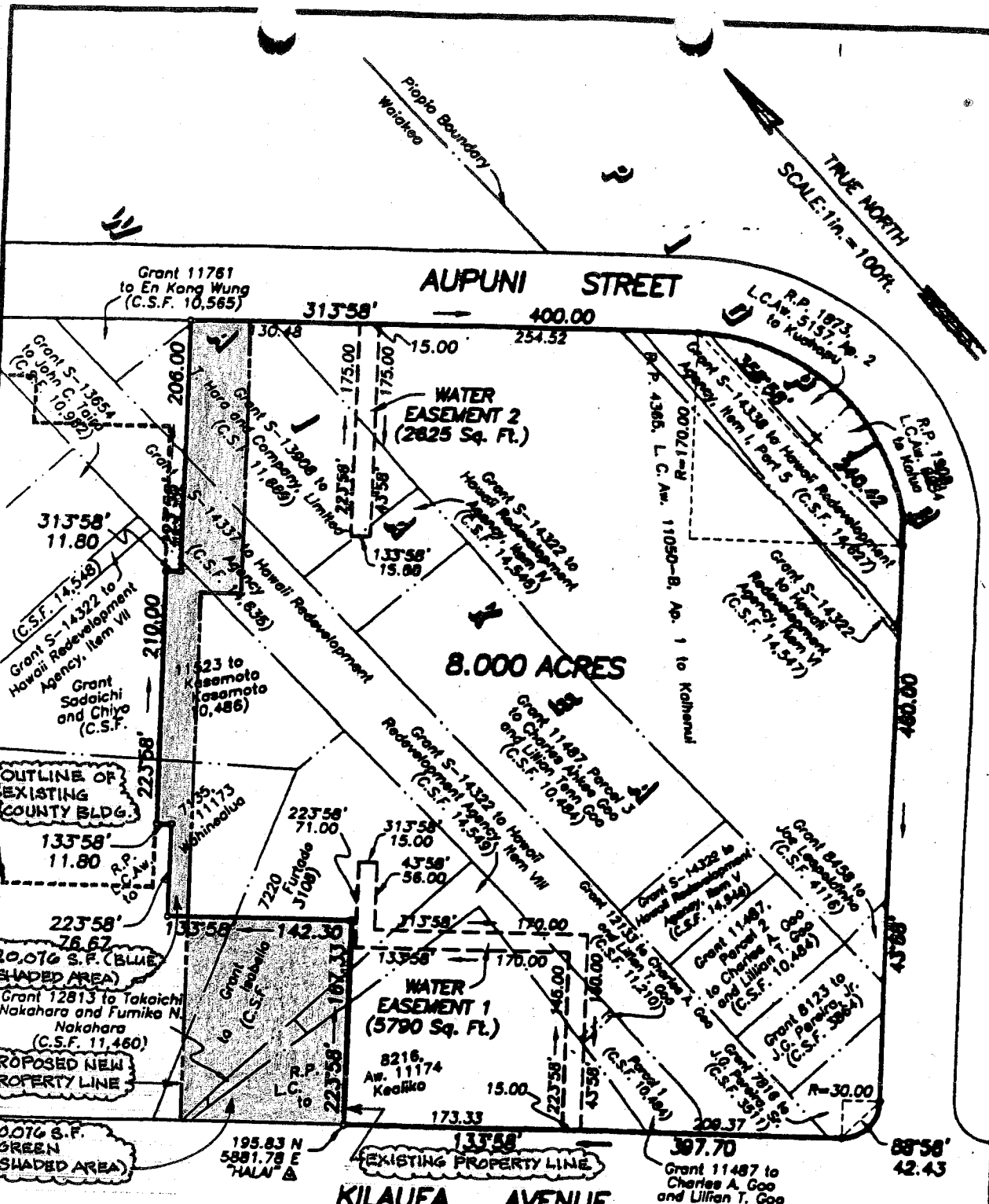
PLAT 14

LOT 4-3

TIDE NORTH
 11.50'

Droped 9/13/99, 132
 THIRD DIVISION
 ZONE SEC. PLAN
 2215
 CONTAINING PARCELS
 Scale: 1 in. = 50 ft.

PRINTED



**PROPOSED
HILO JUDICIARY COMPLEX
PARCEL A**

Piopio and Waiakea, South Hilo, Island of Hawaii, Hawaii
Scale: 1 inch = 100 feet

JOB H-407(01)
C. BK.

REDUCED
NOT TO SCALE

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

EXHIBIT "B"

R.K.S. April 1, 2002

TAX MAP 2-2-15:78
C.S.F. NO. 23.258