

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2016-15

APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE GUIDEWAY EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 2-1-030-012 (PORTION), LOCATED AT 586 SOUTH STREET, HONOLULU, AND OWNED BY LAWRENCE P. WONG, ET AL., AND ELIZABETH W. CHEN, ET AL., 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 guideway easement over, on, and across the real property identified as Tax Map Key (TMK) 2-1-030-012 (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 guideway easement over, on, and across the real property identified as TMK 2-1-030-012 (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 _____.

Exhibit A – Legal description of TMK 2-1-030-012 (Portion)

**Exhibit B – Resolution No. 2016-____, Authorizing the Acquisition of Guideway
Easement Over, On, and Across the Real Property Identified as Tax Map
Key 2-1-030-012 (Portion), located at 586 South Street, Honolulu, and
owned by Lawrence P. Wong et. al. and Elizabeth W. Chen et. al. by
Eminent Domain.**

Board Chair

ATTEST:

Board Administrator

DRAFT

HONOLULU RAIL TRANSIT PROJECT

**EASEMENT 11
(FOR GUIDEWAY PURPOSES)**

Affecting a certain parcel of land
Being Portions of Royal Patent 7429,
Mahele Award 61 to B. Namakeha and
Royal Patent 4483,
Land Commission Award Number 7712,
Apana 6 to V. Kamamalu

Situate at Kaalua, Honolulu, Oahu, Hawaii

Beginning at the North corner of this easement, being the East corner of Lot C as shown on DPP Subdivision File No. 2012/SUB-26, also along the Southwest side of Halekauwila Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 3,661.18 feet South and 3,752.22 feet West thence running by azimuths measured clockwise from true South:

- | | | | | |
|----|--------------|-------|-------|--|
| 1. | 320° 30' | 90.90 | feet | along the Southwest side of Halekauwila Street; |
| | | | | Thence along Road Parcel 10 as shown on DPP Subdivision File No. 1985/SUB-14, on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: |
| 2. | 339° 05' 34" | 12.75 | feet; | |
| 3. | 139° 56' | 0.82 | feet | along the remainder of Royal Patent 7429, Mahele Award 61 to B. Namakeha; |
| 4. | 49° 56' | 1.97 | feet | along same; |
| 5. | 139° 56' | 28.00 | feet | along same; |
| 6. | 229° 56' | 1.97 | feet | along same; |
| 7. | 139° 56' | 74.17 | feet | along same; |



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

501 SUMNER STREET, SUITE 521
HONOLULU HAWAII 96817-5021

1871 WILIPA LOOP, SUITE A
WAILUKU MAUI HAWAII 96793

100 PAUAAHI STREET, SUITE 207
HILO HAWAII 96720

8. 230° 30' 5.08 feet along the Lot C as shown on DPP Subdivision File No. 2012/SUB-26, to the point of beginning and containing an area of 511 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

A handwritten signature in black ink, appearing to read "Erik S. Kaneshiro", with "EXP 4/16" written to the right of the signature.

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

Honolulu, Hawaii
April 27, 2016

TMK: (1) 2-1-030: 012
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 444 - Easement 11.docx



Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2016-__

AUTHORIZING THE ACQUISITION OF GUIDEWAY EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 2-1-030-012 (PORTION), LOCATED AT 586 SOUTH STREET, HONOLULU, AND OWNED BY LAWRENCE P. WONG, ET AL., AND ELIZABETH W. CHEN, ET AL., 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 guideway easement over, on, and across the real property identified as Tax Map Key (TMK) 2-1-030-012 (Portion) by eminent domain after written notification by HART; and

WHEREAS, the acquisition by eminent domain of said 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 guideway easement over, on, and across the real property identified as TMK 2-1-030-012 (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 2-1-030-012 (Portion)

REF
R

HONOLULU RAIL TRANSIT PROJECT

**EASEMENT 11
(FOR GUIDEWAY PURPOSES)**

Affecting a certain parcel of land
Being Portions of Royal Patent 7429,
Mahele Award 61 to B. Namakeha and
Royal Patent 4483,
Land Commission Award Number 7712,
Apana 6 to V. Kamamalu

Situate at Kaalua, Honolulu, Oahu, Hawaii

Beginning at the North corner of this easement, being the East corner of Lot C as shown on DPP Subdivision File No. 2012/SUB-26, also along the Southwest side of Halekauwila Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 3,661.18 feet South and 3,752.22 feet West thence running by azimuths measured clockwise from true South:

