

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

February 27, 2009

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

Maui

Consent to Lease Lands Under Governor's Executive Order No.
4018 to Maui County Farm Bureau, Inc., Kula, Makawao, Maui,
Tax Map Key: (2) 2-3-003:023.

CONTROLLING AGENCY:

County of Maui

APPLICANT:

Maui County Farm Bureau, Inc.

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes, as amended.

ZONING:

State Land Use District: Agriculture
County of Maui CZO: Agriculture

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

CURRENT USE STATUS:

Governor's Executive Order No. 4018 to County of Maui for
agricultural processing and marketing purposes.

LEASE TERMS AND CONDITIONS

LOCATION:

Portion of Government lands situated at Makawao, Kula, Maui,
identified by Tax Map Key: (2) 2-3-003:023, as shown on the
attached map labeled Exhibit A.

AREA:

3.91 acres, more or less.

CHARACTER OF USE:

Agriculture processing and marketing purposes.

TERM:

25 years, commencing in 2009 and expiring in 2034.

RENT AMOUNT:

Nominal rent of \$1.00 per annum.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The controlling agency shall be responsible for ensuring compliance with Chapter 343, HRS.

DCCA VERIFICATION:

Place of business registration confirmed:	YES	<u>X</u>	NO	_____
Registered business name confirmed:	YES	<u>X</u>	NO	_____
Applicant in good standing confirmed:	YES	<u>X</u>	NO	_____

REMARKS:

On July 3, 1984, the subject parcel was placed under the management and control of the State Department of Agriculture (DOA) pursuant to Governor's Executive Order No. 3251 for agricultural processing and marketing purposes.

On May 14, 1993, under Agenda Item F-1-C, the Board of Land and Natural Resources (Board) consented to the issuance of General Lease No. S-3001 (GLS-3001), by DOA, to the Maui Produce Processing Cooperative for twenty-five (25) years, made effective December 1, 1993.

On May 25, 2001, under Agenda Item D-2, the Board consented to the assignment of GLS-3001 to the Maui Produce Processing Cooperative and County of Maui, as co-tenants; the extension of GLS-3001 lease termination date from November 30, 2018 to November 30, 2021; and amendment of the character of use under GLS-3001 to include: "storing, packing, packaging, marketing, and value adding purposes."

On December 13, 2002, under Agenda Item D-42, the Board again consented to a re-assignment of GLS-3001 to the County of Maui and the Maui Farmers' Cooperative Exchange, as co-tenants, and extension of lease term to November 30, 2022 to assist the County of Maui in

obtaining an Economic Development Administration (EDA) grant for the construction of the Maui Agricultural Processing and Marketing Center ("project").

The "project" consisted of a new warehouse and packing building, onion packing shed, cold storage building, renovation of the existing vacuum cooler building and an office. The estimated cost of the improvements was over \$1.8 million. The EDA grant contributed \$905,000 towards the "project" and the balance was to be provided by the County of Maui and a new farmers cooperative. Upon completion, the "project" was to become certified for processing and packaging to provide Maui farmers with essential services that will enable them to meet new food safety requirements and regulations. It would increase capacity to accommodate a wide range of vegetables and tropical fruits and the processing capabilities would improve shelf life and enhance exportability.

However, the assignments, extensions and amendments of GLS-3001, approved by the Board on both May 25, 2001 and December 13, 2002, were not implemented by DOA and the County of Maui then realized that the most appropriate way to fulfill the obligations of the EDA grant was to have the land set aside directly to itself through a Governor's Executive Order.

On July 11, 2003, under Agenda Item D-9, the Board approved the cancellation of Governor's Executive Order (EO) No. 3251 to DOA and issuance of a set aside to the County of Maui for agricultural processing and marketing purposes. Executive Order No. 4017 cancelled EO No. 3251. EO No. 4018, issued on October 29, 2003 set aside the subject parcel to the County of Maui.

On September 24, 2004, under Agenda Item D-3 the Board documented the mutual cancellation of GLS-3001 between the County of Maui and the Maui Produce Processing Cooperative and authorization of a Bill of Sale to the County of Maui for improvements made at the subject location.

At this time, the County of Maui is requesting Board consent to lease lands under Governor's Executive Order 4018 to the Maui County Farm Bureau for the operation and maintenance of the property for agricultural processing and marketing purposes.

The Maui County Farm Bureau is a Domestic Nonprofit Corporation that was incorporated on February 10, 1986. Staff has no objection to this request and recommends Board approval.

RECOMMENDATION:

That the Board consent to a lease under Executive Order No. 4018, between the County of Maui and Maui County Farm Bureau, subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following:

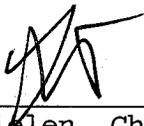
1. Review and approval by the Department of the Attorney General; and
2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Daniel Ornellas
District Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson



TRUE NORTH
SCALE: 1 in. = 100 ft.

Vacuum Cooler Plant
and other Agricultural
Processing and Marketing
Facilities Site
Gov. Ex. Ord. 3415
(C.S.F. 19,917)

207'12" — 222.12
8365.96 S
12,471.83 E
"PUU O KOHA" Δ

ROAD

125'50"

3.91 ACRES

Land

Government

OMAPIO

106'46" — 384.80

Grant

2204

to
Kekoa

297'12"

2'04'30" — 96.53 27'12" — 117.58
WATER TANK SITE
Gov. Ex. Ord. 3211
(Revised Feb. 1979)
(C.S.F. 18,539)

PRELIM. APPR'D.
Department of the
Attorney-General

AGRICULTURAL PROCESSING AND MARKETING SITE

Omaopio, Makawao (Kula), Maui, Hawaii

Scale: 1 inch = 100 feet

REDUCED NOT TO SCALE

JOB Mo-214(03)

C. BK.

TAX MAP: 2-3-03: 23

C.S.F. NO. 23,815

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

EXHIBIT "B"

JCL September 8, 2003