

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2015-9

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

WHEREAS, the acquisition by eminent domain in fee simple of the real property identified as Tax Map Key (TMK) 1-1-016-016 (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 in fee simple of the real property identified as TMK 1-1-016-016 (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 in fee simple of the above-identified real property.

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

Exhibit A – Legal description of TMK 1-1-016-016 (por.)
Exhibit B – Resolution No. 2015-___, Authorizing the Acquisition of the Real
Property Identified as Tax Map Key 1-1-016-016 (portion) by Eminent
Domain


Board Chair

ATTEST:


Board Administrator

PARCEL 312

Being a Portion of Lot 101

As Shown on Map 150 of Land Court Application 1074

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the Southeast corner of this parcel of land, being the Southwest corner of the Lot 102 (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. | 99° 04' | 100.00 | feet along the North side of Waiwai Loop; |
| 2. | 189° 04' | 16.41 | feet along Lot 100 (Map 150) of Land Court Application 1074; |
| 3. | 279° 04' | 100.00 | feet along the Remainder of Parcel 312; |
| 4. | 9° 04' | 16.41 | feet along Lot 102 (Map 150) of Land Court Application 1074 to the point of beginning and containing an area of 1,641 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 312

Being a Portion of Lot 101

As Shown on Map 150 of Land Court Application 1074

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

Beginning at the South corner of this parcel of land, being the East corner of Parcel 312, 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. 99° 04' 100.00 feet along Parcel 312;
- 2. 189° 04' 208.59 feet along Lot 100 (Map 150) of Land Court Application 1074;
- 3. 279° 04' 100.00 feet along Lot 115 (Map 150) of Land Court Application 1074;
- 4. 9° 04' 208.59 feet along Lot 102 (Map 150) of Land Court Application 1074 to the point of beginning and containing an area of 20,859 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 THE REAL PROPERTY IDENTIFIED AS
TAX MAP KEY 1-1-016-016 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 the real property identified as Tax Map Key (TMK) 1-1-016-016 by eminent domain in fee simple after written notification by HART; and

WHEREAS, the acquisition by eminent domain in fee simple of 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 in fee simple of the real property identified as TMK 1-1-016-016 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 the above-identified property by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of the above-identified property 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

_____.

Exhibit A – Legal description of TMK 1-1-016-016

Board Chair

ATTEST:

Board Administrator

DRAFT

PARCEL 312

Being a Portion of Lot 101

As Shown on Map 150 of Land Court Application 1074

Situate at Moanalua, Honolulu, Island of Oahu, Hawaii

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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 312

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R. M. TOWILL CORPORATION

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Ryan M. Suzuki
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 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

TITLE: RESOLUTION NO. 2015-9 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-1-016-016 BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID PROPERTY BY EMINENT DOMAIN	STAFF CONTACT: Elizabeth Scanlon Morris Atta	DATE: 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 1-1-016-016, and situated at 2613 Waiwai Loop Honolulu Hawaii, 96819, which is required for guideway construction of the Honolulu Rail Transit Project (HRTTP). This property, for which a 1,641 square foot Overhead Station Maintenance and Drainage Easement is required, is on the critical path for successful completion of the Airport section of the HRTTP. The property is owned by International Express, Inc.

HART recommends use of eminent domain to acquire the property.

2. Background/Justification

This property (TMK 1-1-016-016) 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 22, 2014.
- An offer for the Station Maintenance and Drainage Easement dated October 30, 2014 was had delivered to the owner on November 2, 2014.
- Owner rejected offer in a letter dated December 8, 2014, stating that the project would render the property unusable. Owner made a counteroffer for a full take and relocation of the facility to another location not yet unidentified. 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.

3. Procurement Background

N/A

4. Financial/Budget Impact

The project budget includes an estimated cost for legal action associated with the eminent domain of the property.

5. Policy Impact

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.

6. Public Involvement

N/A

7. Alternatives

There is no feasible alternative to avoid the above described impacts to the property.

8. Exhibits

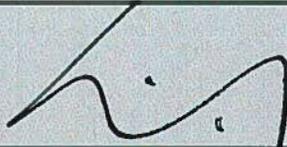
Exhibit 1 – Offer letter date October 30, 2014

Exhibit 2 – Rejection and counteroffer letter dated December 8, 2014

Exhibit 3 – Appraisal by John Child & Company

Exhibit 4 – Review Appraisal ACM Consultants, Inc.

Certified and Recommended by:



Executive Director and CEO

5/15/15

Date



IN REPLY REFER TO:
CMS-AP00ROW-00662

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

BOARD OF DIRECTORS

October 30, 2014


 Received
 Red Gomez 11/03/14
 Print Name Date

Ivan M. Lui-Kwan, Esq.
CHAIR

Donald G. Horner
VICE CHAIR

Mr. Masao Mitsui
International Express, Inc.
2613 Waiwai Loop
Honolulu, Hawaii 96819

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

Dear Mr. Mitsui:

Subject: Honolulu Rail Transit Project (H RTP)
2613 Waiwai Loop
Parcel 312: Tax Map Key (TMK) 1-1-016-016 (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 1,641 square foot portion of your property, identified as TMK 1-1-016-016 (shown colored in yellow on the enclosed map), as a perpetual easement for overhead station maintenance and drainage, for the total consideration of \$165,000 (One Hundred Sixty-Five Thousand Dollars). A straddle bent column will also be located in front of the property. According to HART, ingress and egress will be permitted in the easement area. Parking, open yard storage, and fencing will not be permitted within the overhead station easement area. Clearance below overhead station easement will be sufficient to allow containerized vehicles access to the property and loading docks.

The total offer for acquiring the interest in your property is \$165,000 (One Hundred Sixty-Five Thousand Dollars).

The amount of offer is predicated on the assumption that there exists no hazardous substance, product, or waste on the subject property. Please be advised that the amount offered is subject to completion of an environmental site assessment by HART, and the cost to remediate any identified findings may affect the valuation of the subject property.

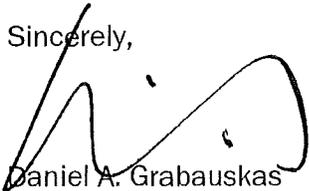
Mr. Masao Mitsui
Page 2
October 30, 2014

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 November 24, 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.

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

cc: Gerald Fujita, Esq.
Rod Gomes, Executive Vice President

ACCEPTED:

INTERNATIONAL EXPRESS, INC.

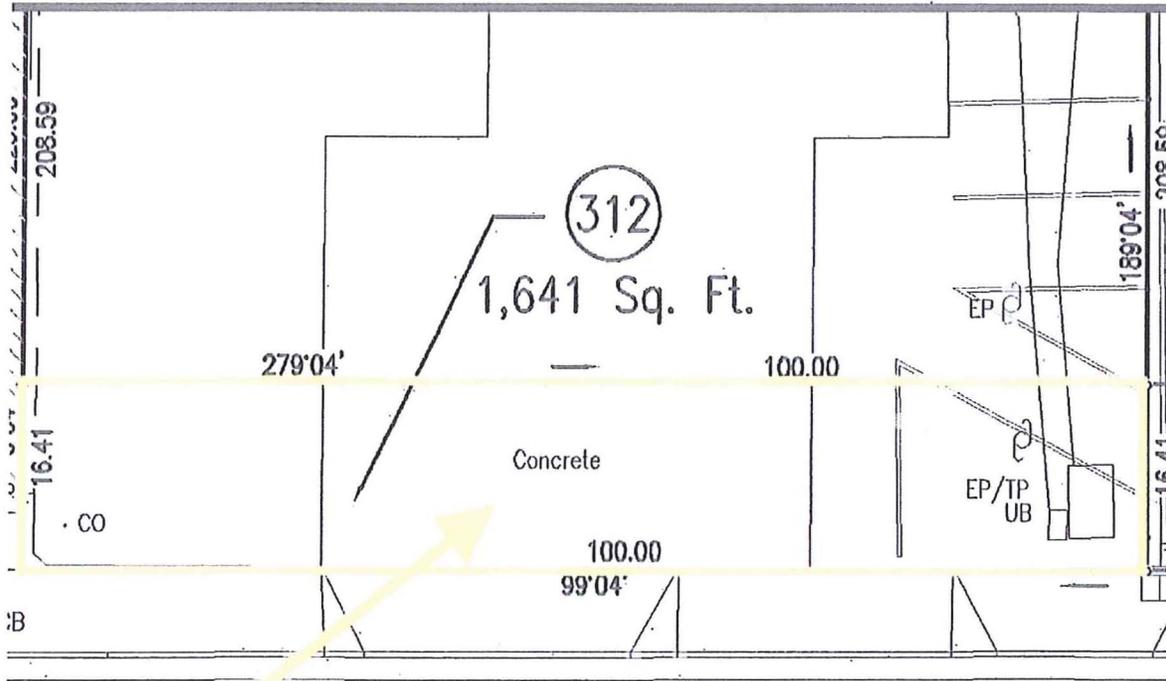
By _____
Its

Print Name: _____

Dated: _____

PARCEL MAP EXHIBIT

TMK 1-1-016-016



PARTIAL TAKING PERMANENT
EASEMENT
International Express, Inc. TMK
1-1-016-016
±/- 1,641 Square Feet

W A I W A I

STATEMENT OF JUST COMPENSATION

PROJECT: HONOLULU RAIL TRANSIT PROJECT (H RTP)

LOCATION: 2613 Waiwai Loop, Honolulu, Oahu, Hawaii

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

OWNER(S): INTERNATIONAL EXPRESS, INC.

