

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2016-6

APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE PERMANENT GUIDEWAY EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-5-007-028 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN

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

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

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

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

WHEREAS, the acquisition by eminent domain of the permanent guideway easement over, on, and across the real property identified as Tax Map Key (TMK) 1-5-007-028 (Portion) and more particularly described in the attached legal description marked as Exhibit A, is necessary for the Honolulu Rail Transit Project fixed guideway system, a valid public use and purpose;

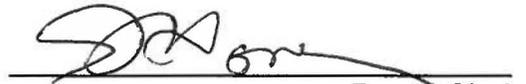
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. That written notification to the City Council is approved, for the acquisition by eminent domain of the permanent guideway easement over, on, and across the real property identified as TMK 1-5-007-028 (Portion); and
2. That in the event the City Council approves or does not object to the acquisition within 45 days of notification, then HART is authorized to publish in a daily newspaper at least three days prior to Board action, the attached resolution marked as Exhibit B, authorizing acquisition by eminent domain of said easement.

ADOPTED by the Board of the Honolulu Authority for Rapid
Transportation on FFR 18 2016.

Exhibit A – Legal description of TMK 1-5-007-028 (Portion)

Exhibit B – Resolution No. 2016-__, Authorizing the Acquisition of Permanent Guideway
Easement Over, On, and Across the Real Property Identified as Tax Map
Key 1-5-007-028 (Portion) by Eminent Domain.


Board Chair

ATTEST:


Board Administrator

2008 01 03

HONOLULU RAIL TRANSIT PROJECT

EASEMENT C
(FOR GUIDEWAY PURPOSES)

Affecting Lot 16 (Map 1) of
Land Court Consolidation 97

Situate at Kuwili, Honolulu, Oahu, Hawaii

Beginning at the North corner of this easement, being the East corner of Lot 17 (Map 1) of Land Court Consolidation 97, being also along the Southwest side of Kaaahi Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 1,740.27 feet North and 5,734.08 feet West thence running by azimuths measured clockwise from true South:

- 1. 326° 59' 68.53 feet along the Southwest side of Kaaahi Street;
- 2. 61° 37' 5.54 feet along Lot 15 (Map 1) of Land Court Consolidation 97;
- 3. 144° 16' 68.16 feet along the remainder of Lot 16 (Map 1) of Land Court Consolidation 97;
- 4. 236° 59' 8.76 feet along Lot 17 (Map 1) of Land Court Consolidation 97, to the point of beginning and containing an area of 487 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

Erik S. Kaneshiro 2/11/16

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Note: This description is for exhibit purposes and does not purport a legally subdivided lot.

Honolulu, Hawaii
February 11, 2016

TMK: (1) 1-5-007: 028
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 439 - Easement C.docx



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

501 SUMNER STREET, SUITE 521
HONOLULU, HAWAII 96817-5031

CIVIL ENGINEERS - SURVEYORS
1871 WILI PA LOOP, SUITE A
WAILUKU, MAUI, HAWAII 96793

100 PAUHAHI STREET, SUITE 207
HILO, HAWAII 96720

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2016-__

**AUTHORIZING THE ACQUISITION OF PERMANENT GUIDEWAY EASEMENT
OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP
KEY 1-5-007-028 (PORTION) BY EMINENT DOMAIN**

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

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

WHEREAS, the City Council approved or did not object to the acquisition of the permanent guideway easement over, on, and across the real property identified as Tax Map Key (TMK) 1-5-007-028 (Portion) by eminent domain after written notification by HART; and

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

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

1. That acquisition by eminent domain of the permanent guideway easement over, on, and across the real property identified as TMK 1-5-007-028 (Portion) is hereby authorized and the Corporation Counsel of the City and County of Honolulu is empowered to institute eminent domain proceedings as provided by law for the acquisition thereof; and
2. That the acquisition of said easement by eminent domain is determined and declared to be for a valid public use and purpose as aforesaid; and
3. That the acquisition of said easement by eminent domain is determined and declared to be necessary for the aforesaid public use and purpose; and
4. That in the process of said proceedings in eminent domain, the Corporation Counsel is authorized and empowered to negotiate terms of settlement, subject to the approval of HART and/or the Court before which such proceedings are commenced; and

5. That the Board Administrator be directed to transmit copies of this resolution to HART and the Department of the Corporation Counsel.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

_____.

Board Chair

ATTEST:

Board Administrator

Exhibit A – Legal description of TMK 1-5-007-028 (Portion)

RF

HONOLULU RAIL TRANSIT PROJECT

EASEMENT C
(FOR GUIDEWAY PURPOSES)

Affecting Lot 16 (Map 1) of
Land Court Consolidation 97

Situate at Kuwili, Honolulu, Oahu, Hawaii

Beginning at the North corner of this easement, being the East corner of Lot 17 (Map 1) of Land Court Consolidation 97, being also along the Southwest side of Kaaahi Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 1,740.27 feet North and 5,734.08 feet West thence running by azimuths measured clockwise from true South:

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AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

A handwritten signature in black ink, appearing to read "Erik S. Kaneshiro", with the date "2/11/16" written to the right.

