

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-8**

APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-016-017 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended (Charter); and

WHEREAS, Section 17-103.2(b) of the Charter empowers HART "to acquire by eminent domain ... all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;" and

WHEREAS, prior to such acquisition the Charter directs HART to submit a list of real property and easements to be acquired by eminent domain to the City Council; and

WHEREAS, the City Council may approve the acquisition by eminent domain or may object by adoption of a resolution within 45 days of the notification to acquire the real property and easements; and

WHEREAS, the acquisition by eminent domain of an easement over, on, and across the real property identified as Tax Map Key (TMK) 1-1-016-017 (por.) and more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. That written notification to the City Council is approved, for the acquisition by eminent domain of an easement over, on, and across the real property identified as TMK 1-1-016-017 (por.); and
2. That in the event the City Council approves or does not object to the acquisition within 45 days of notification, then HART is authorized to publish in a daily newspaper at least three days prior to Board action, the attached resolution marked as Exhibit B, authorizing acquisition by eminent domain of said easement.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on  
MAY 21 2015.

Exhibit A – Legal description of TMK 1-1-016-017 (por.)

Exhibit B – Resolution No. 2015-\_\_\_\_, Authorizing the Acquisition of Easement  
Over, On, and Across the Real Property Identified as Tax Map Key 1-  
1-016-017 (Portion) by Eminent Domain.



Board Chair

ATTEST:

  
Board Administrator

**PARCEL 313**

Being a Portion of Lot 102

As Shown on Map 150 of Land Court Application 1074

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the Southwest corner of this parcel of land, being the South corner of the Lot 101 (Map 150) of Land Court Application 1074, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,090.56 feet South and 2,411.99 feet East, thence running by azimuths measured clockwise from true South:

- |    |          |       |   |
|----|----------|-------|---|
| 1. | 189° 04' | 16.41 | feet along Lot 101 (Map 150) of Land Court Application 1074;  |
| 2. | 279° 04' | 15.30 | feet along the Remainder of parcel 313;   |
| 3. | 189° 04' | 8.73  | feet along the Remainder of parcel 313;   |
| 4. | 279° 04' | 40.29 | feet along the Remainder of parcel 313;   |
| 5. | 9° 04'   | 17.44 | feet along the Remainder of parcel 313;   |
| 6. | 279° 04' | 12.25 | feet along the Remainder of parcel 313;   |
| 7. | 9° 04'   | 7.70  | feet along the Remainder of parcel 313;   |
| 8. | 99° 04'  | 67.84 | feet along the North side of Waiwai Loop to the point of beginning and containing an area of 1,358 Square Feet, more or less. |





R. M. TOWILL CORPORATION

Description prepared by:

*Ryan M. Suzuki*

Ryan M. Suzuki      Exp: 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
May 12, 2015



**Remainder of PARCEL 313**

Being a Portion of Lot 102

As Shown on Map 150 of Land Court Application 1074

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the Southwest corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,074.25 feet South and 2,414.59 feet East, thence running by azimuths measured clockwise from true South:

- |     |          |        |   |
|-----|----------|--------|---|
| 1.  | 189° 04' | 208.59 | feet along Lot 101 (Map 150) of Land Court Application 1074;  |
| 2.  | 279° 04' | 100.00 | feet along Lot 947 (Map 207) of Land Court Application 1074;  |
| 3.  | 9° 04'   | 225.00 | feet along Lot 103 (Map 150) of Land Court Application 1074;  |
| 4.  | 99° 04'  | 32.16  | feet along the North side of Waiwai Loop;   |
| 5.  | 189° 04' | 7.70   | feet along Parcel 313;  |
| 6.  | 99° 04'  | 12.25  | feet along Parcel 313;  |
| 7.  | 189° 04' | 17.44  | feet along Parcel 313;  |
| 8.  | 99° 04'  | 40.29  | feet along Parcel 313;  |
| 9.  | 9° 04'   | 8.73   | feet along Parcel 313;  |
| 10. | 99° 04'  | 15.30  | feet along Parcel 313 to the point of beginning and containing an area of 21,142 Square Feet, more or less. |





R. M. TOWILL CORPORATION

Description prepared by:

  
\_\_\_\_\_  
Ryan M. Suzuki Exp: 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
May 12, 2015



EASEMENT A  
 For Electrical Purposes  
 Affecting Lot 102  
 As Shown on Map 150 of Land Court Application 1074  
 In favor of Hawaiian Electric Company  
 Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the Southeast corner of this easement, along the North side of Waiwai Loop, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,106.49 feet South and 2,644.52 feet West, thence running by azimuths measured clockwise from true South:

- |    |          |       |  |
|----|----------|-------|--|
| 1. | 99° 04'  | 13.50 | feet along the North side of Waiwai Loop   |
| 2. | 189° 04' | 16.50 | feet;  |
| 3. | 279° 04' | 13.50 | feet;  |
| 4. | 9° 04'   | 16.50 | feet along Lot 103 (Map 150) of Land Court Application 1074 to the point of beginning and containing an area of 223 Square Feet, more or less. |



R. M. TOWILL CORPORATION

Description prepared by:

*Ryan M. Suzuki*  
 \_\_\_\_\_  
 Ryan M. Suzuki Exp: 4/30/16  
 Licensed Professional Land Surveyor  
 Certificate Number 10059

2024 North King Street, Suite 200  
 Honolulu, Hawaii 96819  
 May 12, 2015



**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-\_\_**

**AUTHORIZING THE ACQUISITION OF EASEMENT OVER, ON, AND ACROSS  
THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-016-017  
(PORTION) BY EMINENT DOMAIN**

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended (Charter); and

WHEREAS, Section 17-103.2(b) of the Charter empowers HART “to acquire by eminent domain . . . all real property or any interest therein necessary for the construction, maintenance, repair, extension or operation of the fixed guideway system;” and