- | | | | | |
|----|--------------|-------|-------|--|
| 1. | 320° 30' | 90.90 | feet | along the Southwest side of Halekauwila Street; |
| | | | | Thence along Road Parcel 10 as shown on DPP Subdivision File No. 1985/SUB-14, on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: |
| 2. | 339° 05' 34" | 12.75 | feet; | |
| 3. | 139° 56' | 0.82 | feet | along the remainder of Royal Patent 7429, Mahele Award 61 to B. Namakeha; |
| 4. | 49° 56' | 1.97 | feet | along same; |
| 5. | 139° 56' | 28.00 | feet | along same; |
| 6. | 229° 56' | 1.97 | feet | along same; |
| 7. | 139° 56' | 74.17 | feet | along same; |



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

501 SUMNER STREET, SUITE 521
HONOLULU HAWAII 96817-5021

1871 WILI PA LOOP, SUITE A
WAILUKU HAWAII 96793

100 PAUHAHI STREET, SUITE 207
HILLO HAWAII 96720

8. 230° 30'

5.08 feet along the Lot C as shown on DPP Subdivision File No. 2012/SUB-26, to the point of beginning and containing an area of 511 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

A handwritten signature in black ink, appearing to read "Erik S. Kaneshiro", with "EXP 4/16" written to the right of the signature.

ERIK S. KANESHIRO

Licensed Professional Land Surveyor
Certificate No. 9826

Honolulu, Hawaii
April 27, 2016

TMK: (1) 2-1-030: 012

Y:\2014\14-068\SURVEY\Descriptions\PARCEL 444 - Easement 11.docx



Honolulu Authority for Rapid Transportation

STAFF SUMMARY

TITLE: RESOLUTION NO. 2016-15 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE AN EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 2-1-030-012 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN	STAFF CONTACT: Jesse K. Souki Morris M. Atta	DATE: 5/12/2016
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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 2-1-030-012 (Portion), and situated at 586 South St., Honolulu, HI 96813, which is required for guideway easement purposes for the Honolulu Rail Transit Project (HRTTP). This property, for which a 511 square-foot guideway easement acquisition is required, is on the critical path for successful completion of the City Center Section of the HRTTP. The property is owned by Lawrence P. Wong, et al., and Elizabeth W. Chen, et al.

HART recommends use of eminent domain to acquire the property.

2. Background/Justification

This property (Tax Map Key 2-1-030-012) was designated as needed for the HRTTP 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 July 18, 2015 was conducted.
- A Letter of Offer dated September 18, 2015 was delivered.
- A Revised Letter of Offer dated October 2, 2015 was delivered.
- Received a Formal Response to the Letter of Offer on December 9, 2015.
- An Administrative Settlement Agreement dated March 21, 2016, was delivered and was rejected.
- Owners are seeking legal representation. Negotiations have protracted.

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 XVII 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

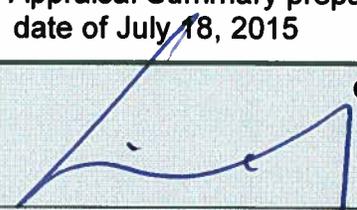
Exhibit 1 – Letter of Offer dated September 18, 2015

Exhibit 2 – Revised Letter of Offer dated October 2, 2015

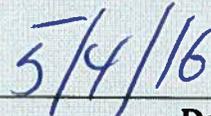
Exhibit 3 – Administrative Settlement Agreement dated March 21, 2016

Exhibit 4 – Appraisal Summary prepared by Yamaguchi & Yamaguchi, Inc. with an effective appraisal date of July 18, 2015

Certified and Recommended by:



Executive Director and CEO



Date



IN REPLY REFER TO:
CMS-APOOROW-01057

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

CERTIFIED MAIL/RETURN RECEIPT REQUESTED
7014 3490 0001 5634 7631

BOARD OF DIRECTORS

September 18, 2015

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VICE CHAIR

Mr. Lawrence P. Wong, et al.
2844 Wakefield Drive
Belmont, California 94002

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

Ms. Elizabeth W. Chen, et al.
324 High Street
Monterey, California 93940

Attention: Ms. Elizabeth W. Chen

Ladies and Gentlemen:

Subject: Honolulu Rail Transit Project (H RTP)
586 South Street
Parcel 444: Tax Map Key (TMK) 2-1-030-012 (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 2-1-030-012 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 511 square feet (shown colored in yellow on the enclosed Parcel Map Exhibit 1), for permanent guideway easement purposes, for the total consideration of \$102,000 (One Hundred Two Thousand Dollars).