ERIK S. KANESHIRO
Licensed Professional Land Surveyor
Certificate No. 9826

Note: This description is for exhibit purposes and does not purport a legally subdivided lot.

Honolulu, Hawaii
February 11, 2016

TMK: (1) 1-5-007: 028
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 439 - Easement C.docx



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

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WAILUKU, MAUI, HAWAII 96783

100 PALUHI STREET, SUITE 207
HILO, HAWAII 96720

Honolulu Authority for Rapid Transportation

STAFF SUMMARY

TITLE: RESOLUTION NO. 2016-6 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE PERMANENT GUIDEWAY EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-5-007-028 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN	STAFF CONTACT: Jesse Souki Morris Atta	DATE: 02/18/2016
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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 1-5-007-028 (Portion), and situated at 513 Kaaahi Street, Honolulu HI, 96817 which is required for permanent guideway easement purposes for the Honolulu Rail Transit Project (H RTP). This property, for which 487 square-foot permanent guideway easement acquisition is required, is on the critical path for successful completion of the City Center Section of the H RTP. The property is owned Kathleen Yamauchi, Rodney S. Yamauchi, Carol K. Nako, Janice A. Yamauchi, Karen N. Hirata, and Daniel S. Yamauchi.

HART recommends use of eminent domain to acquire the property.

2. Background/Justification

This property (Tax Map Key 1-5-007-028) was designated as needed for the H RTP and identified 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.

- An appraisal report with an effective date of June 19, 2015 was prepared.
- A Letter of Offer dated September 1, 2015 was delivered.
- A counteroffer dated November 17, 2015 is currently under review by HART.

This parcel is being referred to eminent domain in order to adhere to the project construction timeline. Access to this parcel is needed as soon as possible in order to avoid costly delays to the project schedule and timing. Negotiations with the Owner will continue during the eminent domain process.

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 5010.1D 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 – Letter of Offer dated September 1, 2015.

Exhibit 2 – Appraisal Summary prepared by Yamaguchi & Yamaguchi, Inc. with an effective appraisal date of June 19, 2015.

Certified and Recommended by:



Executive Director and CEO

2/11/16

Date



HONOLULU AUTHORITY for RAPID TRANSPORTATION

IN REPLY REFER TO:
CMS-APOOROW-01040

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

HAND-DELIVERED

September 1, 2015

BOARD OF DIRECTORS

Donald G. Horner
CHAIR

Damien T.K. Kim
VICE CHAIR

George I. Atta
Michael D. Formby
Ford N. Fuchigami
Colleen Hanabusa
William "Buzz" Hong
Terrence M. Lee
Ivan M. Lui-Kwan

Ms. Kathleen Yamauchi
Mr. Rodney S. Yamauchi
Ms. Carol K. Nako
Ms. Janice A. Yamauchi
Ms. Karen N. Hirata
Mr. Daniel S. Yamauchi
513 Kaaahi Street
Honolulu, Hawaii 96817

Ladies and Gentlemen:

**Subject: Honolulu Rail Transit Project (H RTP)
513 Kaaahi Street
Parcel 439: Tax Map Key (TMK) 1-5-007-028 (Portion)
Letter of Offer**

This is a follow-up to previous correspondence regarding the acquisition of the subject property. The Honolulu Authority for Rapid Transportation (HART) is constructing the H RTP. As part of the H RTP, HART will need to acquire a portion of your property. An appraisal of the property identified as TMK 1-5-007-028 has been completed to determine just compensation.

A review of public records indicates that you are the Owner of Record of the property HART is seeking to acquire for this Project. Based on our findings as contained in the enclosed Statement of Just Compensation, HART offers to purchase a portion of your property, a total of 487 square feet, for a permanent easement for guideway purposes, for the total consideration of \$66,000 (Sixty-Six Thousand Dollars), as shown colored in yellow on the enclosed map.

The total offer for acquiring the interest in your property is \$66,000 (Sixty-Six Thousand Dollars). Costs incidental to closing escrow for this transaction will be paid by HART except prorated costs such as taxes and insurance.

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.

Ms. Kathleen Yamauchi
Mr. Rodney S. Yamauchi
Ms. Carol K. Nako
Ms. Janice A. Yamauchi
Ms. Karen N. Hirata
Mr. Daniel S. Yamauchi
Page 2
September 1, 2015

If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by **October 2, 2015**. The remaining copy is for your file. Enclosed for your information are the Appraisal Summary Statement and General Acquisition and Relocation Information Brochure. Also enclosed is a draft Possession and Use Agreement for your review, consideration, and for further discussion with your acquisition agent. The Possession and Use Agreement is intended to provide you early access to most of the purchase price of this acquisition subject to HART being provided access to the portion of your property required for construction of the H RTP with minimal risk to the Project. Under this agreement, your rights to the full just compensation amount are fully reserved and enforceable.

It is the desire of HART to acquire private property through voluntary purchase if possible. While HART has the power of eminent domain, HART has not sought the authority nor made any decision to exercise the power of eminent domain to acquire your property at this time.