WHEREAS, the City Council approved or did not object to the acquisition of an electrical easement over, on, and across the real property identified as Tax Map Key (TMK) 1-1-016-017 (por.) by eminent domain after written notification by HART; and

WHEREAS, the acquisition by eminent domain of said easement over, on, and across the above-identified real property, which is more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. That acquisition by eminent domain of an easement over, on, and across the real property identified as TMK 1-1-016-017 (por.) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of said easement by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of said easement by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and

- 4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and
- 5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

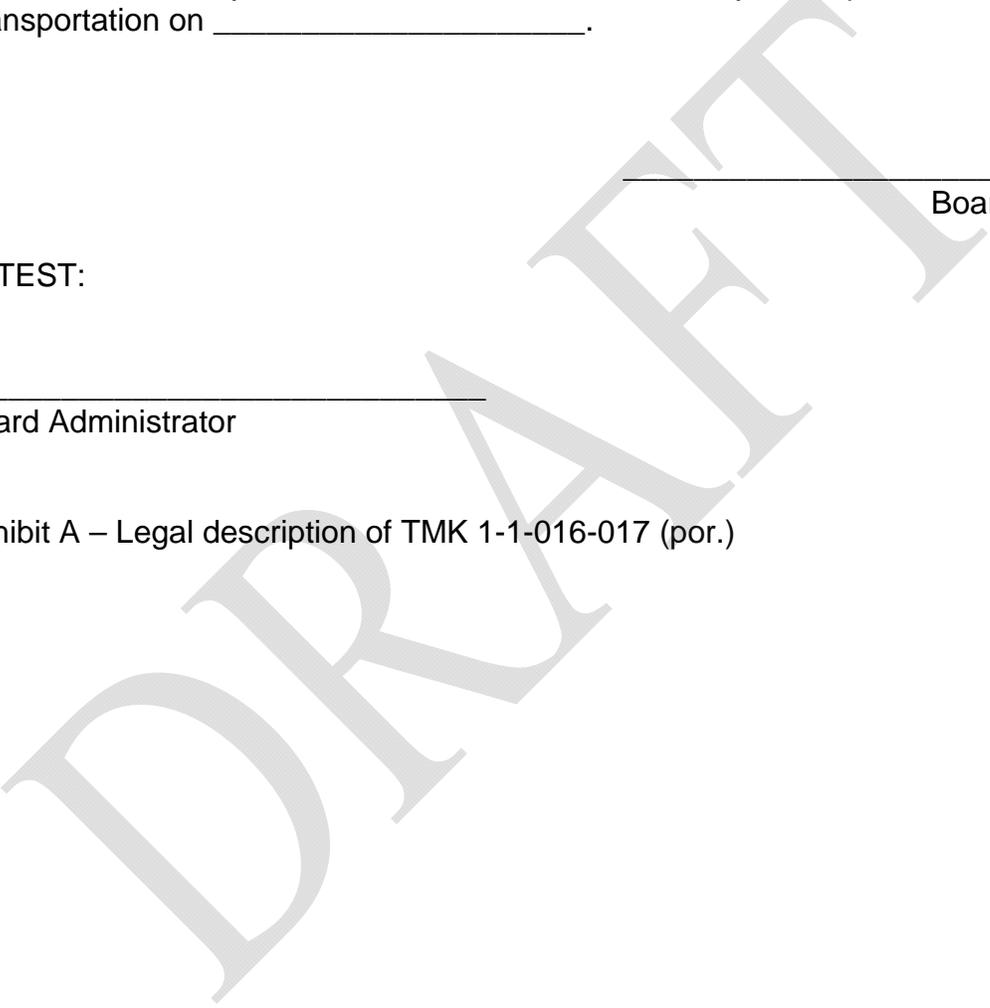
ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on \_\_\_\_\_.

\_\_\_\_\_  
Board Chair

ATTEST:

\_\_\_\_\_  
Board Administrator

Exhibit A – Legal description of TMK 1-1-016-017 (por.)



**PARCEL 313**

Being a Portion of Lot 102

As Shown on Map 150 of Land Court Application 1074

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the Southwest corner of this parcel of land, being the South corner of the Lot 101 (Map 150) of Land Court Application 1074, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,090.56 feet South and 2,411.99 feet East, thence running by azimuths measured clockwise from true South:

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| 8. | 99° 04'  | 67.84 | feet along the North side of Waiwai Loop to the point of beginning and containing an area of 1,358 Square Feet, more or less. |





R. M. TOWILL CORPORATION

Description prepared by:

A handwritten signature in black ink, appearing to read "Ryan M. Suzuki".

Ryan M. Suzuki      Exp: 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
May 12, 2015



**Remainder of PARCEL 313**

Being a Portion of Lot 102

As Shown on Map 150 of Land Court Application 1074

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the Southwest corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,074.25 feet South and 2,414.59 feet East, thence running by azimuths measured clockwise from true South:

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| 5.  | 189° 04' | 7.70   | feet along Parcel 313;  |
| 6.  | 99° 04'  | 12.25  | feet along Parcel 313;  |
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\_\_\_\_\_  
Ryan M. Suzuki Exp: 4/30/16  
Licensed Professional Land Surveyor  
Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
May 12, 2015



EASEMENT A  
For Electrical Purposes  
Affecting Lot 102

As Shown on Map 150 of Land Court Application 1074  
In favor of Hawaiian Electric Company

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the Southeast corner of this easement, along the North side of Waiwai Loop, the coordinates of said point of beginning referred to Government Survey Triangulation Station "SALT LAKE" being 11,106.49 feet South and 2,644.52 feet West, thence running by azimuths measured clockwise from true South:

- 1. 99° 04' 13.50 feet along the North side of Waiwai Loop
- 2. 189° 04' 16.50 feet;
- 3. 279° 04' 13.50 feet;
- 4. 9° 04' 16.50 feet along Lot 103 (Map 150) of Land Court Application 1074 to the point of beginning and containing an area of 223 Square Feet, more or less.