INTEREST TO BE ACQUIRED: Permanent Easement

PARCEL TO BE ACQUIRED: Permanent Easement of +/- 1,641 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 Easement	\$165,000
TOTAL:	\$165,000

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 (HRTP)
ADDRESS: 2613 Waiwai Loop, Honolulu, Oahu, Hawaii
TAX MAP KEY: (1) 1-1-016-016
OWNER(S): INTERNATIONAL EXPRESS, INC.

PARCEL AREA: +/- 1,641 Square Feet of Permanent Easement

PROPERTY ACQUIRED: ALL: ___ PART: X

INTEREST TO BE ACQUIRED: Permanent easement

ZONING: Industrial

HIGHEST & BEST USE: Commercial

ASSESSED VALUE (2014):	Land Value	\$2,237,500
FOR TOTAL PARCEL	Building Value	<u>\$ 990,000</u>
	TOTAL	\$3,227,500

	Permanent Easement	\$165,000
	TOTAL	\$165,000

The Appraisal Estimate is: **\$165,000**

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) 1-1-016-016**
LOCATION: **2613 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 area covered by this consent document is colored in yellow 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.

TAX MAP KEY: (1) 1-1-016-016
Consent to Enter – Page 2

(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.

(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 _____.

INTERNATIONAL EXPRESS, INC.

By _____
Its

Phone _____

APPROVED AS TO FORM AND
LEGALITY

Deputy Corporation Counsel

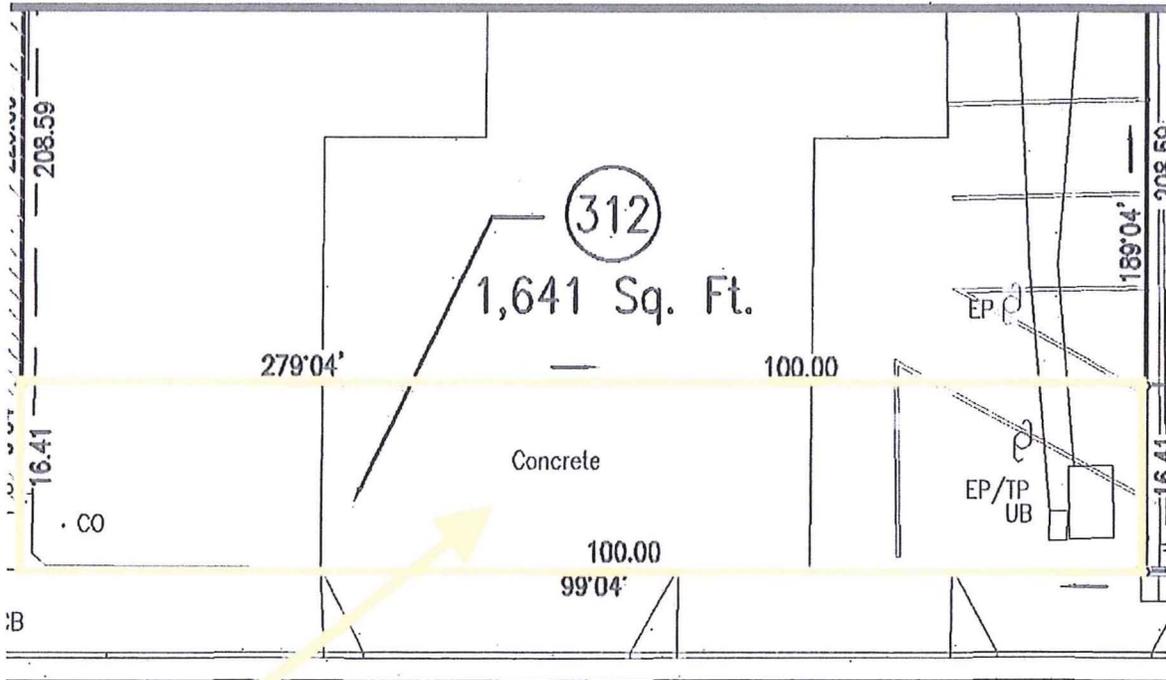
APPROVED AS TO CONTENTS



Honolulu Authority for Rapid Transportation

PARCEL MAP EXHIBIT

TMK 1-1-016-016



PARTIAL TAKING PERMANENT
EASEMENT
International Express, Inc. TMK
1-1-016-016
±/- 1,641 Square Feet

W A I W A I

RL 1529
L 15
COR
JK

GERALD I. FUJITA
ATTORNEY AT LAW
902 CITY FINANCIAL TOWER
201 MERCHANT STREET
HONOLULU, HAWAII 96813
TELEPHONE: (808) 531-4171

HART-ROW

2014 DEC 9 PM 2 17

December 8, 2014

Mr. Daniel Grabauskas
Honolulu Authority for Rapid Transit
City and County of Honolulu
1099 Alakea Street, 17th Floor
Honolulu, Hawaii 96813

Dear Mr. Grabauskas:

Re: International Express, Inc.
2613 Waiwai Loop
Honolulu, Hawaii 96819
Tax Map Key: (1)1-1-016-016 / 312

Dear Mr. Grabauskas:

International Express, Inc. ("IEX") is in receipt of the letter of Honolulu Authority for Rapid Transit ("HART") dated October 30, 2014 offering as just compensation, the amount of \$165,000 for the purchase of a 1,641 square foot portion of IEX's property described above (the "Property"), as an easement for overhead station maintenance and drainage. IEX respectfully declines the offer and counter proposes the following:

According to HART's proposal, it will require an area along the entire street frontage boundary and extending 16.41 feet into the Property for its use. This area must remain open and may be utilized for ingress and egress only. No practical use of the area for the operations of IEX can be made, including the parking of vehicles or permanent or partial storage of goods and equipment. As representatives of HART have seen, this area (which comprises approximately one-third of the open yard area fronting the building) is currently utilized intensively not only for ingress and egress, but for parking, temporary storage of goods, and a working area for the dropoff, loading and temporary storage of good in its trucking operation. If it is unable to so utilize that area, it would be impossible for IEX to continue its current operation.

Additionally, HART plans to construct a support column which will abut the front boundary of the Property alongside one of the driveways. The location of this column and the identical column to be constructed directly across the street will prevent trucks hauling 40' containers from reversing from the street to access the warehouse. Currently the IEX Property handles as many as 250 truck deliveries per week, of which a significant percentage involve 40' foot containers.

Mr. Daniel Grabauskas
Honolulu Authority for Rapid Transit
December 8, 2014
Page 2

Since IEX's ability to utilize the Property after a partial taking as proposed by HART will be severely curtailed as to make the Property unusable for its purposes, the proper just compensation should be to require HART to acquire the entire Property and place IEX in another comparable location in terms of fee simple ownership of a property with similar total land area, similar warehouse size with the ability to service 40 containers, similar refrigerator and freezer areas, and office space, and located in the same general vicinity, so that IEX can continue its operations. IEX has been unable to locate such a property available for purchase at any price.

IEX has received a proposal from Leshar Chee Stadlbauer to provide a fair market value appraisal of the Property, but such appraisal will not be completed before February, 2015. Regardless, IEX in good faith believes the fair market value of the Property to be no less than \$5 million. IEX specifically reserves the right to adjust this figure upon the obtaining of such appraisal.

Based on the above, IEX counter proposes as follows:

1. HART acquire the entire Waiwai parcel in full for the price of \$5 million or such price as indicated by independent appraisal of the fair market value.
2. IEX needs approximately three months to locate a comparable fee simple property for its operation. Comparable to be defined as follows: Fee simple property size of 22,500 square feet, a 15,400 square foot building that's inclusive of 3,000 square feet for office, 6,000 square feet of freezer/chill box storage with a 17' height and the remaining for dry storage/warehouse.
3. IEX believes there are no comparably equipped warehouse properties readily available for purchase. Preliminary findings in the current commercial real estate market reflect minimum cost of \$8 million to acquire a comparable property. In the event a property readily equipped to handle IEX operations is not found, expense will be incurred to modify an existing facility to accommodate its operation (requiring a build out of warehouse and refrigeration facilities). IEX has analyzed costs for these build outs to be approximately \$2.6 million (see expense analysis attached hereto) with a timeline of 10 months.

Mr. Daniel Grabauskas
Honolulu Authority for Rapid Transit
December 8, 2014
Page 3

4. HART will compensate IEX for the cost of moving its operation from the Waiwai location to this new location.

IEX submits this summary counterproposal of IEX's estimate of just compensation for the proposed taking of its property (Total \$7.6 million; \$5 million for Waiwai parcel and \$2.6 million for building expenses). Although the concept and elements of the counterproposal are definitive, the estimated costs of each element may change as more accurate information is obtained. We would like to discuss further with HART the resolution of this matter. Request is made for a meeting as soon as convenient. I will initiate a request to Morris Atta to meet with the week to discuss further.

