

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

July 22, 2009

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

PSF No.: 09OD-054

OAHU

Authorize Sale of Remnant by Sealed Bid; Kaaawa, Koolauloa, Oahu;  
Tax Map Key: (1) 5-1-11:055

APPLICANT:

- 1. Guillermo Geldermann, whose mailing address is P.O. Box 300312 , Kaaawa, Hawaii 96730; and
- 2. Kaaawa Beach Owners Association, whose mailing address is P.O. Box 186, Kaaawa, Hawaii 96730; and
- 3. Kualoa Ranch, Inc., whose mailing address is P.O. Box 650, Kaaawa, Hawaii 96730

The Applicant, as mentioned herein, is the one submitting the sealed bid containing the highest offer above the appraised value.

LEGAL REFERENCE:

Section 171-52, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Kaaawa, Koolauloa, Oahu; identified by Tax Map Key: (1) 5-1-11:055; as shown on the attached map labeled "Exhibit A".

AREA:

3,661 square feet, more or less.

ZONING:

State Land Use District: Urban District  
City and County of Honolulu LUO: R-5

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:

Vacant and unencumbered.

UPSET PRICE:

One-time lump sum payment of fair market value to be determined by an independent appraiser, subject to review and approval by the Chairperson.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Not applicable. Subject lands are to be conveyed to abutting landowner(s) and will become privately owned land at that point.

DCCA VERIFICATION:

Applicant Guillermo Geldermann, as a landowner, is not required to register with DCCA.

Applicant Kaaawa Beach Owners Association:

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 ___

Applicant Kualoa Ranch, Inc.:

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 ___

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Pay for an appraisal to determine the upset price for the remnant;
- 2) Consolidate the remnant with the Applicant's abutting property through the County subdivision process;
- 3) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.

REMARKS:

Pursuant to section 171-52, HRS, a remnant is defined as "a parcel of land economically or physically unsuitable or undesirable for development or utilization as a separate unit by reason of location, size, shape, or other characteristics." Staff believes the subject parcel qualifies as a remnant for the following reasons:

The subject parcel consists of a sloped, substandard sized lot; shown on Exhibit A. Staff understands that due to the size of the subject parcel, it is physically unsuitable for development as a separate unit to be in compliance with the local county zoning requirements which require a minimum lot size of 5,000 square feet. Therefore, staff recommends the Board declare the subject parcel as a remnant.

Staff has inquired with the abutting property owners to query their interest in purchasing the subject lot remnant. The three properties abutting the subject lot remnant are identified by the following tax map key number: (1) 5-1-11: parcels 012, 013 and 054, whose ownership has been confirmed by a review of the local county real property tax website. Mr. Guillermo Geldermann, owner of parcel 12, and the Kaaawa Beach Owners Association, owner of parcel 54, indicated their interests to the proposed sale in writing, as requested. Kualoa Ranch, Inc., owner of parcel 13, expressed a verbal interest to the proposed sale for the remnant parcel.

Further, pursuant to Section 171-52, HRS, Remnant: "If there is more than one abutting owner who is interested in purchasing the remnant, it shall be sold to the one submitting a sealed bid containing the highest offer above the appraised value. If the remnant abuts more than one parcel, the board may subdivide the remnant so that a portion thereof may be sold to each abutting owner at the appraised value; provided that no remnant shall be sold to any abutting owner unless the remnant when combined or consolidated with the abutting property, shall constitute a lot acceptable to the appropriate agency of the county in which the remnant lies; and provided further that appropriate language shall be included in any document of conveyance of such remnant to assure use of the remnant in accordance with the applicable ordinances, rules, and regulations of the county concerned." However, staff believes that the net effect of a subdivision of the subject remnant parcel among the three applicants would produce a less desirable property,

further compromising its configuration, size and utility. Thus, in accordance with Section 171-52, HRS, staff suggests a disposition of the subject remnant parcel to be made by a sealed bid process, and awarded to the highest bidder. Further, the applicant's use of the subject remnant parcel must be in compliance with all county regulations, and specified within the language of the conveyance document.

In the past, establishing the upset price for the sealed bid process has been determined by the services of an independent real estate appraiser. Payments to the designated real estate appraiser should be first collected by the State from all three applicants prior to the appraiser receiving the work order to proceed, with a full refund following to the unsuccessful applicants.

All three applicants have not had a lease, permit, easement or other dispositions of State lands terminated within the last five years due to non-compliance with such terms and conditions.

The Department of Planning and Permitting recommends that the City's subdivision and consolidation procedures be followed, where applicable, concerning the subject remnant's disposition.

The Department of Facilities Maintenance have indicated that a portion of the subject parcel is located within the right-of-way of the adjacent Lihimauna Road, and that the roadway is privately owned. They cited the City's Private Street Ordinance that allows for maintenance of the roadway's travel way.

The Board of Water Supply and the State Historic Preservation Division have no objections to the subject request.

The Department of Hawaiian Home Lands had no comment to the subject request.

The Department of Health, Commission on Water Resource Management, Office of Hawaiian Affairs and the Applicants have not responded as of the suspense date of the subject request.

RECOMMENDATION:

That the Board:

1. Find that the subject lands are economically or physically unsuitable or undesirable for development or utilization as a separate unit by reason of location, size, shape, or other characteristics and, therefore, by definition is a remnant pursuant to Chapter 171, HRS.

2. Authorize the subject requests to be applicable in the event of a change in the ownership of the abutting parcels described as Tax Map Key: (1) 5-1-11: parcels 012, 013 or 054, provided the succeeding owner has not had a lease, permit, easement or other disposition of State lands terminated within the last five (5) years due to non-compliance with such terms and conditions.
3. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
4. Authorize the consolidation of the subject remnant by the Applicant.
5. Subject to the Applicants fulfilling all of the Applicant Requirements listed above, authorize the sale of the subject remnant to the successful bidder as mentioned above covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - a. The standard terms and conditions of the most current deed or grant (remnant) form, as may be amended from time to time;
  - b. Review and approval by the Department of the Attorney General; and
  - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Timmy Chee  
Land Agent

APPROVED FOR SUBMITTAL:

  
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Laura H. Thielen, Chairperson