R. M. TOWILL CORPORATION

Description prepared by:

*Ryan M. Suzuki*  
 Ryan M. Suzuki Exp: 4/30/16  
 Licensed Professional Land Surveyor  
 Certificate Number 10059

2024 North King Street, Suite 200  
Honolulu, Hawaii 96819  
May 12, 2015



# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

<b>TITLE:</b> <b>RESOLUTION NO. 2015-8 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-016-017 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN</b>	<b>STAFF CONTACT:</b> Elizabeth Scanlon Morris Atta	<b>DATE:</b> May 21, 2015
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Type:	Goal	Focus Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input checked="" type="checkbox"/> Project Delivery	<input checked="" type="checkbox"/> Livability/Land Use	
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships	
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input type="checkbox"/> Agency Admin.	

**1. Purpose:**

Review of Notification to City Council for condemnation of land for public use, identified as Tax Map Key 1-1-016-017, and situated at 2621 Waiwai Loop, Honolulu, Hawaii, 96819, which is required for guideway construction of the Honolulu Rail Transit Project (HRTP). This property, for which a 1,358 square foot permanent easement and a 223 square foot utility easement is required, is on the critical path for successful completion of the Airport section of the HRTP. The property is owned by Waiwai Loop Rental, Inc.

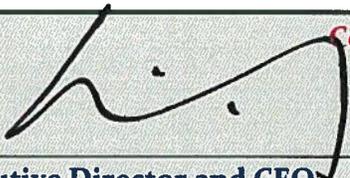
HART recommends use of eminent domain to acquire the property.

**2. Background/Justification**

This property (TMK 1-1-016-017) was designated as a partial take in the Final Environmental Impact Statement (FEIS). As required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and FTA C5010.1D, the owners were notified of HART's intent to acquire the property. An appraisal was conducted following URA guidelines, which took into consideration all site conditions and potential impacts the partial take would have on the remainder of the property.

- The appraisal site visit occurred on September 24, 2014.
- An offer for the permanent easement and utility easement dated November 19, 2014 was hand delivered to the owner.
- An offer dated April 27, 2015 was sent to the owner.
- Based on continued negotiations with the owner, a tentative administrative settlement has been proposed. The owner has yet to accept the administrative settlement. There is a significant possibility that negotiations and/or closing of this transaction will not conclude prior to the date that access to the property is needed to meet HART's project construction schedule and could result in construction delay damage claims.

This parcel is being referred to eminent domain in order to ensure that if negotiations are not concluded to the satisfaction of the parties in a timely manner, HART will still be able to seek and obtain access to the property or part thereof to enable HART to maintain its construction schedule without delay. Access to this parcel is needed as soon as possible in order to avoid costly delays to the project schedule and timing. Even if authorization to proceed with eminent domain is granted, HART fully intends to continue negotiations with the owner to seek a negotiated settlement prior to the filing of any court action rather than rely on resolution of this matter by litigation.

<b>3. Procurement Background</b> N/A
<b>4. Financial/Budget Impact</b> The project budget includes an estimated cost for legal action associated with the eminent domain of the property.
<b>5. Policy Impact</b> There is no policy impact since this action conforms to the requirement of the URA, FTA 1050.1D and Article SVII of the Charter of the City and County of Honolulu.
<b>6. Public Involvement</b> N/A
<b>7. Alternatives</b> There is no feasible alternative to avoid the above described impacts to the property.
<b>8. Exhibits</b> Exhibit 1 – Offer letter dated November 19, 2014 Exhibit 2 – Offer letter dated April 27, 2015 Exhibit 3 – Appraisal report by John Child & Company
<b>Certified and Recommended by:</b>
 _____ Executive Director and CEO
5/15/15 _____ Date



IN REPLY REFER TO:  
CMS-APOOROW-00691

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

November 19, 2014

BOARD OF DIRECTORS

Ivan M. Lui-Kwan, Esq.  
CHAIR

Donald G. Horner  
VICE CHAIR

George I. Atta  
Robert Bunda  
Michael D. Formby  
Ross M. Higashi  
William "Buzz" Hong  
Kestlie W.K. Hui  
Damien T.K. Kim  
Carrie K.S. Okinaga, Esq

Mr. Scott Ushijima  
Waiwai Loop Rental, Inc.  
2621 Waiwai Loop  
Honolulu, Hawaii 96819

*Scott Ushijima*  
Received  
*Scott Ushijima 11/21/14*  
Print Name Date

*Note:*  
① *Women's Restroom*  
② *Extensive Concrete*  
③ *PV Apparatus Location*

Dear Mr. Ushijima:

Subject: Honolulu Rail Transit Project (H RTP)  
2621 Waiwai Loop  
Parcel 313: Tax Map Key (TMK) 1-1-016-017 (Portion)  
**Letter of Offer**

This is a follow-up to previous correspondence regarding the appraisal and acquisition of the subject property. An appraisal of your property has been completed. Based on our findings as contained in the enclosed Statement of Just Compensation, Honolulu Authority for Rapid Transportation (HART) offers to purchase a 1,581 square foot portion of your property, identified as TMK 1-1-016-017 (shown outlined in yellow on the enclosed map), as a permanent easement. The purpose of the easement is for a stairwell touchdown, overhead station maintenance easement, and Hawaiian Electric Company utility easement for the total consideration of \$300,000 (Three Hundred Thousand Dollars).

Development of the H RTP Lagoon Station will require a permanent easement at the southwest corner for a stairwell touchdown and overhead station maintenance easement. These easement areas total 1,358 square feet. In addition to the HART easements, the H RTP will require a 223 square foot utility easement (shown outlined in blue on the enclosed map), for an electrical transformer. The total easement area is 1,581 square feet.