Sincerely,



Gerald I. Fujita

cc: International Express, Inc.
Brennan Morioka
Morris Atta, Esq.
Walter Havekorst

Defined Expense Analysis:

New Building	
Architech, Engineering & Planning	\$40,000
Permitting	\$6,000
Building construction	\$2,785,320
Freezer/Chill Box storage	\$1,020,000
Fee simple land	\$2,812,500
Electrical	\$250,000
HVAC	\$400,000
Furnishings	\$50,000
Warehouse racking	\$90,000
Security (fire, alarm, access)	\$30,000
Cabling	\$17,250
USDA Certification	\$40,000
Total building expense	\$7,541,070

Moving	
Move inventory	\$25,000
Move all other items	\$30,000
Setup technology and office	\$20,000
Overlap of monthly expenses for 1 month	\$15,000
Total moving expense	\$90,000



October 15, 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: International Express Property at 2613 Waiwai Loop, Tax Map Key (1) 1-1-016:016;
PDQ Parcel 312**

At your request, John Child & Company has completed valuation analyses to estimate the fair market values for various interests in the International Express Property under full take and partial take scenarios. This letter summarizes the background and estimated values presented in the attached report.

STUDY BACKGROUND

The International Express Property is an owner-user refrigerated distribution warehouse at 2613 Waiwai Loop, in the Honolulu Airport Industrial district on Oahu, Hawaii. The property consists of a 22,500 \pm industrial-zoned parcel identified as Tax Map Key 1-1-016:016 of the First Taxation Division.

The warehouse was built in 1967 and renovated in 2009. The building includes 16,820 \pm of ground floor warehouse and second floor office space, with five dock-high loading docks, climate-controlled receiving area, and about 9,900 \pm of chill/prep, cooler, and freezer space.

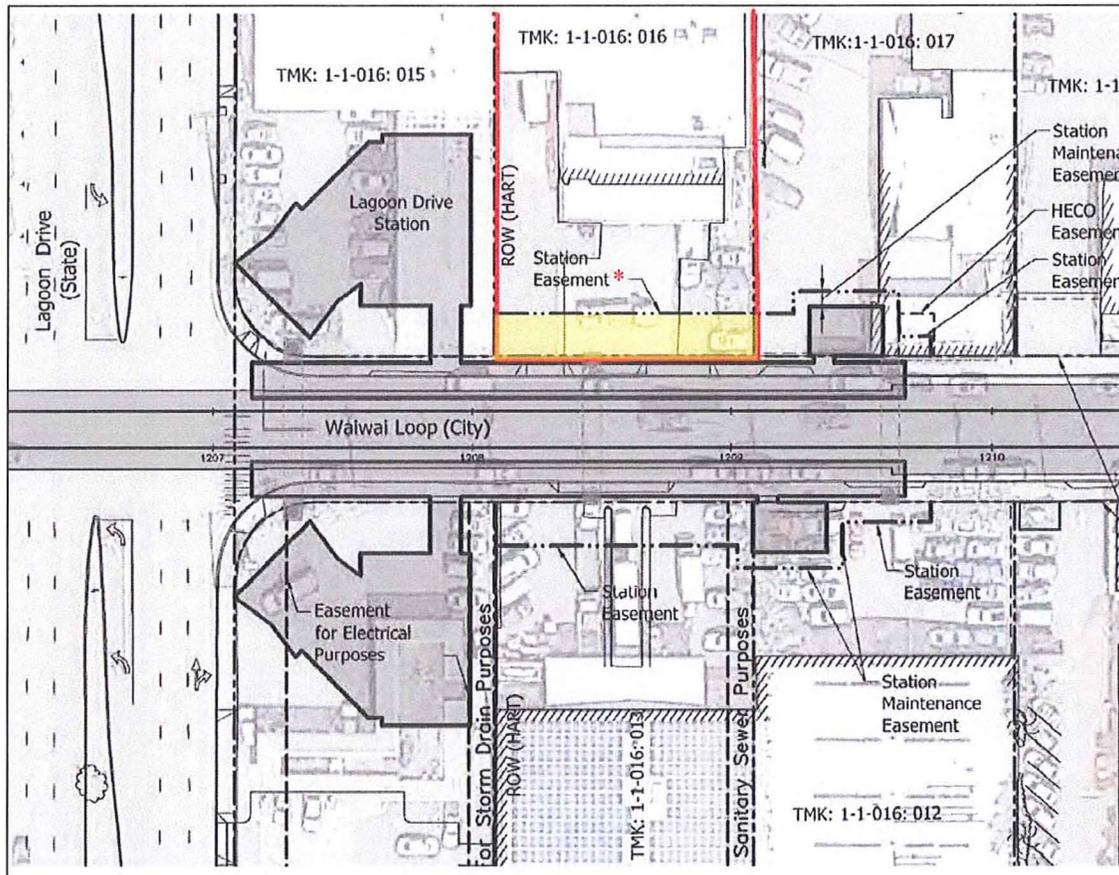
International Express, Inc. is a freight shipping and trucking company with two warehouses on Oahu. In 2008, the company acquired the fee simple interest in the 2613 Waiwai Loop property for \$4,150,000 and extensively renovated the property, including installation of new refrigeration systems. The owner reports the total cost of the renovations was about \$1.0 million.

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). The H RTP requires an easement over a 16-foot wide strip of land along Waiwai Loop for the Lagoon Drive Station maintenance easement and a drainage easement. The proposed easement encompasses 1,641 \pm and is shown in yellow on the following map:



Honolulu Authority for Rapid Transportation
 Paragon Partners Ltd.
 October 15, 2014
 Page 2

International Express Property



* A drainage easement is also proposed within the station maintenance easement area.

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

STUDY OBJECTIVES

The objectives of our assistance are to:

1. Estimate the fair market value of the fee simple interest in the International Express Property assuming a full take.

Honolulu Authority for Rapid Transportation
Paragon Partners Ltd.
October 15, 2014
Page 3



2. Estimate the fair market value of a partial take that includes a proposed easement encumbrance on a 1,641^{sq} ft portion of the International Express Property for an overhead station maintenance and drainage easement.

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 November 7, 2013 and September 22, 2014. The property owner and President of International Express, Inc., Mr. Masao Mitsui, accompanied the appraisers on both visits.

EFFECTIVE DATE OF APPRAISAL

The effective date of appraisal is September 22, 2014, the date of the most recent property visit.

DATE OF REPORT

The date of this report is October 15, 2014.

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."

Honolulu Authority for Rapid Transportation
Paragon Partners Ltd.
October 15, 2014
Page 4



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.

Market Rent

Market rent means the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options, and tenant improvements (TIs).

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]

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

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

Honolulu Authority for Rapid Transportation
Paragon Partners Ltd.
October 15, 2014
Page 5



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 value of the property is based on the hypothetical condition that the property is not impacted by the rail project as of the date of valuation.

The assumption of this hypothetical condition 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]

A partial taking would involve an easement encumbrance on a 1,641⁷ portion of the property along Waiwai Loop for an overhead station maintenance easement. A triangular-shaped drainage easement will also be located within the proposed taking.

Ingress and egress will be permitted under the overhead station easement. Clearance below the overhead easement will be sufficient to allow containerized vehicles access to the property. According to AECOM, engineers for HART, truck movement and access to the loading docks will not be impacted by the easement or straddle bent column to be located in front of the property.

Existing electrical utility poles and transformers near Waiwai Loop will be relocated to a position north of their existing location nearer the existing building. HART will be responsible for the relocation and reconstruction of existing site improvements affected by the proposed taking, including asphalt concrete paving, curbing and curb cuts, parking stall restriping, landscaping, irrigation systems, and existing utility connection points.

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

Honolulu Authority for Rapid Transportation
 Paragon Partners Ltd.
 October 15, 2014
 Page 6



STUDY CONDITIONS

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

ESTIMATED FAIR MARKET VALUE OF THE INTERNATIONAL EXPRESS PROPERTY ASSUMING A FULL TAKE

The highest and best use of the International Express Property is as currently improved and for sale to an owner-user for continued use as a private refrigerated distribution warehouse.

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 International Express Property, as of September 22, 2014, is estimated to be:

FIVE MILLION THREE HUNDRED THOUSAND DOLLARS
\$5,300,000.

The estimated fair market value is the value of the real estate only. An inventory of the realty and personalty items is included in Addendum 4.

ESTIMATED FAIR MARKET VALUE OF THE 1,641^{sq} PARTIAL TAKING

The portion that would be taken for the easement is vacant land. Therefore, the fair market value of the 1,641^{sq} easement taking is estimated, in part, based on the *taking + damages* method whereby the value of the part acquired is its value as a part of the whole (i.e., the larger parcel).

The “larger parcel” is the 22,500^{sq} International Express site. The value of the partial taking also considers severance damage to the remainder property as a result of the taking.

Based on the valuation assumptions and analysis presented in Section IV of the attached report, the fair market value of the proposed 1,641^{sq} partial taking, as of September 22, 2014, is estimated to be:

ONE HUNDRED SIXTY-FIVE THOUSAND DOLLARS
\$165,000.

* * * * *

Honolulu Authority for Rapid Transportation
Paragon Partners Ltd.
October 15, 2014
Page 7



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

Sincerely,

JOHN CHILD & COMPANY, INC.

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

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



14-7036

October 20, 2014

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

**RE: Appraisal Review of
2613 Waiwai Loop, Honolulu, Oahu, Hawaii
PDO Parcel 312, International Express, Inc. Property
Tax Map Key (1) 1-1-016:016
Honolulu Rail Transit Project**

Dear Mr. Havekorst:

I have prepared the accompanying appraisal review report of the draft appraisal conducted on the total property acquisition scenario and a partial acquisition easement parcel affecting the larger parcel identified as 2613 Waiwai Loop, Tax Map Key (1) 1-1-016:016, Honolulu, Oahu, Hawaii, relative to the Honolulu Rail Transit Project.