In addition, HART offers to purchase a Temporary Construction Easement (TCE) consisting of 11,411 square feet (shown colored in yellow on the enclosed Parcel Map Exhibit 2), for a consideration of \$202,480 (Two Hundred Two Thousand Four Hundred Eighty Dollars). The intent of the TCE is to provide temporary access to and use of a portion of your property for the purpose of facilitating Project construction activities. These activities may involve, but are not limited to; operation of equipment, material and equipment storage, and movement of work forces on the described easement, and may include site security with temporary fencing. The duration of the TCE will be twelve months with a start date to be determined thru coordination with you and HART's contractor.

Mr. Lawrence P. Wong, et al.
Ms. Elizabeth W. Chen, et al.
Page 2
September 18, 2015

The total offer for acquiring the interest in your property is **\$304,480 (Three Hundred Four Thousand Four Hundred Eighty 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.

If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by **October 19, 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 form 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 808-536-5900 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

Mr. Lawrence P. Wong, et al.
Ms. Elizabeth W. Chen, et al.
Page 3
September 18, 2015

ACCEPTED:

LAWRENCE P. WONG

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

ELIZABETH W. CHEN

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

Mr. Lawrence P. Wong, et al.
Ms. Elizabeth W. Chen, et al.
Page 4
September 18, 2015

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____



IN REPLY REFER TO:
CMS-APOOROW-01069

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

CERTIFIED MAIL/RETURN RECEIPT REQUESTED
7014 3490 0001 5634 7747

BOARD OF DIRECTORS

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VICE CHAIR

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

October 2, 2015

Mr. Lawrence P. Wong, et al.
2844 Wakefield Drive
Belmont, California 94002

Ms. Elizabeth W. Chen, et al.
324 High Street
Monterey, California 93940

Attention: Mr. Lawrence P. Wong

Ladies and Gentlemen:

Subject: Honolulu Rail Transit Project (H RTP)
586 South Street
Parcel 444: Tax Map Key (TMK) 2-1-030-012 (Portion)
Revised Letter of Offer

This is a follow-up to our Letter of Offer dated September 18, 2015. Based on further review and analyses of the Project corridor and right-of-way needs, it has been determined that the Temporary Construction Easement (TCE) from your property is no longer needed by the Honolulu Authority for Rapid Transportation (HART). We anticipate that the contractor retained by the HART to perform Project construction activities will coordinate with you, as appropriate, for access to your site. **This letter serves as notice that the amount of \$202,480 (Two Hundred Two Thousand Four Hundred Eighty Dollars) for the 11,411-square-foot TCE portion of your property is hereby eliminated.**

The revised offer amount is \$102,000 (One Hundred Two Thousand Dollars), to purchase a 511-square-foot portion of your property for guideway easement purposes, as shown colored in yellow on the enclosed parcel map exhibit.

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.

If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by **October 12, 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

Mr. Lawrence P. Wong, et al.
Ms. Elizabeth W. Chen, et al.
Page 2
October 2, 2015

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.

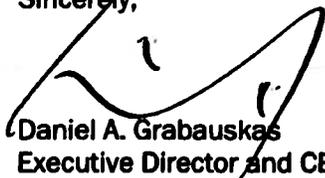
It is the desire of HART to acquire private property through voluntary purchase if possible. While HART has the power of eminent domain, HART has not sought the authority nor made any decision to exercise the power of eminent domain to acquire your property at this time.

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 Marljar at 808-536-5900 if you have any questions or to discuss this matter further.