The easements will require demolition of the two-story front building and adjacent trellised parking area with four stalls. HART will be responsible for all demolition and remedial repair costs that could include construction of a second stairwell to both rear buildings, and reconstruction of a concrete tile with sliding chain link gate for security.

The staircase will be approximately 35' 7" high, 14' 7" wide, and 23' long. The staircase will be located next to the driveway. The stairwell touchdown will not encroach into the existing driveway. Only ingress and egress will be permitted under the overhead station easement via the existing driveway, and clearance below the overhead station easement will continue to be sufficient to allow containerized vehicles access to the property. However, parking, open yard storage, and fencing will not be permitted within the overhead station easement area.

Mr. Scott Ushijima  
Page 2  
November 19, 2014

The total offer for acquiring the interest in your property is \$300,000 (Three Hundred Thousand Dollars).

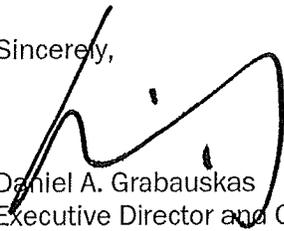
If this offer is acceptable, please sign the duplicate of this letter and the Consent to Enter and return them in the enclosed envelope by December 19, 2014. The remaining copies are for your files. Also enclosed for your information is the Appraisal Summary Statement and the General Acquisition & Relocation Information Brochure.

If we do not hear from you by December 19, 2014, this offer shall be considered rejected and HART will proceed to review options to acquire the subject property.

In accordance with federal regulations affecting real property transactions, we request your cooperation in providing us with your Taxpayer Identification Number. Please execute and return the enclosed IRS Form W-9 at the same time. The W-9 is required by our Department of Budget and Fiscal Services to release the check.

Please contact Mr. Walter "Cap" Havekorst at 799-3655 if you have any questions regarding this matter.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

Enclosures

ACCEPTED:

WAIWAI LOOP RENTAL, LLC

By \_\_\_\_\_  
Its

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_

## STATEMENT OF JUST COMPENSATION

**PROJECT:** HONOLULU RAIL TRANSIT PROJECT (H RTP)

**LOCATION:** 2621 Waiwai Loop, Honolulu, Oahu, Hawaii

**TAX MAP KEY:** 1-1-016-017 (Portion)

**OWNER(S):** WAIWAI LOOP RENTAL, INC.

**INTEREST TO BE ACQUIRED:** Permanent Easement & Utility Easement

**PARCEL TO BE ACQUIRED:** Permanent Easement of +/- 1,358 square feet  
Hawaiian Electric Company Utility Easement of +/- 223 square feet

**ZONING:** Industrial

**IMPROVEMENTS:** None

**PURPOSE:** Under the United States and Hawaii Constitutions, private property cannot be taken for public use without payment of just compensation. In accordance with the Code of Federal Regulations, Honolulu Authority of Rapid Transportation submits a written statement of and summary of the basis for the amount it has established as just compensation for the above identified property.

In estimating just compensation, an appraisal was performed by a State of Hawaii licensed appraiser. The amount established as just compensation is not less than the approved appraisal of the fair market value of the property being acquired.

Unless otherwise stated in the attached letter of offer, the amount established as just compensation is for the real property being acquired, which includes land, buildings, structures, or improvements located on, or damaged as a result of the taking of the areas and interest described in the attached letter of offer.

The amount established as just compensation does not include items of personal property such as household furnishings, clothing and appliances.

**JUST COMPENSATION:** Based on the completed appraisal report and the appraisal review the just compensation amount for the property being acquired is:

Permanent & Utility Easement	<b>\$300,000</b>
<b>TOTAL:</b>	<b>\$300,000</b>

The original of this statement to be tendered to the above named owner has been signed in ink. If the signature is not in original ink, as opposed to duplicating, electrostatic or other media, this Statement of Just Compensation is not valid.



Morris M. Atta  
Deputy Director of Right-of-Way

## APPRAISAL SUMMARY STATEMENT

PROJECT:	HONOLULU RAIL TRANSIT PROJECT (H RTP)	
ADDRESS:	2621 Waiwai Loop , Honolulu, Oahu, Hawaii	
TAX MAP KEY:	1-1-016-017 (Portion)	
OWNER(S):	WAIWAI LOOP RENTAL, INC.	
PARCEL AREA:	+/- 1,358 square feet of Permanent Easement +/- 223 square feet of Utility Easement	
PROPERTY ACQUIRED:	ALL: <input type="checkbox"/> PART: <input checked="" type="checkbox"/>	
INTEREST TO BE ACQUIRED:	Permanent Easement & Utility Easement	
ZONING:	Industrial	
HIGHEST & BEST USE:	Industrial or Office Use	
ASSESSED VALUE (2014):	Land Value	\$2,337,500
FOR TOTAL PARCEL	Building Value	<u>\$ 486,600</u>
	TOTAL	\$2,824,100
<hr/>		
	Permanent & Utility Easement	\$300,000
	TOTAL	\$300,000

The Appraisal Estimate is: **\$300,000**

The value of the property being acquired is based upon an appraisal prepared in accordance with accepted appraisal practices. Full and careful consideration has been given to the highest and best use for development of the property and to all features inherent in your property in order that the highest valuation possible can be made. The Appraisal Estimate and appraisal were developed and reported in conformity with Federal regulations, State statutes, and City ordinances.