The following report presents my review of the appraisal, analysis of data and other pertinent materials, and conclusions.

Please contact me at (808) 270-0604 or email ted@acmmaui.com if I may provide additional information or clarification. Thank you for this opportunity to work on this interesting assignment.

Respectfully submitted,

ACM Consultants, Inc.

A handwritten signature in black ink, appearing to read "Ted Yamamura", written over a horizontal line.

Ted Yamamura, SRA, R/W-AC
Executive Vice President

CERTIFICATION

The undersigned does hereby certify to the best of my knowledge and belief that except as otherwise noted in the appraisal report:

- the statements of fact contained in the review report are true and correct;
- the reported analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are the reviewer's personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- the reviewing appraiser has no present or prospective interest in the property that is the subject of the review report and no personal interest or bias with respect to the parties involved;
- I have performed an appraisal review of the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- the compensation received by the review appraiser for the review is not contingent on the analyses, opinions, or conclusions reached or reported;
- the appraisal review was made and the review report prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions;
- the appraisal review was made and the review report prepared in conformity with the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions;
- the review appraiser has made a personal inspection of the property that was the subject of the appraisal report reviewed; has made a personal inspection of the market comparables cited in the appraisal report under review; has not verified the factual data presented in the appraisal report reviewed;
- Dominic Suguitan, CGA-576, commercial appraiser with ACM Consultants, Inc., provided professional assistance to the review appraiser which included complete and thorough review of the appraisal report, and assistance in verification, analysis and conclusions contained in the review report.
- **The final estimated total compensation of the subject's total property fee simple acquisition (*taking*) was concluded to be \$5,300,000 and the easement parcel was concluded to be \$165,000. The Review Appraiser recommends use of the \$5,300,000 and \$165,000 value conclusions as the basis of establishing just compensation.**

ACM Consultants, Inc.



Ted Yamamura, SRA, R/W-AC
 Certified General Appraiser
 State of Hawaii, CGA-160
 Expiration: December 31, 2015



Dominic Suguitan
 Certified General Appraiser
 State of Hawaii, CGA-576
 Expiration: December 31, 2015

PROJECT

Honolulu Rail Transit Project

CLIENT AND INTENDED USERS

Paragon Partners, Ltd. and Honolulu Authority for Rapid Transportation (HART) are the Client. The intended users are the Client and their duly authorized assigns. Any other use by any other person or entity for any other purpose, without exception, is explicitly unauthorized.

APPRAISAL REPORT IDENTIFICATION

An appraisal report was prepared by John Child & Company to determine the fee simple market value of a total property acquisition scenario and a partial acquisition easement parcel affecting the larger parcel identified as 2613 Waiwai Loop, Tax Map Key (1) 1-1-016:016, Honolulu, Oahu, Hawaii, relative to the Honolulu Rail Transit Project.

OWNERSHIP INTEREST APPRAISED

Unencumbered fee simple.

DATE OF APPRAISAL REPORT/EFFECTIVE DATE OF APPRAISAL

The date of the appraisal report was October 15, 2014, and the effective date of the appraisal was September 22, 2014.

INTENDED USE

The intended use of this review appraisal report is to enable the Client to determine the reasonableness of the value conclusions contained in the draft appraisal report in connection with the Honolulu Rail Transit Project. This report is not intended for any other use.

PURPOSE OF ASSIGNMENT

The purpose of this assignment is to conduct a technical field review of the referenced draft appraisal and to render an opinion regarding whether the opinions of value are adequately supported and in compliance with all appropriate standards, laws, and regulations relating to the appraisal of property for federal acquisition purposes.

SCOPE OF WORK

The Review Appraiser read the referenced draft appraisal, reviewed and analyzed appraisal report data for applicability, logic and consistency, and verified mathematical calculations. The appraiser's methodology was reviewed for appropriateness and to determine if it was completed in accordance with the current editions of the *Uniform Standards of Professional Appraisal Practice (USPAP)* and the *Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)*. The Review Appraiser performed a visual inspection of the observable areas of the subject property, considered the neighborhood and its characteristics, viewed each of the comparables sales from the public street, and reported the analyses, opinions and conclusions in this report.

COMPETENCY PROVISION

The review appraiser has the required knowledge, experience, and state certification to complete this review appraisal assignment. Additional disclosures are addressed in the Certification section of this report.

JURISDICTIONAL EXCEPTION EMPLOYED IN THE APPRAISAL

USPAP's Jurisdictional Exception Rule provides that "if any part of the USPAP standards is contrary to the law or public policy of any jurisdiction, only that part shall be void and of no force of effect in that jurisdiction". The following Jurisdictional Exceptions were cited in the referenced appraisal report:

"Section A-9 of the Uniform Appraisal Standard for Federal Land Acquisition (Yellow Book) provides that an estimate of market value for federal land acquisition purposes shall not be linked to a specific exposure time. This is contrary to USPAP Standards Rule 1-2(c) and is considered a jurisdictional exception.

Section A-12 of the Yellow Book requires that the appraiser disregard any changes in a property's neighborhood brought about by the government's project. This is contrary to USPAP Standards Rule 1-3(a), which requires appraisers to identify and analyze the effect on use and value of anticipated public improvements located on or off site. Therefore, this instruction is also considered a jurisdictional exception."

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The following **extraordinary assumptions** were employed in the referenced appraisal.

A partial taking would involve an easement encumbrance on a 1,641 SF portion of the property along Waiwai Loop for an overhead station maintenance easement. A triangular-shaped drainage easement will also be located within the proposed taking.

Ingress and egress will be permitted under the overhead station easement. Clearance below the overhead easement will be sufficient to allow containerized vehicles access to the property. According to AECOM, engineers for HART, truck movement and access to the loading docks will not be impacted by the easement or straddle bent column to be located in front of the property.

Existing electrical utility poles and transformers near Waiwai Loop will be relocated to a position north of their existing location nearer the existing building. HART will be responsible for the relocation and reconstruction of existing site improvements affected by the proposed taking, including asphalt or concrete paving, curbing and curb cuts, parking stall restriping, landscaping, irrigation systems, and existing utility connection points.

The following **hypothetical conditions** were employed in the referenced appraisal.

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."

The estimated market value of the property is based on the hypothetical condition that the property is not impacted by the rail project as of the date of valuation.

The assumption of this hypothetical condition could have an effect on the value of the property.

STUDY CONDITIONS EMPLOYED IN THE APPRAISAL

The following study conditions were employed in the referenced appraisal.

The study conditions that are the basis of the analyses, opinions, and conclusions of this report are as follows:

Property Description

The description of the International Express Property is based on the legal description included in the Preliminary Report dated May 22, 2013. The report is included in Addendum 1.

The property description is also based on:

- *Tax maps and aerial photographs*
- *Honolulu Rail Transit Project maps prepared by AECOM, including:*
 - *Draft Lagoon Drive Station map dated May 23, 2014*
 - *Existing Right-of-Way map dated July 2, 2014*
 - *Building Demolition Sheet - Waiwai Loop dated July 2, 2014*
- *"Parcels 310 to 313, inclusive, Easements A and B," undated, prepared by R.M. Towill Corporation ("Parcel Map")*
- *Tax office, building permit, and other data provided by the City and County of Honolulu and/or reported by Hawaii Information Service, Inc.*
- *Discussions with the property owner*
- *Property visit.*

49 C.F.R. 24.103 CRITERIA FOR APPRAISALS

49 C.F.R. 24.103 provides the criteria for appraisals. The appraisal must meet the definition of an appraisal in 49 CFR 24.2(a)(3) and the five following requirements:

- An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
- All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
- A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
- A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.
- The effective date of valuation, date of appraisal, signature, and certification of the appraiser.

REVIEW APPRAISER'S METHODOLOGY

The *Uniform Standards of Professional Appraisal Practice* (USPAP), Standard 3, provides the requirements and process of appraisal reviews. 49 C.F.R. 24.104 provides the criteria for review of appraisals. The *Uniform Appraisal Standards for Federal Land Acquisitions*, (UASFLA) Section C, provides the framework of appraisal reviews for federal agencies.

The Uniform Act requires that a property be appraised before an acquiring agency begins negotiations to acquire it and that the amount of the approved appraisal be the basis of the offer of just compensation. The regulations in 49 C.F.R. 24.104 further require that appraisals be reviewed, and at a minimum:

(a) A qualified review appraiser shall examine the presentation and analysis of market information in all appraisals to assure that they meet the definition of appraisal found in 49 CFR 24.2(a)(3), appraisal requirements found in 49 CFR 24.103 and other applicable requirements, including, to the extent appropriate, the UASFLA, and support the appraiser's opinion of value. The level of review analysis depends on the complexity of the appraisal problem. As needed, the review appraiser shall, prior to acceptance, seek necessary corrections or revisions. The review appraiser shall identify each appraisal report as recommended (as the basis for the establishment of the amount believed to be just compensation), accepted (meets all requirements, but not selected as recommended or approved), or not accepted. If authorized by the Agency to do so, the staff review appraiser shall also approve the appraisal (as the basis for the establishment of the amount believed to be just compensation), and, if also authorized to do so, develop and report the amount believed to be just compensation.

(b) If the review appraiser is unable to recommend (or approve) an appraisal as an adequate basis for the establishment of the offer of just compensation, and it is determined by the acquiring Agency that it is not practical to obtain an additional appraisal, the review appraiser may, as part of the review, present and analyze market information in conformance with §24.103 to support a recommended (or approved) value.