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

ACCEPTED:

LAWRENCE P. WONG

ELIZABETH W. CHEN

By _____
Its

By _____
Its

Print Name: _____

Print Name: _____

Dated: _____

Dated: _____

Mr. Lawrence P. Wong, et al.
Ms. Elizabeth W. Chen, et al
Page 3
October 2, 2015

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____

THE CHEN FAMILY TRUST

By _____
Its

Print Name: _____

Dated: _____



IN REPLY REFER TO:
CMS-APOOROW-01199

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

CERTIFIED MAIL/RETURN RECEIPT REQUESTED
7014 3490 0001 5634 9109/7014 3490 0001 5634 9192

BOARD OF DIRECTORS

March 21, 2016

Donald G. Horner
CHAIR

Damien T.K. Kim
VICE CHAIR

Mr. Lawrence P. Wong, et al.
2844 Wakefield Drive
Belmont, California 94002

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

Ms. Elizabeth W. Chen, et al.
324 High Street
Monterey, California 93940

Ladies and Gentlemen:

Subject: Honolulu Rail Transit Project (H RTP)
586 South Street, Honolulu Hawaii 96813
Parcel 444: Tax Map Key (TMK) 2-1-030-012 (Portion)
**Administrative Settlement Agreement for Mr. Lawrence P. Wong, et al. and
Ms. Elizabeth W. Chen, et al.**

This is in reference to the Honolulu Authority for Rapid Transportation's (HART) Revised Letter of Offer dated October 2, 2015, to purchase 511 square feet of the subject property located at 586 South Street, Honolulu Hawaii 96813.

Submitted for your consideration and acceptance is a proposed administrative settlement in the amount of **\$102,000 (One Hundred Two Thousand Dollars)** based on the negotiated arrangement described herein.

Based on ongoing negotiations and discussions between you and HART, we have developed a mutually agreed upon plan to proceed with the partial acquisition of your property. It is the intention of HART to proceed with the acquisition pursuant to the terms described in this letter. The terms of our negotiated settlement plan are as follows:

1. **Fence:** Security fencing will not be impacted and will remain as is. Should the H RTP require the fence to be moved or replaced at a later date all associated expenses shall be borne by HART.
2. **Access:** Should HART or the contractor require access into the property, such use shall be coordinated with the property owner with advance notice.

Mr. Lawrence P. Wong, et al.

Ms. Elizabeth W. Chen, et al.

Page 2

March 21, 2016

3. **Security.** H RTP Contractor shall abide by HART's Construction Safety and Security Plan to reduce the risk of property damage and safeguarding the property from public access.

In determining the settlement, HART has reviewed information you have presented and other pertinent data and has determined that this amount is supported and in the public's interest. Accordingly, HART is prepared to settle this acquisition.

To ensure HART can issue payment for the subject parcel as quickly as possible, please expeditiously review and execute any required transactional documents, which may include but is not limited to the following:

- **Subdivision Application.** Review and sign forms to process subdivision with the City and County of Honolulu (City), Department of Planning and Permitting (DPP). Subdivision allows you to sell and HART to purchase a portion of your property.
- **Recordation of Title.** Once subdivision is approved by DPP, HART must record title for the subdivided parcels with the Bureau of Conveyances.
- **Tax Information.** Fill out and return the enclosed IRS Form W-9 with your Taxpayer Identification Number. The W-9 form is required by the City's Department of Budget and Fiscal Services to release funds to you for the purchase of the subject parcel.

Fees and costs for subdivision and recordation of title will be borne by HART, in addition to escrow fees and closing costs except prepaid costs, such as prorated property taxes and insurance.

If the settlement is acceptable, please sign on the acceptance portion of the duplicate letter and return the signed copy to us. We request your response to our settlement by **March 31, 2016**. If we do not hear from you by then, this settlement shall be considered rejected, unless otherwise stated by you.

This agreement may be executed in 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.

Mr. Lawrence P. Wong, et al.
Ms. Elizabeth W. Chen, et al.
Page 3
March 21, 2016

If you have any questions regarding this matter, please contact Ms. Lizeth Sandoval at 536-5900.

Sincerely,



Daniel A. Grabauskas
Executive Director and CEO

Enclosures

ACCEPTED:

ELIZABETH W. CHEN

LAWRENCE P. WONG

By _____
Its

By _____
Its

Print Name: _____

Print Name: _____

Date: _____

Date: _____



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

PROJECT

Honolulu Rail Transit Project

Parcel Designation: (1) 2-1-030-012

HART RW Parcel: 444

Owner: Lawrence P Wong Etal

586 South Street

Honolulu, Hawaii 96813

AN APPRAISAL REPORT OF

HCDA Civic Center Kakaako District

Permanent Easement Acquisition

CLIENT

Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation

PREPARER

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

EFFECTIVE DATE OF APPRAISAL

July 18, 2015

ONE KAPIOLANI BUILDING

600 Kapiolani Boulevard Suite 405 • Honolulu, Hawaii 96813

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

July 20, 2015

Ms. Georgia Marquis
Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation
5762 Bolsa Ave., Suite 201
Huntington Beach, CA 92649