CONSENT TO ENTER

The undersigned, being the owner of that certain property bearing the tax map key listed hereinbelow, hereby consents to the entry by the Honolulu Authority for Rapid Transportation (“HART”), a semi-autonomous agency of the City and County of Honolulu, and /or its representatives and consultants for the purpose stated:

PROJECT:           **Honolulu Rail Transit Project (HRTP)**  
TAX MAP KEY:      **1-1-016-017(Portion)**  
LOCATION:           **2621 Waiwai Loop, Honolulu, Oahu, Hawaii**  
PURPOSE:          **Construction Activities**

It is understood that this consent to enter is granted upon the following terms:

(1) That the areas covered by this consent document are in yellow and blue outlined on the attached map. That this consent includes the right of ingress to and egress from said consent to enter area over the land of the undersigned, adjacent thereto for all purposes in connection with this consent to enter.

(2) That this consent to enter is granted for a **nominal** consideration of \$1.00.

(3) That HART shall indemnify the undersigned against loss or damage to the property of the undersigned and from liability for injury to or death of persons in the manner provided by law when such loss, damage, injury or death is caused by the negligent use of said property by HART and/or its representatives and consultants, resulting from this consent to enter.

(4) That the entire cost of the work proposed to be done and all other expenses incidental thereto will be borne by HART.

(5) That HART will, in its discretion, determine the extent of the work to be done.

(6) That this consent to enter is granted for a period of thirty-six (36) months commencing from the date of actual entry and terminating at the end of the period or upon completion of work, whichever is sooner.

(7) That HART or its representative will provide the undersigned written notification at least two weeks prior to the entry into said property by HART’s contractor.

(8) That this consent to enter shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors in trust, successors and assigns.

TAX MAP KEY: 1-1-016-017  
Consent to Enter - Page 2

(9) That this consent to enter shall be null and void upon recordation of the deed or other document conveying said property to HART.

DATED: HONOLULU, HAWAII \_\_\_\_\_.

WAIWAI LOOP RENTAL, INC.

By \_\_\_\_\_  
Its

Phone \_\_\_\_\_

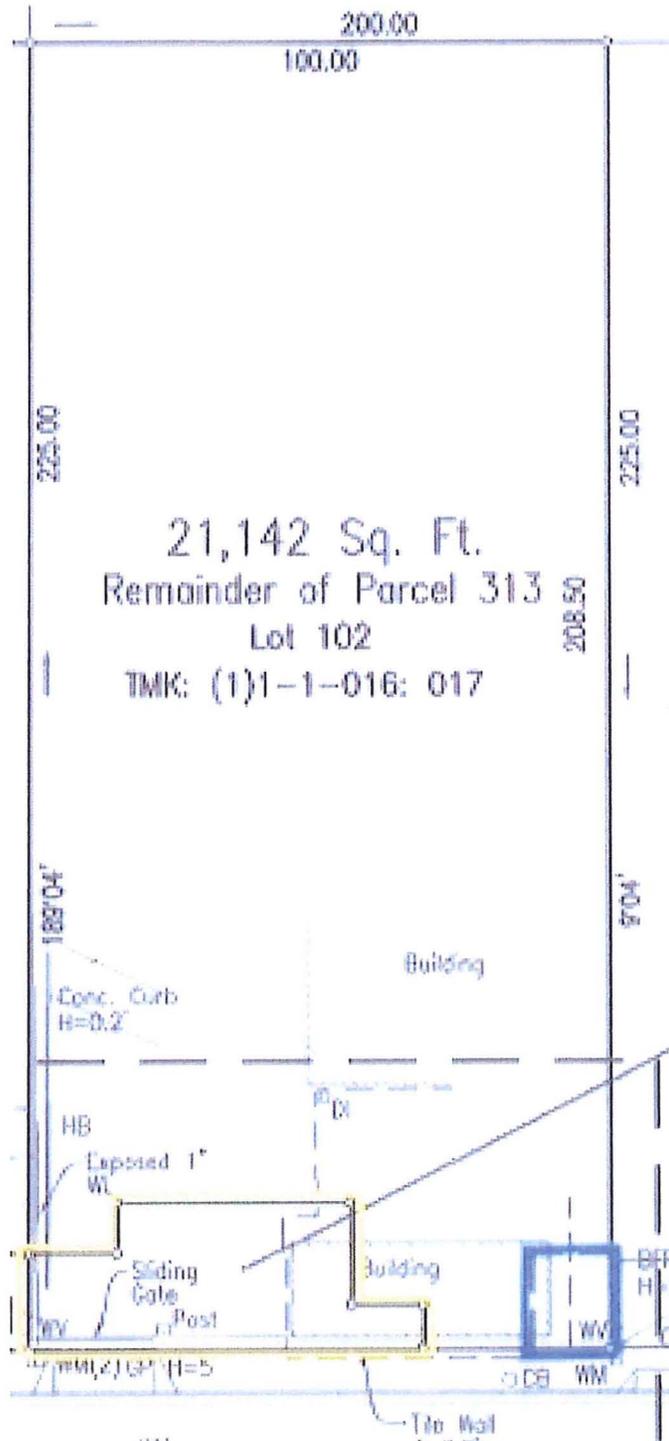
APPROVED AS TO FORM AND  
LEGALITY

\_\_\_\_\_  
Deputy Corporation Counsel

APPROVED AS TO CONTENTS

  
\_\_\_\_\_  
Honolulu Authority for Rapid Transportation

PARCEL MAP EXHIBIT  
TMK 1-1-016-017 (PORTION)



RL 1968



IN REPLY REFER TO:  
CMS-APOOROW-00847

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

BOARD OF DIRECTORS

April 27, 2015

Ivan M. Lui-Kwan, Esq.  
CHAIR

Mr. Scott Ushijima  
Waiwai Loop Rental, Inc.  
2621 Waiwai Loop  
Honolulu, Hawaii 96819

*Scott Ushijima*  
\_\_\_\_\_  
Received  
SCOTT USHIJIMA 5/5/15  
Print Name Date  
Delivered: Jackson Bugdon  
*JBY*

Donald G. Horner  
VICE CHAIR

George I. Atta  
Robert Bunda  
Michael D. Formby  
Ford N. Fuchigami  
William "Buzz" Hong  
Kestie W.K. Hui  
Damien T.K. Kim  
Carrie K.S. Okinaga, Esq.

