

**PUBLIC NOTICE OF NEGOTIATION FOR LEASE  
STATE AGRICULTURAL PARCELS,  
WAIMANALO, OAHU AND HANAPEPE, KAUAI**

The Department of Agriculture ("DOA") is accepting applications to negotiate for agricultural leases. Applications and information regarding the lease dispositions are available at the DOA's Agricultural Resource Management Division, 1428 S. King Street, Honolulu, or by calling the following toll free numbers from: Kauai, 274-3141, ext. 39476; Maui, 984-2400, ext. 39476; Molokai and Lanai, 1-800-468-4644 ext. 39476; or on Oahu, 973-9476, 7:45 a.m. to 4:30 p.m., Monday through Friday. Information is also available on the Department of Agriculture website at <http://hawaii.gov/hdoa>.

Application forms shall be filed with the Agricultural Resource Management Division ("ARMD") at the above address no later than 3:00 p.m., January 14, 2010. The DOA will review all applications, verify applicant qualifications and determine those qualified. All applicants shall be notified of the result of the application review. Any questions or inquiries should be directed to the toll free number(s) above.

**Eligibility of Applicants**

1. Any person shall be eligible to apply if they are a U.S. citizen, who has resided in the State for 3 years, or
2. Is a permanent status alien who has resided in the State for 5 years; and
3. Is a bona fide farmer or new farmer as defined in §4-158-1, Definitions, Hawaii Administrative Rules ("HAR").
4. In the case of agricultural cooperatives, associations, partnerships and corporations, the residence requirement must be met by 75% of the associates, partners, stockholders, officers, directors, and members, as applicable, who are bona fide farmers, new farmers, or qualified aquaculturalists.
5. No person shall be eligible to lease State agricultural lands who, during the 5 years preceding the date of this notice, has had a previous sale, lease, license, permit, or easement covering public lands canceled for failure to satisfy its terms and conditions, or who is in arrears in the payment of taxes or other obligations to the State or any of its counties.

All persons interested in applying for the available farm lot(s), shall comply with §4-158-27, HAR, Application requirements, and be subject to §4-158-28, HAR, Preference right.

**Submission of Proposal**

Upon notification by DOA that an applicant is qualified, a proposal for lease shall be submitted within 30 days after receipt of notification. The Board of Agriculture ("BOA") shall review all proposals received and shall accept the proposals with the highest bid. All applicants shall be contacted by the ARMD regarding the disposition of their proposals, of which the successful proposal shall be subject to the satisfactory completion of the conditions stated in §4-158-20, HAR, Additional terms and conditions. The awardee shall be required to attend and successfully complete a half-day workshop

covering topics including conservation planning, review of the lease contract, and other related matters; attain cooperative status with the respective soil and water conservation district; submit a conservation plan prepared by the USDA Natural Resources Conservation Service or its designated representative; and prepare a plan of utilization and development for the lot according to criteria established by the DOA and submit the plan for review and approval. Further, the awardee (qualified applicant) who successfully completes all the requirements for lease shall pay the costs incurred in the administration of the lease disposition, pursuant to §4-158-3, HAR, which may include negotiation, appraisal, notices, publications, and closing costs.

A Right-of-Entry shall be issued to the awardee enabling access for the limited purpose of meeting the above conditions. Upon successful completion of the conditions, the lease will be executed and issued; until then, the awardee will have no interest in any subject lot.

If the above conditions are not satisfactorily met within 6 months after proposal is accepted, the award shall be rescinded.

#### **Summary of Significant Lease Provisions**

1. Uses will be permitted as shown on the list of parcels.
2. Lessee will be required to support the operations and maintenance costs of the irrigation project, if any, that services the agricultural parcel. Lessee shall become a participant in an irrigation project as may be created under Chapter 167, Hawaii Revised Statutes, and abide by the irrigation project's rules, rates and charges, as applicable.
3. No residential dwellings allowed, except as approved by the BOA.
4. Transfer, assignment or sublease of an agricultural lease shall be only to persons or entities which satisfy qualification requirements and §4-158-19, HAR, Lease restrictions; generally.

#### **Description of Land**

The lot(s) have access to paved roads, irrigation water and/or potable water service, telephone and electricity. The lot(s) will require clearing and grading before any agricultural activity can commence and will be leased on an "as is" basis. It is the awardee's responsibility to inspect and develop the lot in accordance with applicable county regulations.

Parcels to be disposed of include:

#### **ITEM I:**

LOCATION: Lot 10-A, Hanapepe, Waimea, Hawaii: 4th Div. (Kauai) 1-9-002:13; AREA: 4.246 gross acres (4.246 net usable acres); TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL: \$2,060 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1-1/2% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

**ITEM II:**

LOCATION: Lot 10-B, Hanapepe, Waimea, Hawaii: 4th Div. (Kauai) 1-9-002:45; AREA: 6.730acres (6.730 net usable acres); TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL: \$2,940.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1-1/2% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

**ITEM III:**

LOCATION: Lot 9, Waimanalo, Oahu, Hawaii: 1st Div. (Oahu) 4-1-010:40; AREA: 3.742 gross acres (3.742 net usable acres); TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL: \$3,920.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1-1/2% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

**ITEM IV:**

LOCATION: Lot 14, Waimanalo, Oahu, Hawaii: 1st Div. (Oahu) 4-1-010:46, AREA: 5.140 gross acres (5.140 net usable acres); TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL: \$5,020.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1-1/2% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

**ITEM V:**

LOCATION: Lot B, Waimanalo, Oahu, Hawaii: 1st Div. (Oahu) 4-1-018:48, AREA: 1.400 gross acres (1.400 net usable acres); TERM: 35 years; UPSET MINIMUM ANNUAL RENTAL: \$2,020.00 per annum; payable semi-annually, in advance; ADDITIONAL RENTAL: 1-1/2% of gross proceeds; RENT REOPENING: To be determined; USE: Diversified agriculture only.

The draft lease documents describing the terms and conditions, maps, lot descriptions, and Chapter 4-158, HAR, may be examined at the District offices, below:

1428 S. King Street, Honolulu, HI 96814-2512  
16 E. Lanikaula, Hilo, HI 96720-4302

Tel. 973-9476  
Tel. 974-4140

The disposition of leases may be canceled, postponed or continued from time to time, as may be deemed necessary, by publication of notice to that effect by order of the Chairperson of the BOA.

Sandra Lee Kunimoto, Chairperson  
Board of Agriculture

12/15/09