Re: Honolulu Rail Transit Project
HART RW Parcel 444
Parcel Designation: TMK (1) 2-1-030-012
586 South Street, Honolulu, Hawaii 96813

Dear Ms. Marquis,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in 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 *Permanent Easement Acquisition for Guideway Purposes* and *Easement Evaluation* of the subject property as part of the Honolulu Rail Transit Project.

As a preview, subject property consists of 11,922 square feet vacant land and zoned Civic Center Kakaako District.

The permanent easement acquisition is Easement 11 along the property boundary frontage on Halekauwila Street consisting of a total of 511 square feet. HART also requires a Temporary Construction Easement (TCE) identified as Easement 14 that consists of the remainder parcel of 11,411 square feet of vacant land.

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 20, 2015.

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 113-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 as of July 18, 2015:

\$ 2,644,000	<i>"As Is" Indicated Market Value of the Larger Parcel</i>
\$ 2,542,000	<i>"As Is" Indicated Market Value of the Remainder Parcel</i>
\$ 102,000	<i>"As Is" Indicated Market Value of the Permanent easement acquisition (90%)</i>
\$ 102,000	<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>
\$ 102,000	<i>Total Fair Market Value of the Permanent easement acquisition (Rounded)</i>
\$ 202,480	<i>Estimated Annual Rent Per Annum @ 8% for the TCE</i>
\$ 16,873	<i>Estimated Monthly Rent Per Annum @ 8% for the TCE</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



Introduction

Salient Information	
<i>Purpose of Appraisal</i>	Partial Land Acquisition of the Subject Property
<i>Property Type</i>	Neighborhood Commercial-Mixed-Use
<i>Real Estate Appraised</i>	586 South Street, Honolulu, Hawaii 96813
<i>Client</i>	Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation
<i>City & County</i>	Honolulu
<i>Project</i>	Honolulu Rail Transit Project
<i>Parcel Designation</i>	TMK: (1) 2-1-030-012
<i>Owner's Name</i>	Lawrence P Wong Etal
<i>Estate Valued</i>	100% of the Fee Simple Estate; Permanent Easement Acquisition
<i>Land Size</i>	11,922 square feet
<i>Larger Parcel</i>	11,922 square feet.
<i>Building Size (Per Tax Assessor's Records)</i>	The subject is a vacant lot
<i>Flood Hazard</i>	Zone X
<i>Zoning Classification</i>	HCDA Civic Center Kakaako District
<i>Effective Value Date</i>	July 18, 2015
<i>Report Preparation Date</i>	July 20, 2015