(c) The review appraiser shall prepare a written report that identifies the appraisal reports reviewed and documents the findings and conclusions arrived at during the review of the appraisal(s). Any damages or benefits to any remaining property shall be identified in the review appraiser's report. The review appraiser shall also prepare a signed certification that states the parameters of the review. The certification shall state the approved value, and, if the review appraiser is authorized to do so, the amount believed to be just compensation for the acquisition.

The appraisal review employed the following criteria outlined in Section C-3 of the UASFLA.

(1) Develop an opinion as to the completeness of the appraisal report under review within the scope of work applicable to the appraisal assignment.

(2) Develop an opinion as to the appropriateness of the appraisal methods and techniques used and develop the reasons for any disagreements.

(3) Develop an opinion as to the apparent adequacy and relevance of the data and propriety of any adjustments to the data.

(4) Develop an opinion as to whether the analyses, opinions and conclusions in the appraisal report under review are appropriate and reasonable, and develop the reasons for any disagreement.

APPRAISAL REVIEW**(1) Develop an opinion as to the completeness of the appraisal report under review within the scope of work applicable to the appraisal assignment.**

The appraisal appears to be substantially developed and prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), 49 C.F.R. 24-103, and applicable state and city laws.

The Appraisal Report was intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents sufficient discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value.

Market Value was defined in the appraisal as follows:

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.

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.

The appraisal entailed a number of independent investigations and analyses including interviews with the property owner's representative and government agencies. Physical inspection of the subject property and comparable sales were conducted, and information and data regarding the subject and comparables were obtained and analyzed.

The client, intended use and user(s), extraordinary assumptions, hypothetical conditions, jurisdictional exceptions and scope of work were clearly identified and stated in the appraisal report.

The physical and legal identity of the subject site and improvements was sufficiently described in the report, together with a satisfactory description of the neighborhood. A legal description of the site was included in the report. The appraisal sufficiently identified all applicable regulations pertaining to the subject's land use and development, and the property history was properly identified. Adequate use of exhibits, including maps and photographs, were used in the identification and analysis of the subject and comparables.

Identification of the Larger Parcel and Acquisition Areas

The appraisal identified the larger parcel as follows:

The International Express Property is an owner-user refrigerated distribution warehouse at 2613 Waiwai Loop, in the Honolulu Airport Industrial district on Oahu, Hawaii. The property consists of a 22,500 SF industrial-zoned parcel identified as Tax Map Key 1-1-016:016 of the First Taxation Division.

The warehouse was built in 1967 and renovated in 2009. The building includes 16,820 SF of ground floor warehouse and second floor office space, with five dock-high loading docks, climatecontrolled receiving area, and about 9,900 SF of chill/prep, cooler, and freezer space.

International Express, Inc. is a freight shipping and trucking company with two warehouses on Oahu. In 2008, the company acquired the fee simple interest in the 2613 Waiwai Loop property for \$4,150,000 and extensively renovated the property, including installation of new refrigeration systems. The owner reports the total cost of the renovations was about \$1.0 million.

The appraisal identified the acquisition areas as follows:

Description of the Partial Taking

Development of the H RTP Lagoon Station requires an approximately 1,641 SF portion of the property along Waiwai Loop for an overhead station maintenance and drainage easement. The taking extends about 16 feet in from Waiwai Loop, as shown on the Lagoon Station plan included in Exhibit II-K and the draft parcel map included in Exhibit II-L.

A straddle bent column will also be located in front of the property. According to HART, ingress and egress will be permitted in the easement area. Clearance below the easement and around the straddle bent column will be sufficient to allow large containerized vehicles continued access to the property and loading docks, as shown on the truck movement diagram prepared by AECOM and included in Exhibit II-M. However, parking, open yard storage, and fencing will not be permitted in the easement area.

Highest and Best Use Before the Taking

A highest and best use analysis was conducted and concluded as follows:

The value of a full and partial taking of the International Express Property requires a determination of the highest and best use of the property as it currently exists. The determination of the highest and best use of a property is key to the appraisal of the property because it guides the selection of comparable properties that are used in the valuation analysis.

Highest and Best Use "As if Vacant"

The first step in the highest and best use analysis is to determine what the highest and best use of the International Express Property would be if the site was vacant land. The highest and best use of the land "as if vacant" is considered in relation to its existing use and all potential uses.

The highest and best use of the before property "as if vacant" is discussed in terms of the four criteria.

Physically Possible

The physical characteristics of the site, including level topography, rectangular shape, street frontage and access, and access to utilities, are suitable for development with any of the uses allowed under zoning. Soils conditions are also assumed to be adequate for development.

Legally Permissible

The I-2 zoning permits a variety of industrial and commercial uses including the existing manufacturing warehouse use.

Financially Feasible and Maximally Productive

Demand for industrial properties is strong. According to the Hawaii-based research arm of Colliers International (Colliers), the Airport Industrial District and neighboring Mapunapuna industrial district to the northeast include nearly 8.8 million square feet of warehouse space, or about 22% of Oahu's total warehouse inventory.

The strong demand is expected to continue as ground leases expire. Therefore, the financially feasible and maximally productive use of the land is for sale to an owner-user.

Highest and Best Use "As If Vacant"

The highest and best use of the property before the taking, as if vacant and available for development, is for owner-user light-industrial development consistent with zoning.

Highest and Best Use "As Improved"

The International Express Property has a desirable location near the Honolulu International Airport and would appeal to a variety of cold storage users including smaller specialty food distributors or manufacturers, fish and seafood merchants, produce companies, and meat, dairy and poultry wholesalers.

The supply of refrigerated warehouses on Oahu for purchase or lease is limited. Most cold storage users have built their own facilities or retrofitted existing ones. Recent examples since 2000 include the owner's 2008 purchase of the property and the following other owner-user facilities:

- *United Fishing Agency fish auction warehouse at Pier 38 at Honolulu Harbor*
- *Fresh Island Fish processing plant at Pier 38*
- *Hawaiian Ice manufacturing plant at Pier 35*
- *Pacific Fishing Supply's tackle and bait shop at 867 Nimitz Highway in Iwilei*
- *H & W Foods processing and storage facility in Kapolei*
- *D. Otani Produce distribution facility on Nimitz Highway in Kalihi*
- *Armstrong Produce distribution facility in Mapunapuna.*

Owner-user demand for the International Express Property is expected to remain strong considering the costs to construct a comparable facility, and the limited supply of developable land in or near the airport area.

Recent sales and ground rent renegotiations on Oahu indicate the fee simple land value for the 22,500 SF parcel, as if vacant, would be about \$112/SF of land area, or about \$2,500,000, as discussed in Section IV.

PDQ Parcel 312, 2613 Waiwai Loop, Honolulu, Hawaii

In comparison, the value of the improved property is estimated to be about \$5,300,000, as described in Section III. The analyses show the existing improvements contribute to the value of the property and should be retained.

The highest and best use of the International Express Property is as improved and for sale to an owner-user.

Highest and Best Use After the Taking

The partial taking includes an easement encumbrance on a 1,641 SF portion of the property for an overhead station maintenance and drainage easement. Excluding wood utility poles and transformers that will be relocated by HART, the taking area is vacant and currently used for parking and driveway purposes.

The taking area comprises only 7% of the site and would not materially alter the ability of the property owner to use the existing improvements for its highest and best distribution warehouse use. According to HART, ingress and egress to the remainder property, including containerized vehicle access to the warehouse bays, will not be impeded.

However, the taking severely restricts the ability of the property owner to use the encumbered area. The value of the taking considers the disutility caused by the easement encumbrance, including the loss of parking.

The appraisal considered the Cost Approach, Sales Comparison Approach and Income Approach. In the final reconciliation, reasonable and appropriate considerations regarding the strength, weaknesses and appropriateness of the valuation methods employed in the appraisal were made before arriving at a final opinion of fair market value for the subject.

(2) Develop an opinion as to the appropriateness of the appraisal methods and techniques used and develop the reasons for any disagreements.

Proper appraisal methodology were considered and applied as appropriate. The Appraiser determined as follows:

The valuation analysis considered the three approaches to value: the income capitalization, sales comparison, and cost approaches. The income capitalization and sales comparison approaches were used to estimate the fair market value of the International Express Property. The cost approach was not used because of its limited applicability when valuing older improvements with significant accrued depreciation.

The Review Appraiser concurred with the Appraiser's use of only the Sales Comparison Approach and Income Approach.

In the Sales Comparison Approach the Appraiser confirmed and analyzed pertinent market data, and made reasonable and appropriate adjustments to the unit prices to arrive at a range of price indicators for the subject. These price indicators were applied to the subject's building area to arrive at a range of values by Sales Comparison.

In the Income Approach, the Appraiser solely employed the Direct Income Capitalization since it is the primary method used by market participants to evaluate the price of income-producing properties based on prevailing market rents and terms. A range of fair market rental rates for the subject were derived from an analysis of adequate and relevant market data. Overall rates were gleaned from the most appropriate market transactions and analyzed to arrive at a reasonable range of rates for the subject.

An analysis was also conducted by the appraiser to determine if there were any damages to the remainder after acquisition.

(3) Develop an opinion as to the apparent adequacy and relevance of the data and propriety of any adjustments to the data.