Dear Mr. Ushijima:

Subject: Honolulu Rail Transit Project (H RTP)  
2621 Waiwai Loop  
Parcel 313: Tax Map Key 1-1-016-017 (Portion)  
**Administrative Settlement for Waiwai Loop Rental, Inc.**

This is in reference to the Honolulu Authority for Rapid Transportation's (HART) letter of offer dated November 19, 2014, to purchase a portion of the subject property located at 2621 Waiwai Loop Honolulu, Hawaii 96819. Submitted for your consideration and acceptance is a proposed administrative settlement in the amount of **\$503,000 (Five Hundred Three Thousand Dollars)** to purchase the permanent easements totaling 1,581 square feet. In determining the settlement amount, HART has reviewed the information you have presented and other pertinent data and has determined that this amount is supported and in the public's interest. Accordingly, HART is prepared to settle this acquisition. This settlement amount is subject to the concurrence of the Federal Transit Administration (FTA).

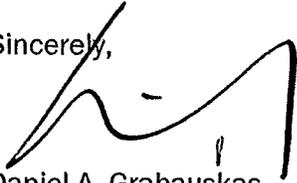
If the settlement is acceptable, please sign on the acceptance portion of the duplicate letter and return the signed copy to us. At the same time, we request your cooperation in filling out and returning the enclosed IRS Form W-9 with your Taxpayer Identification Number. The W-9 is required by the City's Department of Budget and Fiscal Services to release the funds. HART will be using Title Guaranty to escrow this transaction. The escrow fees and closing costs shall be borne by HART.

We request your response to our settlement by May 7, 2015. If we do not hear from you by then, this settlement shall be considered rejected, unless otherwise stated by you.

Mr. Scott Ushijima  
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April 27, 2015

If you have any questions regarding this matter, please contact Mr. Jackson Blagden at 536-5900.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

Enclosure

ACCEPTED:

WAIWAI LOOP RENTAL, INC.

By \_\_\_\_\_  
Its

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_



November 4, 2014

Karen Char, MAI, CRE  
Paul D. Cool, MAI, CRE  
Shelly H. Tanaka, MAI

City and County of Honolulu  
Honolulu Authority for Rapid Transportation  
c/o Mr. Walter Havekorst  
Senior Acquisition Agent for HART  
Paragon Partners Ltd.  
1099 Alakea Street, Suite 2150  
Honolulu, Hawaii 96813

Dear Mr. Havekorst:

**Re: Waiwai Loop Rental Property at 2621 Waiwai Loop, Tax Map Key (1) 1-1-016:017;  
PDQ Parcel 313**

At your request, John Child & Company has completed valuation analyses in connection with the proposed taking of the Waiwai Loop Rental Property. This letter summarizes the background and estimated values presented in the attached report.

### **STUDY BACKGROUND**

The Waiwai Loop Rental Property is a multi-tenanted, mixed-use, industrial-commercial property at 2621 Waiwai Loop, in the Honolulu Airport Industrial district on Oahu, Hawaii. The property consists of a 22,500<sup>sq</sup>ft industrial-zoned parcel identified as Tax Map Key 1-1-016:017 of the First Taxation Division.

The parcel is improved with three, two-story walkup office buildings and a partially enclosed metal warehouse. The buildings were constructed between 1958 and 1972 and include a total 19,794<sup>sq</sup>ft of warehouse, office, and mezzanine space.

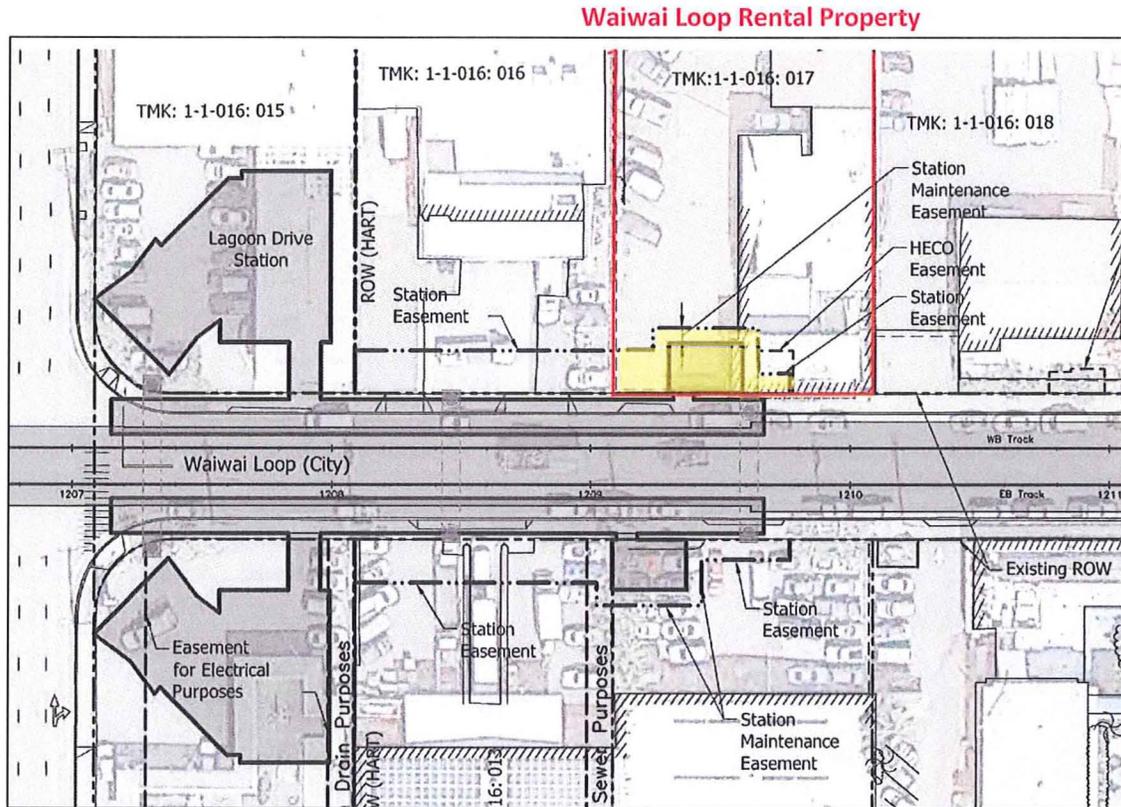
Waiwai Loop Rental, Inc. owns the fee simple interest in the property and occupies a portion of the warehouse and office spaces. The rest of the space is leased.