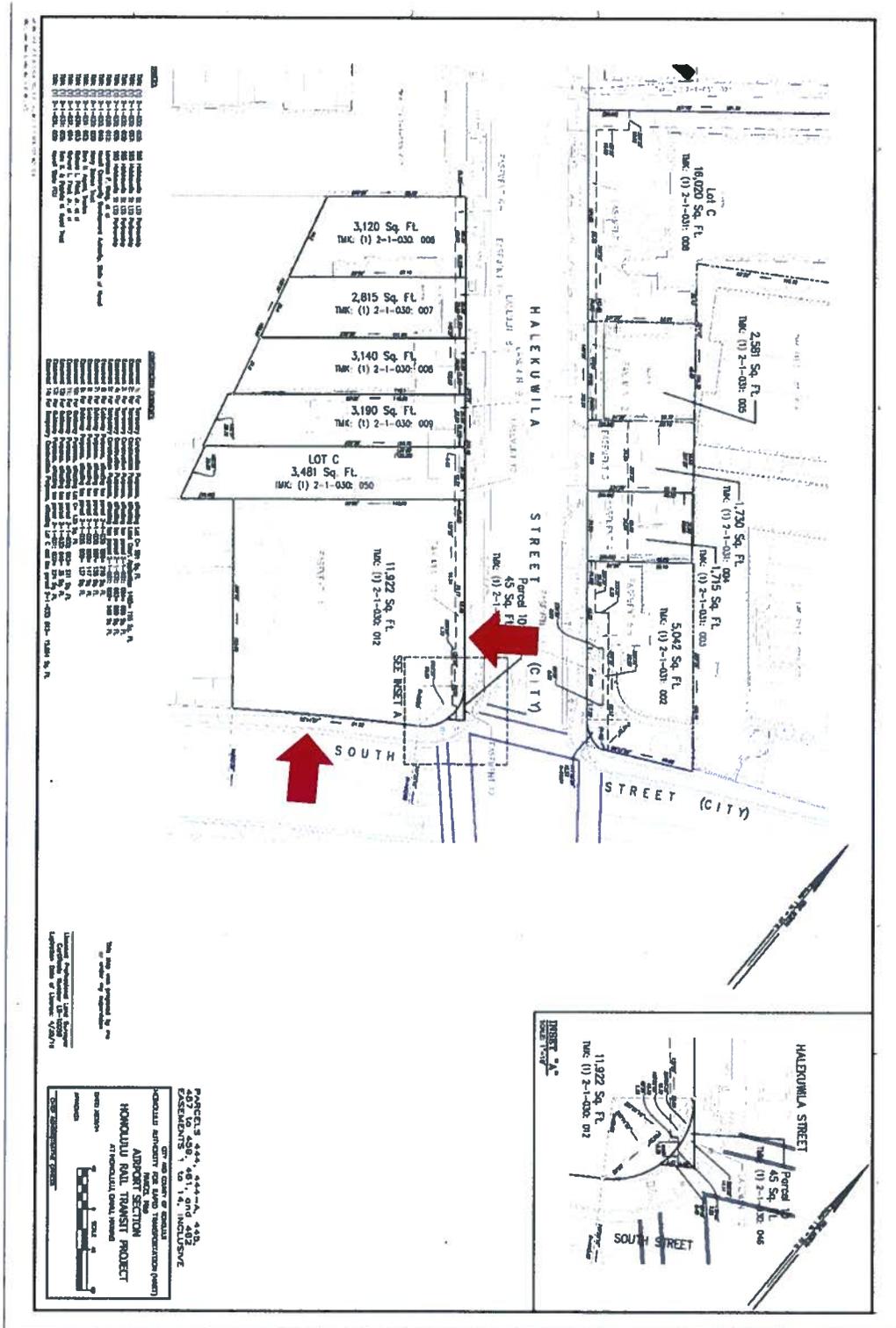
Valuation Summary	
<i>Value Indications</i>	Larger Parcel Value \$2,644,000 Cost Approach Not Applicable Sales Comparison Applicable Only to Estimate Land Value Income Approach Not Applicable
<i>Final Value Conclusion(s)</i>	\$ 2,644,000 "As Is" of the Larger Parcel (Rounded) \$ 2,542,000 "As Is" of the Remainder Parcel (Rounded)
	\$ 102,000 "As Is" of the Permanent easement acquisition (Rounded) (90%)
	\$ 0 Add: Total Severance Damages to the Remainder Property
	\$ 0 Less: Special Benefits to the Remainder Property
	\$ 0 Add: Contributory Value
	\$ 102,000 Total Fair Market Value of the Permanent Easement Acquisition (Rounded)
<i>Fair Market Rent for TCE</i>	\$ 202,480 Estimated Annual Rent Per Annum@ 8%
	\$ 16,873 Estimated Monthly Rent Per Annum @ 8%

Noteworthy Issues

- As a preview, subject property consists of 11,922 square feet vacant land and zoned Civic Center Kakaako District. The permanent easement acquisition is Easement 11, along the property boundary frontage on Halekauwila Street consisting of a total of 511 square feet. The Temporary Construction Easement (TCE) consists of the remainder parcel consisting of 11,411 square feet of vacant land.
- The appraiser assumes that HART will be responsible for replacement and reconstruction of existing site improvements affected by the proposed acquisition and TCE, including asphalt or concrete paving, curbing and curb cuts, parking stall restriping, landscaping, irrigation systems boundary, retaining or decorative walls, foundation, and existing utility overhead and underground connection points. Cut and reface, repair and/or refinish items will be the responsibility of HART and are not considered in this valuation unless noted and itemized in this report.

Except as noted in these Noteworthy Issues, no other atypical factors significantly affect value. Other attributes of the subject are generally typical for this type property in this locale.

Hart Acquisition Map



Hart Acquisition Map- Enlarged