The data gathering process of the Appraiser included both new research as well as a review of data in their office files. In the process, pertinent data with respect to social, economic, governmental, and environmental factors, along with other regional data that would have a direct or indirect influence upon the subject property were gathered.

Full Property Acquisition Scenario

The Sales Comparison and Income approaches were applied in determining the fair market value of the Queen Bee Property under the full property acquisition scenario.

In the Sales Comparison Approach, the sales of four (4) improved comparable properties that occurred between 2008 and 2014 were confirmed and analyzed by the Appraiser. The comparables were all located within the Iwilei, Kalihi-Kapalama, Sand Island and Airport neighborhoods. The Review Appraiser deemed the comparables selected to be relevant and acceptable for comparison with the subject. The sales were displayed in a grid format and appropriate adjustments made to the sales prices to reflect differences between the comparable sales and the subject property. The adjustments to the comparables appeared warranted and reasonable, and the range of adjusted unit prices was \$310 to \$317 per square foot. The concluded value range by the Sales Comparison Approach was \$5,210,000 to \$5,330,000.

In the Income Approach, the Appraiser obtained adequate and relevant rental data, including actual leases and listings from the market, to ascertain the fair market rents for the subject. The comparable rentals and rental listings were all located within the Airport Industrial, Mapunapuna and Kalihi districts. Overall capitalization rates were analyzed from historical market sales of the most appropriate comparable properties in the subject's market. The concluded value range by the Income Approach was \$4,750,000 to \$5,430,000.

Estimated Market Rent

The International Express Property includes about 9,900 SF of cold storage space. The remaining space consists of dry storage and ancillary office space.

Non-Refrigerated Warehouse Rents

Recent leases of non-refrigerated warehouses in the airport and comparable neighborhoods show triple-net rents ranging from \$0.99/SF to \$1.25/SF. Larger properties tend to command lower rents per square foot, as summarized in Exhibit III-D.

Cold Storage Rents

Recent leases of freestanding cold storage facilities comparable to the International Express Property were not available. However, Oahu's largest public cold storage facility, Unicold Cold Storage, is also in the airport district and rents cold storage space on a palletized and direct lease basis (typically, five years with annual CPI escalations).

- *According to Mr. Darryl Kawano of Unicold, current triple-net rents for direct space leases range from \$3.00/SF to \$3.43/SF . Utilities and common area maintenance (CAM) passthroughs, including ground rent, total \$2.45/SF , for a monthly gross occupancy cost of \$5.45/SF to \$5.88/SF .*
- *Other sources disclosed a 15,000/SF space in Unicold was leased in 2011 with a triple-net rent of \$2.00/SF . The lower rent is considered to be at least partly attributable to the larger size of the space.*

Considering the size and other characteristics of the International Express Property, a monthly triple-net market rent of \$2.50/SF is estimated for the 9,900 SF refrigerated portion of the International Express Property.

A monthly market rent of \$1.00/SF is estimated for the remaining dry storage and office space and considers the ancillary nature of this space. Based on these rent assumptions, the monthly market rent for the International Express Property is estimated to be about \$31,670, or about \$1.88/SF per month, shown as follows:

	<i>Cold Storage</i>	<i>Remaining space</i>	<i>Total</i>
<i>Monthly NNN rent (\$/SF)</i>	<i>\$2.50</i>	<i>\$1.00</i>	<i>\$1.88</i>
<i>Rentable area (SF)</i>	<i>9,900</i>	<i>6,920</i>	<i>16,820</i>
<i>Monthly NNN rent</i>	<i>24,750</i>	<i>6,920</i>	<i>31,670</i>
<i>Annualize (months/year)</i>			<i>12</i>
<i>Annual NNN rent</i>			<u><i>\$380,040</i></u>

The concluded fair market value of the fee simple interest in the International Express Property was estimated to be **\$5,300,000.**

Personalty

The valuation is of the real estate only, which includes the central air-conditioning, chiller and freezer system components, and built-in cabinetry in the second floor offices. An inventory of the realty and personalty items is included in Addendum 3.

Easement Parcel

The value of the partial taking is based, in part, on the per square foot land value for the 22,500 SF International Express Parcel ("Larger Parcel").

In the land valuation by Sales Comparison Approach, six comparable transactions were selected, confirmed and analyzed by the Appraiser. They included two sale transactions which occurred between June 2013 and August 2013. Four transactions, Comparables 2, 3, 5 and 6 were ground rent renegotiations and were selected and utilized as they also involved the determination of fee simple land values.

The appraisal identified key characteristics which contributed to differences in price variations. They were: (1) market conditions, (2) location, frontage and access, (3) Physical characteristics, (4) Zoning, and (5) parcel size.

The Review Appraiser deemed the selected comparables to be relevant and acceptable for comparison with the subject. The sales were displayed in a grid format and appropriate adjustments made to the sales prices to reflect differences between the comparable sales and the subject property. The adjustments, in most instances, were discussed and adequately supported.

After adjustments, the indicated unit prices ranged from \$100 to \$114 per square foot. The adjusted unit prices were then weighted as to their reliability and the estimated land value of the larger parcel was reconciled at \$112 per square foot.

**ESTIMATED MARKET VALUE OF
THE EASEMENT**

The easement will encumber a 1,641 SF portion of the site comprising about 7% of the total land area. The easement includes overhead air rights for station maintenance purposes, and surface and subsurface rights for a drainage easement. The easement area will continue to be available for ingress and egress. However, no parking, storage, development, or fencing will be allowed in the easement area.

Considering the significant disutility caused by the easement encumbrance, a 90% disutility factor is considered to be appropriate. The value of the easement taking is estimated to be about \$165,000, illustrated as follows:

Estimated Market Value of the Proposed Easement

Market value of the larger parcel (\$/SF)	\$112
Easement land area (SF)	1,641
Pro rata land value	183,792
Disutility factor	90%
Indicated value of the proposed easement, rounded	<u>\$165,000</u>

SEVERANCE DAMAGES

The taking is vacant land and does not alter the highest and best use of the property for continued warehouse use. Two marked stalls will be eliminated; room for up to two more cars or a large container truck in between the two driveways would also be lost.

International Express currently rents five parking stalls at the nearby Pacific Marina Inn motel across the street for \$100/stall per month. The diminution in value created by the loss of up to four parking stalls can be estimated based on the capitalized rent loss assuming these stalls would need to be replaced:

*Potential Diminution in Value Attributable to Loss in Parking
(Based on Capitalized Rent Loss)*

Number of parking stalls to be replaced	4
Monthly rent per stall	\$100
Monthly total	400
Months per year	12
Monthly parking rent (annualized)	\$4,800
Divided by overall capitalization rate	5.5%
Potential diminution in value associated with the loss of 4 parking stalls, rounded	<u>\$87,000</u>

The diminution in value associated with the loss of parking is less than the value of the proposed easement encumbrance which already considers the owner's inability to use the easement area for parking. Therefore, there is no additional severance damage associated with the taking.

The estimated market value of the 1,641 SF partial taking was concluded to be **\$165,000.**

(4) Develop an opinion as to whether the analyses, opinions and conclusions in the appraisal report under review are appropriate and reasonable, and develop the reasons for any disagreement.

In the final reconciliation, the appraisal made reasonable and appropriate considerations to the strength, weaknesses and applicability of the valuation methods, and provided the following conclusions:

*ESTIMATED FAIR MARKET VALUE OF THE
INTERNATIONAL EXPRESS PROPERTY
ASSUMING A FULL TAKE*

The highest and best use of the International Express Property is as currently improved and for sale to an owner-user for continued use as a private refrigerated distribution warehouse.

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 International Express Property, as of September 22, 2014, is estimated to be:

*FIVE MILLION THREE HUNDRED THOUSAND DOLLARS
\$5,300,000.*

The estimated fair market value is the value of the real estate only. An inventory of the realty and personalty items is included in Addendum 4.

*ESTIMATED FAIR MARKET VALUE OF THE
1,641 SF PARTIAL TAKING*

The portion that would be taken for the easement is vacant land. Therefore, the fair market value of the 1,641 SF easement taking is estimated, in part, based on the taking + damages method whereby the value of the part acquired is its value as a part of the whole (i.e., the larger parcel).

The "larger parcel" is the 22,500 SF International Express site. The value of the partial taking also considers severance damage to the remainder property as a result of the taking.

Based on the valuation assumptions and analysis presented in Section IV of the attached report, the fair market value of the proposed 1,641SF partial taking, as of September 22, 2014, is estimated to be:

*ONE HUNDRED SIXTY-FIVE THOUSAND DOLLARS
\$165,000.*

CONCLUSION OF THE REVIEW APPRAISER

The appraisal report reviewed was a summary appraisal report and generally complied with *Uniform Standards of Professional Appraisal Practice (USPAP)*, the *Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)*, 49 C.F.R. 24-103, and applicable state and city laws.

The information and data used in the appraisal report were sufficiently applicable and appropriate for use in the valuation analyses. The appraisal methods and techniques used in the report were appropriate for the valuation of the subject property and acquisition areas. Thus, based upon my review of the appraisal report, it is concluded that the analyses, opinions and conclusions were sufficiently reasonable and appropriate based upon expectations of the Client.

The final market value estimate of the subject's total property fee simple acquisition (*taking*) was concluded to be \$5,300,000, and the easement parcel was concluded to be \$165,000. The Review Appraiser recommends use of the **\$5,300,000** and **\$165,000** value conclusions as the basis of establishing just compensation.

