

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

July 13, 2007

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

Oahu

Resubmittal - Consent to Assign General Lease No. S-5376, Ronald K. S. Wong, Shirley Wong, Shawn C. Kadooka and Dominic K. Kadooka, Assignor, to Shawn C. Kadooka and Dominic K. Kadooka, Assignee, Waimanalo, Koolaupoko, Oahu; Tax Map Key: (1) 4-1-008:079.

APPLICANT:

Ronald K. S. Wong, Shirley Wong, Shawn C. Kadooka and Dominic K. Kadooka, as Assignor, to Shawn C. Kadooka and Dominic K. Kadooka, husband and wife, tenants by the entirety, whose mailing address is P.O. Box 262, Waimanalo, Hawaii 96795, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION AND AREA:

Portion of Government lands situated at Waimanalo, Koolaupoko, Oahu, identified by Tax Map Key: (1) 4-1-008:079, consisting of approximately 52.022 acres, as shown on the attached map labeled Exhibit A.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

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

CHARACTER OF USE:

For diversified agriculture and residential purposes.

TERM OF LEASE:

35 years, commencing on December 1, 1994 and expiring on November 30, 2029. The next rental reopening is scheduled for December 1, 2014.

ANNUAL RENTAL:

\$20,290 due in two semi-annual installments.

CONSIDERATION:

None.

RECOMMENDED PREMIUM:

None. (Note: Exhibit B was approved by the Chairperson in 2003 when the request was first brought to the Board. There has been no change to the components of Exhibit B.)

DCCA VERIFICATION:

Individuals, not applicable.

REMARKS:

General Lease No. 5376 was issued to Ronald K. S. Wong effective December 1, 1994, pursuant to Act 237, Session Laws of Hawaii, 1988. On September 25, 1998, item D-16, the Board consented to the assignment from Ronald K. S. Wong to Ronald K. S. Wong and Shirley Wong. Further, on July 27, 2001, the Board consented to an assignment from Ronald K. S. Wong and Shirley Wong to Ronald K. S. Wong, Shirley Wong, Shawn C. Kadooka (niece of Ronald Wong) and Dominic K. Kadooka.

Due to their age, the Wongs now intend to retire from farming and therefore seek to transfer their interest in the lease to the Kadookas at the earliest possible date.

Shawn C. Kadooka, niece of Ronald Wong, grew up on the farm and managed it from 1991 to 1994. She and her husband are currently the primary individuals managing the farm. They plan no major changes to the operation of the farm.

The subject request was deferred at the Board meeting of November 5, 2003, agenda item D-5, at the request of the Department of Hawaiian Home Lands (DHHL) and the applicants. Staff understood that there were concerns from both parties relating to the conveyance of State lands to DHHL in Waimanalo, which would include the present GL 5376 leased area.

Pursuant to the Board approval dated September 25, 1998, item D-17, and February 23, 2007, D-6, the Board approved the conveyance of the current leased area of GL 5376 to DHHL. Under the same February 23, 2007 approval, the Board approved the conveyance of 52 acres of State lands formerly leased by Meadow Gold Dairies, Inc. (MGD) to DHHL. This 52-acre parcel will be used to relocate GL 5376 from its present location when DHHL starts to develop the current leased area into 150-200 residential lots. The conveyance of the 52-acre parcel is subject to the remaining terms and conditions of GL 5376. DHHL will manage the subject lease upon the consummation of the conveyance of the 52-acre parcel. The Lessee is receptive to such relocation because more of the 52-acre former MGD site can be cultivated compared to the present location. With the issues relating to the relocation of the lease area for GL 5376 now being settled, the Kadookas request the Board's approval for the proposed assignment.

Staff understands the February 2007 Board approval triggers a subdivision process handled by DHHL. Both the Wongs and the Kadookas want to pursue the assignment notwithstanding the ongoing subdivision. Staff has discussed the proposed assignment with DHHL and DHHL has no objection to the request.

Over the past two years, there were two Notice of Defaults issued for delinquent rent. The defaults were rectified within the cure period. At the time of the writing of this submittal, the Lessee is in compliance with the terms and conditions of the lease, including rent, liability insurance and performance bond.

Assignee has 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.

Since multiple agencies, including OHA, were asked to comment on the Board action in February 2007, staff did not solicit comment from these same agencies regarding the subject request. There are no other pertinent issues or concerns relating either to the lease or the request.

RECOMMENDATION:

That the Board consent to the assignment of General Lease No. S-5376 from Ronald K. S. Wong, Shirley Wong, Shawn C. Kadooka and Dominic K. Kadooka, as Assignor, to Shawn C. Kadooka and Dominic K. Kadooka, husband and wife, tenants by the entirety, as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and

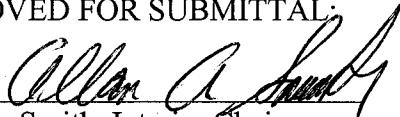
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Barry Cheung
Land Agent

APPROVED FOR SUBMITTAL:



Allan A. Smith, Interim Chairperson



LINDA LINGLE
GOVERNOR OF HAWAII



PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DAN DAVIDSON
DEPUTY DIRECTOR - LAND

ERNEST Y.W. LAU
DEPUTY DIRECTOR - WATER



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

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AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
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FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

October 17, 2003

MEMORANDUM

TO: Peter T. Young, Chairperson

THROUGH: Dierdre S. Mamiya, Land Division Administrator *Dierdre S. Mamiya*

FROM: Charlene E. Unoki, Acting Assistant Administrator *Charlene E. Unoki*

SUBJECT: Assignment Premium Calculation

GL No.: S-5376
Lessee/Assignor: Ronald Wong, Shirley Wong, Shawn Kadooka & Dominic Kadooka
Assignee: Shawn Kadooka & Dominic Kadooka
Location: Waimanalo, Oahu
Lease Area: 52.022 acres
Tax Map Key: (1) 4-1-8:79
Char. of Use: Diversified agriculture and residential

Based on a review of the lease and purchase agreement, I have applied the assignment of lease evaluation policy attached to the lease as follows.

Net Consideration		\$0.0
LESS Adjusted Improvement Cost		
Depreciated Improvements Costs	\$0.0	
Depreciation	\$	
Adjusted Cost		\$0.0
LESS Adjusted Cost of Trade Fixtures		
Trade Fixtures	\$0.0	
Depreciation	\$	
Adjusted Cost		\$0.0
Excess		\$0.0
Assignment Premium		\$0.0

EXHIBIT B

October 17, 2003

✓ Approved/Disapproved:

f. Peter T. Young
Peter T. Young, Chairperson

OCT 21 2003

Date

cc: District Branch Files
Central Files