Honolulu Authority for Rapid Transportation (HART), a semi-autonomous public transit authority, has retained Paragon Partners Ltd. as its consultant for the Honolulu Rail Transit Project (H RTP). HART requires a permanent easement on a 1,358<sup>sq</sup>ft portion along Waiwai Loop for the Lagoon Drive Station stairwell touchdown and an overhead station maintenance easement, as shown on the following map:

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Paragon Partners Ltd.  
November 4, 2014  
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Portion of Lagoon Drive Station Map Showing  
Location of Stairwell Touchdown and Station Maintenance Easement [1]



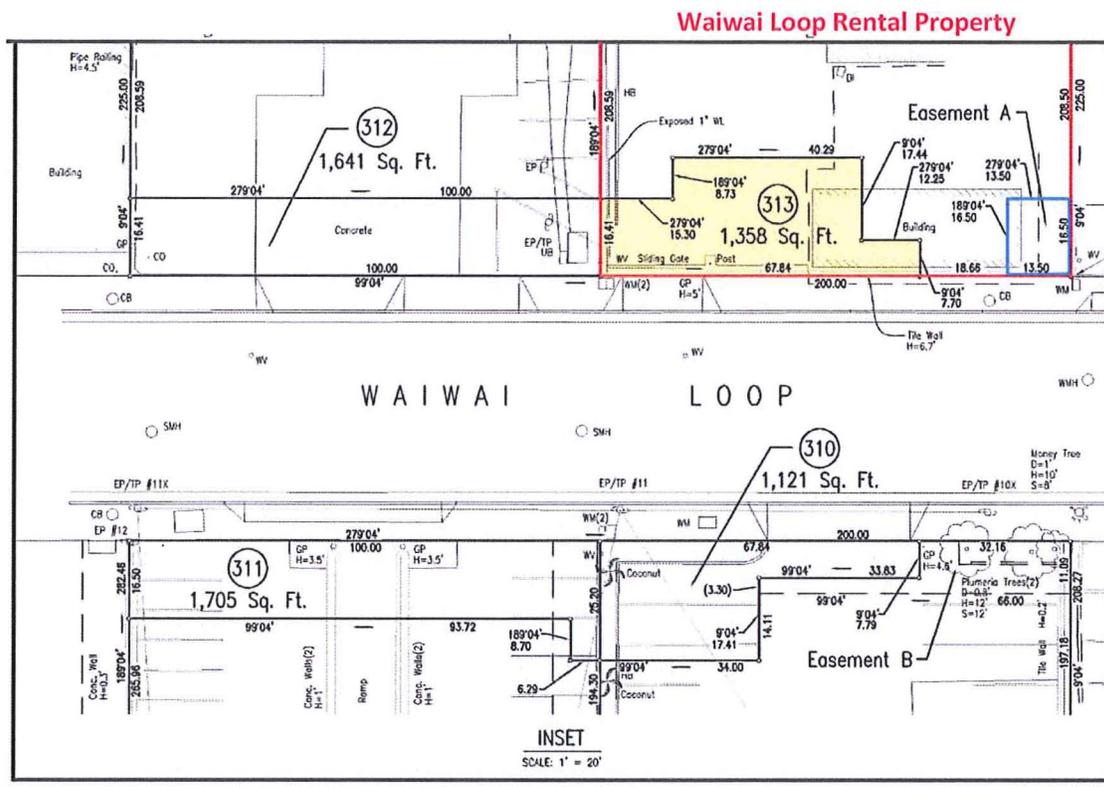
[1] Source: AECOM, May 23, 2014. Location of HECO Easement is incorrect; see Parcel Map for current placement.



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 Paragon Partners Ltd.  
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In addition to the HART easements, the H RTP will require a 223<sup>rd</sup> utility easement for a Hawaiian Electric Company (HECO) transformer. The location of the proposed HECO easement is outlined in blue and identified as “Easement A” below:

Portion of Draft Parcel Map Showing  
 Location of HART and HECO Easements [1]



The taking will require demolition of the two-story office building along Waiwai Loop. HART will be responsible for all demolition and remedial repair costs.

Alternatively, HART is considering a full take of the Waiwai Loop Rental Property. In this regard, you have asked us to assist you.

[1] Source: R.M. Towill, Inc. Full map included in Addendum 1.

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## **STUDY OBJECTIVES**

The objectives of our assistance are to:

1. Estimate the fair market value of the fee simple interest in the Waiwai Loop Rental Property assuming a full take.
2. Estimate the fair market value of the partial taking that includes a proposed stairwell touchdown and overhead station maintenance easement on a 1,358<sup>sq</sup> portion of the Waiwai Loop Rental Property, and a HECO transformer easement that will encumber a 223<sup>sq</sup> portion of the property.

## **INTENDED USE AND USERS**

Our assistance is intended to be used by HART, Paragon Partners Ltd. (Paragon Partners), and the U.S. Department of Transportation Federal Transit Administration (FTA) in connection with the H RTP.