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.

HART has retained the services of Paragon Partners Ltd to assist you with the acquisition process. Please contact Mr. Jeremy Marlar at jmarlar@paragon-partners.com or by telephone at 536-5900 if you have any questions regarding this matter.

This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart.

Sincerely,



Daniel A. Grabauskas
Executive Director and CEO

Enclosures

Ms. Kathleen Yamauchi
Mr. Rodney S. Yamauchi
Ms. Carol K. Nako
Ms. Janice A. Yamauchi
Ms. Karen N. Hirata
Mr. Daniel S. Yamauchi
Page 3
September 1, 2015

ACCEPTED:

KATHLEEN YAMAUCHI

By _____
Its

Print Name: _____

Dated: _____

RODNEY S. YAMAUCHI

By _____
Its

Print Name: _____

Dated: _____

CAROL K. NAKO

By _____
Its

Print Name: _____

Dated: _____

KAREN N. HIRATA

By _____
Its

Print Name: _____

Dated: _____

JANICE A. YAMAUCHI

By _____
Its

Print Name: _____

Dated: _____

DANIEL S. YAMAUCHI

By _____
Its

Print Name: _____

Date: _____

Exhibit 2



**Yamaguchi &
Yamaguchi, Inc.**
Real Estate Appraisal &
Consulting Services

PROJECT
Honolulu Rail Transit Project

Parcel Designation: (1) 1-5-007-028
HART RW Parcel: 439
Owner: Kathleen Yamauchi Trust, Etal
513 Kaaahi Street; Honolulu, Hawaii 96817

Effective Date: June 19, 2015

AN APPRAISAL REPORT OF THE
IMX-1 Industrial Mixed-Use Property
Permanent Easement Acquisition

CLIENT
Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation

PREPARER
Jon F. Yamaguchi, CRE, FRICS, SRPA, SRA

DATE OF APPRAISAL
July 16, 2015

ONE KAPIOLANI BUILDING
600 Kapiolani Boulevard Suite 405 • Honolulu, Hawaii 96813
Bus: 808.533.8849 • Fax: 808-533-8808 • E-mail: appraisals@yamaguchiinc.com



**Yamaguchi &
Yamaguchi, Inc.**
Real Estate Appraisal &
Consulting Services

July 16, 2015

Ms. Georgia Marquis
Director of Acquisition & Relocation Services
Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation
5762 Bolsa Ave., Suite 201
Huntington Beach, CA 92649

Re: Honolulu Rail Transit Project
Permanent Easement Acquisition
Parcel Designation: TMK: (1) 1-5-007-028; 6,455square feet
HART RW Parcel 439
513 Kaaahi Street
Honolulu, Hawaii 96817

Dear Ms. Marquis,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one opinion about the market value for the Permanent Easement Acquisition on the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record.

The purpose of this appraisal report is to assist the Honolulu Authority for Rapid Transportation in the valuation of a permanent easement for Eminent Domain acquisition proceedings of the subject property as part of the Honolulu Rail Transit Project.

As a preview, the subject property identified as the "Larger Parcel" physically consists of mostly rectangular parcel along the west side of Kaaahi Street constituting 6,455 square feet. According to tax office records, the site is improved with a 39-year old 5,280 square feet warehouse that includes a small office and mezzanine. These improvements are not included in our valuation.

The permanent easement acquisition identified as Easement C for guideway purposes area along the property boundary frontage involves a narrow strip consisting of approximately 487 square feet. The easement is approximately 8.76 feet wide from the northwest corner narrowing toward the southeast corner to approximately 5.54 feet wide.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached Appraisal report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of July 16, 2015.

Exhibit 2

For purposes of this appraisal report, the definition of market value from the fifth edition of the *Uniform Appraisal Standards for Federal Land Acquisitions* was utilized and is defined in the Market Value Criterion section of this report.

This letter is not an appraisal report hence it must not be removed from the attached 120-page report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject property permanent easement acquisition as of June 19, 2015:

\$ 974,000	<i>"As Is" Indicated Market Value of the Larger Parcel</i>
\$ 908,000	<i>"As Is" Indicated Market Value of the Remainder Parcel</i>
\$ 66,000	<i>"As Is" Indicated Market Value of the Permanent Easement Acquisition (90%)</i>
\$ 66,000	<i>"As Is" Indicated Market Value of the Permanent Easement Acquisition (Rounded)</i>
\$ 0	<i>Add: Total Severance Damages to the Remainder Property</i>
\$ 0	<i>Less: Special Benefits to the Remainder Property</i>
\$ 0	<i>Add: Contributory Value</i>
\$ 66,000	<i>Total Fair Market Value of the Permanent Easement Acquisition (Rounded)</i>

Thank you for your business. Let us know how we may further serve you.



Jon F. Yamaguchi, CRE, FRICS, SRPA, SRA
President / CEO
Certified General Appraiser
Hawaii License CGA 31
License Expiration Date: 12/31/2015