ASSUMPTIONS AND LIMITING CONDITIONS

The work performed in this assignment are guided and influenced by the following assumptions and limiting conditions:

- The Appraisal Review is intended to comply with the development and reporting requirements set forth under Standard Rule 3 of the Uniform Standards of Professional Appraisal Practice for the review, development and reporting of an appraisal review. It is also intended to comply with Section C, Standards for Review of Appraisals, of the Uniform Appraisal Standards for Federal Land Acquisitions.
- The Review Appraiser did not prepare an appraisal of the subject property. The scope of the Review Appraiser's analysis was limited to information and data contained in the appraisal report under review. The Review Appraiser conducted an exterior inspection of the subject property and comparable sales.
- It is assumed that the information and data contained in the appraisal report under review are factual and accurate. The Review Appraiser did not verify any of the market sales or rent data contained in the appraisal report unless otherwise stated, and it is assumed that the data presented in the appraisal were verified by the appraiser and are factual and correct. No warranty is assumed by the Review Appraiser for possible misinformation.
- The Review Appraiser will employ the Jurisdictional Exception Rule if the Review Appraiser uses data and information that were not available to the appraiser. The source and extent of information will be disclosed in the review report.
- The Review Appraiser assumes that there are no hidden or unapparent conditions of the property, soil, or structures which would render it more or less valuable. The Review Appraiser assumes no responsibility for such conditions, or for engineering, which might be required to discover such factors.
- Unless otherwise stated, all assumptions and limiting conditions contained in the appraisal report under review are also conditions of this review.
- It is assumed that the Appraiser will address all areas of concern identified by the Review Appraiser and adequately address those concerns in the final appraisal report.
- The Review Appraiser is not required to give testimony or appear in court or hearing unless prior arrangements have been made and at additional fee. If testimony or deposition is required because of subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the review appraiser, and in any event, only with proper written qualification and only in its entirety.
- Neither all nor any part of the contents of this review report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public without prior written consent and approval of the review appraiser. The review appraiser is not responsible for unauthorized use of this report.

PDQ Parcel 312, 2613 Waiwai Loop, Honolulu, Hawaii

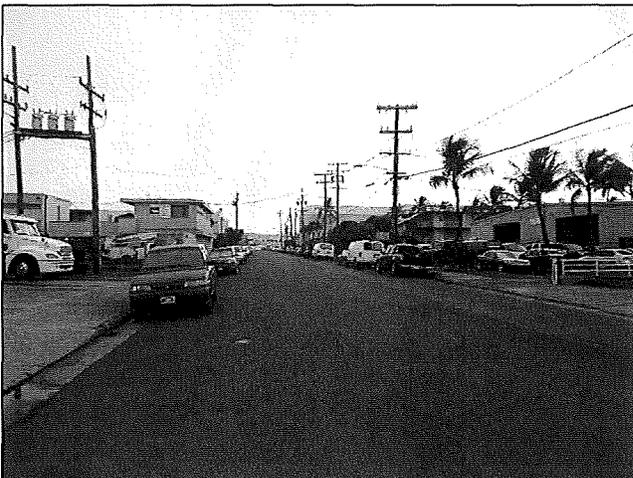
SUBJECT PHOTOGRAPHS



Front view of the larger parcel



View of Easement Parcel
(ROW Parcel 312)



Street Scene – Waiwai Loop
(larger parcel on left)

PDQ Parcel 312, 2613 Waiwai Loop, Honolulu, Hawaii

COMPARABLE IMPROVED PROPERTY PHOTOGRAPHS



Improved Comparable Sale 1
TMK: (1) 1-1-16-16



Improved Comparable Sale 2
TMK: (1) 1-1-16-3



Improved Comparable Sale 3
TMK: (1) 1-2-11-7,8,9

PDQ Parcel 312, 2613 Waiwai Loop, Honolulu, Hawaii



Improved Comparable Sale 4
TMK: (1) 1-5-12-1-10

COMPARABLE LAND TRANSACTION PHOTOGRAPHS



Land Comparable 1
TMK: (1) 1-1-35-3



Land Comparable 2
TMK: (1) 1-1-16-1

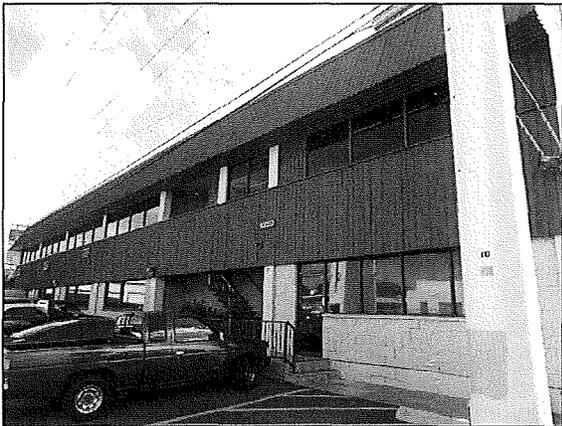


Land Comparable 3
TMK: (1) 1-1-16-39

PDQ Parcel 312, 2613 Waiwai Loop, Honolulu, Hawaii



Land Comparable 4
TMK: (1) 1-2-13-6



Land Comparable 5
TMK: (1) 1-5-21-2 & 15



Land Comparable 6
TMK: (1) 1-5-28-24

PROFESSIONAL QUALIFICATIONS – TED YAMAMURA, SRA, R/W-AC

• **STATE LICENSING**

State Certified General Appraiser,
State of Hawaii, License No. CGA 160, 9/18/1991
Expiration: December 31, 2015



• **PROFESSIONAL AFFILIATIONS**

Member---Appraisal Institute - Honolulu Chapter #67, **SRA** Designation - 1985
Member---International Right of Way Association (IRWA), **R/W-AC** Certification - 2007

• **PROFESSIONAL AND COMMUNITY INVOLVEMENT**

Past Member---State of Hawaii, Commission on Water Resource Management – 2012-2014
Past President---Hawaii Chapter of the Appraisal Institute – 2010
Past Member---County of Maui, Board of Water Supply – 2008 - 2012
Past Member---State of Hawaii, Board of Land & Natural Resources – 2001-2006
Past President---International Right of Way Association (IRWA), Hawaii Chapter #30 - 2004
Past President---Maui County Council, Boy Scouts of America – 1987

• **EXPERIENCE AND EDUCATION**

Executive Vice President
ACM Consultants, Inc.
2073 Wells Street Suite 100
Wailuku, Maui, Hawaii 97693

Previously associated with the following:

Vice President - Alexander & Alexander, Ltd. - Maui Division;
March 1979 - August 1982
Assistant Vice President - Honolulu Federal Savings & Loan Assn;
September 1974 - March 1979
Veteran - United States Air Force – 1967 - 1971
Educated: Maui High School and University of Hawaii

• **SUCCESSFULLY COMPLETED THE FOLLOWING COURSES:**

International Right of Way Association – Course 403, *Easement Valuation*,
Tucson, Arizona – 2008
International Right of Way Association – Course 410, *Reviewing Appraisals in Eminent Domain*,
Tucson, Arizona – 2008
International Right of Way Association – Course 401, *The Appraisal of Partial Acquisitions*
Fresno, California – 2007
Appraisal Institute – *National Uniform Standards of Professional Appraisal Practice (USPAP) 2014-2015 Update Course* – Honolulu, Hawaii - 2014
International Right of Way Association – Course 409, *Integrating Appraisal Standards*,
Anaheim, California – 2005
Appraisal Institute – *Business Practices and Ethics*, Honolulu, Hawaii – 2009
Appraisal Institute – *Course 400, Uniform Standards of Professional Appraisal Practice (USPAP)*, Honolulu, Hawaii – 2003
Appraisal Institute - *Standards of Professional Practice Part C*, Honolulu, Hawaii - 1997
Appraisal Institute - *Standards of Professional Practice Part A and Part B*,
Honolulu, Hawaii - 1993
International Right of Way Association (IRWA) *Course 214, Skills of Expert Testimony*
Honolulu, Hawaii – 1988
Society of Real Estate Appraisers (SREA) *Course 102 Examination, "Applied Residential Property Valuation"*, Honolulu, Hawaii - 1982
Society of Real Estate Appraisers (SREA) *"Narrative Demonstration Report" Examination*, Wailuku, Maui, Hawaii - 1983
Society of Real Estate Appraisers (SREA) *Course 101 Examination, "Introduction to Appraising Real Property"*, Honolulu, Hawaii – 1979

CONTINUING EDUCATION SEMINARS AND WORKSHOPS ATTENDED:

The Seminar Group "Eminent Domain & Condemnation in Hawaii" Honolulu, Hawaii - 2013
 University of Hawaii/State of Hawaii Department of Transportation "Federal Highways (FHWA) Highway Noise Policy and Abatement Guidelines Workshop" - 2011
 Appraisal Institute "Real Estate Finance, Statistics, and Valuation Modeling" - 2009
 Appraisal Institute "Eminent Domain and Condemnation" - 2007
 Appraisal Institute "National Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book") Practical Applications for Fee Appraisers" Honolulu, Hawaii - 2006
 Lorman Education Services "Law of Easements: Legal Issues and Practical Considerations in Hawaii" Honolulu, Hawaii - 2006
 Lorman Education Services "Eminent Domain in Hawaii" Honolulu, Hawaii - 2006
 Appraisal Institute "Mini-Series on USPAP Issues" Honolulu, Hawaii - 2006
 International Right of Way Association (IRWA) "Uniform Act Symposium", Anaheim, California - 2005
 Lorman Education Services "Zoning and Land Use in Hawaii", Honolulu, Hawaii - 2003
 The American Society of Farm Managers & Rural Appraisers "Conservation Easements" Honolulu, Hawaii - 2001
 The American Society of Farm Managers & Rural Appraisers "Appraising Rural Residential Properties" - Honolulu, Hawaii - 2001
 Appraisal Institute "Valuation of Detrimental Conditions in Real Estate" Honolulu, Hawaii - 2000
 Appraisal Institute "Case Studies in Residential Highest and Best Use" Honolulu, Hawaii - 2000
 Appraisal Institute "Advanced Sales Comparison Approach" Honolulu, Hawaii - 2000
 Appraisal Institute "Appraisal of Nonconforming Uses" Honolulu, Hawaii - 2000
 Appraisal Institute "Litigation Skills for the Appraiser: An Overview" Honolulu, Hawaii - 1998
 Appraisal Institute "Special Purpose Properties" Honolulu, Hawaii - 1997
 Appraisal Institute "Appraising for the Secondary Market" Honolulu, Hawaii - 1996
 Appraisal Institute "The Employee Relocation Council Form and the Drive-By Form", Anaheim, California - 1995
 Appraisal Institute "The Condominium Form and the Small Residential Income Property Appraisal Report Form", Anaheim, California - 1995
 Appraisal Institute "Technology Trends for the New Appraisal Office: EDI, GIS, and Digital Imaging" San Francisco, California - 1995
 Appraisal Institute "Diversification of Appraisal Services" San Francisco, California - 1995
 Appraisal Institute "Residential Appraisal Review", Chicago, Illinois - 1994
 Appraisal Institute "Understanding Limited Appraisals and Appraisal Reporting Options" Chicago, Illinois - 1994
 Appraisal Institute "Accrued Depreciation", Las Vegas, Nevada - 1992
 Appraisal Institute "Market Analysis", Las Vegas, Nevada - 1992
 American Institute of Real Estate Appraisers (AIREA) "Easement Valuation", Los Angeles, California - 1990
 Federal National Mortgage Association (FNMA) "Fannie Mae Appraisals", Seminar, Honolulu, Hawaii - 1990
 Society of Real Estate Appraisers (SREA) "Federal Home Loan Bank Board Appraisal Standards", Honolulu, Hawaii - 1989
 Society of Real Estate Appraisers (SREA) "Uniform Small Residential Income Appraisal Report", New York - 1989
 Society of Real Estate Appraisers (SREA) "Professional Practice", Honolulu, Hawaii - 1988
 Society of Real Estate Appraisers (SREA) "Appraisers Guide to the Uniform Residential Appraisal Report", Honolulu, Hawaii - 1987
 American Institute of Real Estate Appraisers (AIREA) "R-41b and Subdivision Analysis", Honolulu, Hawaii - 1985
 International Right of Way Association (IRWA) "Condemnation", Honolulu, Hawaii - 1982
 Society of Real Estate Appraisers (SREA) "Creative Financing and Cash Equivalency", Honolulu, Hawaii - 1983
 Society of Real Estate Appraisers (SREA) "Appraising Single Family Residences", Honolulu, Hawaii - 1983
 Society of Real Estate Appraisers (SREA) "Application of Market Extraction's", Honolulu, Hawaii - 1981

- **LEGAL**

Qualified as an expert witness:

First Circuit Court, Honolulu, Hawaii
 Second Circuit Court, Wailuku, Maui, Hawaii
 U.S. District Court, Honolulu, Hawaii
 U.S. Bankruptcy Court, Honolulu, Hawaii

Experienced in real estate arbitration assignments in the State of Hawaii

PROFESSIONAL QUALIFICATIONS – DOMINIC SUGUITAN

- **STATE LICENSING**

State Certified General Appraiser,
State of Hawaii, License No. CGA 576, 4/17/1995
Expiration: December 31, 2015

- **PROFESSIONAL AFFILIATIONS**

General Associate Member---Appraisal Institute

- **EXPERIENCE AND EDUCATION**

Vice President, Commercial Division
ACM Consultants, Inc. (formerly ACM, Real Estate Appraiser's, Inc.)
2073 Wells Street, Suite 100
Wailuku, Maui, Hawaii 97693

Previously associated with the following:

Yamaguchi & Yamaguchi, Inc.
Real Estate Appraisers and Consultants

- **SUCCESSFULLY COMPLETED THE FOLLOWING COURSES:**

Society of Real Estate Appraisers – *Course 101, Introduction to Appraising Real Property*, Tempe, Arizona - 1991
Appraisal Institute – *Appraising the Single Family Residence*, Honolulu, Hawaii - 1991
Appraisal Institute – *Foundations of Real Estate Appraisal*, Honolulu, Hawaii – 1991
Appraisal Institute – *Course 1BA, Capitalization Theory & Techniques, Part A*, San Jose, California – 1992
Appraisal Institute – *Course 1BB, Capitalization Theory & Techniques, Part B*, San Jose, California - 1992
Appraisal Institute – *Course I410, Standards of Professional Practice Part A (USPAP)*, Honolulu, Hawaii – 1993
Appraisal Institute – *Course I420, Standards of Professional Practice Part B (USPAP)*, Honolulu, Hawaii – 1993
Appraisal Institute – *Course I430, Standards of Professional Practice Part C (USPAP)*, Honolulu, Hawaii – 1999
Appraisal Institute – *Course I400, 7-Hour National USPAP Update Course*, Honolulu, Hawaii – 2003
Appraisal Institute – *Course I420, Business Practices and Ethics*, Honolulu, Hawaii – 2003
Appraisal Institute – *Online 7-Hour National USPAP Equivalent Course*, Chicago, Illinois –2005
Appraisal Institute – *Course 520, Highest & Best Use and Market Analysis*, Seattle, Washington – 2006
Appraisal Institute – *Online 7-Hour National USPAP Equivalent Course*, Chicago, Illinois –2007
Appraisal Institute – *Online 7-Hour National USPAP Equivalent Course*, Chicago, Illinois –2009
Appraisal Institute – *Online Business Practices and Ethics*, Chicago, Illinois –2009
Appraisal Institute – *Online 7-Hour National USPAP Equivalent Course*, Chicago, Illinois – 2011
Course 844 – “Residential & Commercial Valuation of Solar”
Albuquerque, New Mexico – February, 2013
“Online General Appraiser Report Writing and Case Studies” – Online Course
Appraisal Institute, October, 2013
“7-Hour National USPAP Update Course” – Online Course
McKissock, December, 2013

- **CONTINUING EDUCATION SEMINARS AND WORKSHOPS ATTENDED:**

- Appraisal Institute – “Data Confirmation and Verification Methods” Honolulu, Hawaii – 1995
- Appraisal Institute – “Residential Property Construction and Inspection” Honolulu, Hawaii – 1995
- Appraisal Institute – “Appraisal of Retail Properties” Honolulu, Hawaii – 1997
- Appraisal Institute – “Detrimental Conditions in Hawaii” Honolulu, Hawaii – 1997
- Appraisal Institute – “Special Purpose Properties” Honolulu, Hawaii – 1997
- Appraisal Institute – “Highest and Best Use Applications” Honolulu, Hawaii - 1997
- Appraisal Institute – “Appraising From Blueprints and Specs” Honolulu, Hawaii – 1998
- Appraisal Institute – “New Industrial Valuation” Honolulu, Hawaii – 1998
- Appraisal Institute – “Eminent Domain & Condemnation Appraising” Honolulu, Hawaii - 1998
- Appraisal Institute – “Online Analyzing Operating Expenses” Chicago, Illinois – 2001
- Appraisal Institute – “Real Estate Disclosure” Honolulu, Hawaii - 2001
- Appraisal Institute – “Online Internet Search Strategies for R.E. Appraisers” Chicago, Illinois - 2001
- Appraisal Institute – “Online Valuation of Detrimental Conditions in Real Estate” Chicago, Illinois - 2001
- Appraisal Institute – “The Appraisal Institute Commercial Database & AppraiserLoop, Part I”, Honolulu, Hawaii - 2002
- Appraisal Institute – “Statistical Analysis Using the Database, Part I”, Honolulu, Hawaii – 2002
- Appraisal Institute – “The Aftermath: Our World Post-Sept 11”, Honolulu, Hawaii – 2002
- Appraisal Institute – “Statistical Modeling & GIS: Applications for Income Properties” Honolulu, Hawaii - 2002
- Appraisal Institute – “Real Estate Finance, Value and Investment Performance” Honolulu, Hawaii - 2005
- Appraisal Institute – “Online Introduction to GIS Applications for Real Estate Appraisal”, Chicago, Illinois - 2005
- Appraisal Institute – “Online Small Hotel/Motel Valuation”, Chicago, Illinois - 2005
- Appraisal Institute – “Hawaii Lands, Historical Review”, Kahului, Hawaii - 2009
- Appraisal Institute – “Online Real Estate Finance Statistics and Valuation Modeling”, Chicago, Illinois - 2009
- Appraisal Institute – “Online An Introduction to Valuing Commercial Green Buildings”, Chicago, Illinois – 2011
- Appraisal Institute – “Online Rates and Ratios: Making sense of GIMs, OARs, and DCF”, Chicago, Illinois – 2011
- Appraisal Institute – “Online Forecasting Revenue”, Chicago, Illinois – 2011