As a result, our assistance is intended for the sole and exclusive use of HART (Client), Paragon Partners, and the FTA. The Client has agreed that our assistance is not intended for any other purpose or users and is not to be relied upon by any third parties for any purpose, whatsoever.

## **DATE OF PROPERTY VISIT**

The property was visited on August 15, 2013 and September 24, 2014. The appraisers were accompanied by the property owners, Mr. Kyle Ushijima and Mr. Scott Ushijima.

## **EFFECTIVE DATE OF APPRAISAL**

The effective date of appraisal is September 24, 2014, the date the property was last visited.

## **DATE OF REPORT**

The date of this report is November 4, 2014.

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## **DEFINITIONS OF TERMS**

Terms used in this report are defined in the Appraisal Institute's, **The Dictionary of Real Estate Appraisal**, Fifth Edition, unless otherwise footnoted.

### **Fair Market Value**

“Fair market value” has the same meaning as “market value.”

Market value means the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. [1]

### **Fee Simple Interest**

“Fee simple interest” is the same as “fee simple estate.”

Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

### **Easement**

An easement is the right to use another's land for a stated purpose.

## **ASSUMPTION OF A HYPOTHETICAL CONDITION**

A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in an analysis. [2]

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[1] Interagency Land Acquisition Conference, **Uniform Appraisal Standards for Federal Land Acquisitions**, 2000.

[2] Appraisal Institute, **The Dictionary of Real Estate Appraisal**, Fifth Edition.

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This report is subject to the following hypothetical conditions:

#### **Valuation Assumes No Impact of H RTP**

Section 24.103(b) of the Code of Federal Regulation (CFR) states:

“The appraiser shall disregard any decrease or increase in the market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.”

Therefore, the estimated market values are based on the hypothetical condition that the property is not impacted by the rail project as of the date of valuation.

#### **Valuation Assumes Unencumbered Fee Simple Interest**

Waiwai Loop Rental, Inc. owns the fee simple interest in the property and leases individual spaces to unrelated tenants. The ground floor space in the two-story office building that will be demolished is leased on a month-to-month terminable basis. Tenant lease rents and terms for the remaining spaces that are occupied by the property owner and others were not provided.

However, at the direction of Paragon Partners, the valuations are to be based on the unencumbered fee simple interest in the property. Therefore, the valuations are based on the hypothetical condition that the property is unencumbered by any tenant leases.

#### **Valuation of the After Property Assumes Demolition and Remediation**

The value of the partial taking is estimated using the *before* and *after* method of valuation, described as follows:

$$\begin{array}{r}
 \text{Fair market value of the "before property"} \\
 - \text{Fair market value of the "after property"} \\
 \hline
 = \text{Fair market value of the taking (difference in value)} \\
 \hline
 \hline
 \end{array}$$

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The value of the “after property” is based on the hypothetical conditions that:

1. The Waiwai Loop Rental Property is encumbered by the proposed HART and HECO easements, and
2. The two-story office building and trellised parking area along Waiwai Loop has been demolished and the property has been remediated to conform with applicable zoning, building code, and other regulations.

The assumption of these hypothetical conditions could have an effect on the value of the property.

#### **EXTRAORDINARY ASSUMPTION**

An extraordinary assumption is an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. [1]

The valuation of the “after property” relies on the following extraordinary assumptions:

- HART will be responsible for all demolition and remedial repair costs, including demolition of the two-story office building and trellised parking area along Waiwai Loop, demolition and reconstruction of asphalt concrete paving, and relocation or reconstruction of a second stairwell, security wall and gate.
- The staircase is approximately 35’7” to top of platform, 14’7” wide and 23’ long. According to HART, the stairwell touchdown will not encroach into the existing driveway. Ingress and egress will be permitted under the overhead station easement via the existing driveway. Clearance below overhead station easement will continue to be sufficient to allow containerized vehicles access to the property. However, parking, open yard storage and fencing will not be permitted within the easement areas.

#### **STUDY CONDITIONS**

This report is subject to the study conditions included in Section I.

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[1] Appraisal Institute, **The Dictionary of Real Estate Appraisal**, Fifth Edition.

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**ESTIMATED FAIR MARKET VALUE OF THE  
WAIWAI LOOP RENTAL PROPERTY ASSUMING A FULL TAKE**

The highest and best use of the Waiwai Loop Rental Property is as currently improved and for sale to an owner-user for continued warehouse and office use of all or a portion of the property.

The fair market value of the property is estimated using the sales comparison and income capitalization approaches. Based on the valuation assumptions and analyses summarized in Section III, the fair market value of the fee simple interest in the Waiwai Loop Rental Property, as of September 24, 2014, is estimated to be:

**THREE MILLION DOLLARS**  
**\$3,000,000.**

The estimated fair market value is the value of the real estate only. An inventory of the personalty was not provided.

**ESTIMATED FAIR MARKET VALUE OF THE  
PARTIAL TAKING**

The fair market value of the partial taking is based on the before and after method of valuation. The before and after method accounts for severance damages and/or special benefits to the remainder property.

Based on the valuation assumptions and analyses summarized in Sections IV and V, the fair market value of the partial taking, as of September 24, 2014, is estimated to be:

**THREE HUNDRED THOUSAND DOLLARS**  
**\$300,000.**

\* \* \* \* \*

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We appreciate the opportunity to assist you on this interesting assignment. Please contact us if you have questions.

Sincerely,

JOHN CHILD & COMPANY, INC.

A handwritten signature in black ink that reads "Paul D. Cool".

Paul D. Cool, MAI, CRE  
Vice President  
Certified General Appraiser License No. 71  
State of Hawaii  
Expires December 31, 2015

A handwritten signature in black ink that reads "Shelly H. Tanaka".

Shelly H. Tanaka, MAI  
Senior Appraiser  
Certified General Appraiser License No. 648  
State of Hawaii  
Expires December 31, 2015