

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2016-22**

**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 1-5-007-029 (PORTION), LOCATED AT 505 KAAHI STREET HONOLULU, HAWAII 96817 AND OWNED BY 300 CORPORATION 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) 1-5-007-029 (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 1-5-007-029 (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 1-5-007-029 (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 1-5-007-029 (Portion), Located at 505 Kaaahi Street Honolulu,  
Hawaii 96817, and owned by 300 Corporation by Eminent Domain.

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

ATTEST:

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

DRAFT

HONOLULU RAIL TRANSIT PROJECT

EASEMENT 1  
(FOR GUIDEWAY PURPOSES)

Affecting Lot 15 (Map 1) of  
Land Court Consolidation 97

Situate at Kuwili, Honolulu, Oahu, Hawaii

Beginning at the Southeast corner of this easement, being the East corner of Lot 15 (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 1,606.95 feet North and 5,647.44 feet West thence running by azimuths measured clockwise from true South:

- 1. 68° 50' 1.25 feet along Lot A-1, also along a portion of Grant 3475, Apana 2 to Oahu Railway and Land Company;
- 2. 144° 16' 90.77 feet along the remainder of Lot 15 (Map 1) of Land Court Consolidation 97;
- 3. 241° 37' 5.54 feet along Lot 16 (Map 1) of Land Court Consolidation 97;
- 4. 326° 59' 90.48 feet along the Southwest side of Kaaahi Street, to the point of beginning and containing an area of 305 Square Feet.



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

*Erik S. Kaneshiro* *EXP 05/16*

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

Honolulu, Hawaii  
May 19, 2016

TMK: (1) 1-5-007: 029  
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 440 - Easement 1.docx



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

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

1871 WILI PA LOOP, SUITE A  
WAILUKU, MAUI, HAWAII 96793

100 PAUAAHI 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 1-5-007-029 (PORTION), LOCATED AT 505 KAAHI STREET HONOLULU, HAWAII 96817, AND OWNED BY 300 CORPORATION 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) 1-5-007-029 (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 1-5-007-029 (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 1-5-007-029 (Portion)

DRAFT

HONOLULU RAIL TRANSIT PROJECT

EASEMENT 1  
(FOR GUIDEWAY PURPOSES)

Affecting Lot 15 (Map 1) of  
Land Court Consolidation 97

Situate at Kuwili, Honolulu, Oahu, Hawaii

Beginning at the Southeast corner of this easement, being the East corner of Lot 15 (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 1,606.95 feet North and 5,647.44 feet West thence running by azimuths measured clockwise from true South:

- |    |          |       |      |   |
|----|----------|-------|------|---|
| 1. | 68° 50'  | 1.25  | feet | along Lot A-1, also along a portion of Grant 3475, Apana 2 to Oahu Railway and Land Company;                    |
| 2. | 144° 16' | 90.77 | feet | along the remainder of Lot 15 (Map 1) of Land Court Consolidation 97;   |
| 3. | 241° 37' | 5.54  | feet | along Lot 16 (Map 1) of Land Court Consolidation 97;  |
| 4. | 326° 59' | 90.48 | feet | along the Southwest side of Kaaahi Street, to the point of beginning and containing an area of 305 Square Feet. |



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

Description Prepared By:

*Erik S. Kaneshiro* *EXP 05/16*

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

Honolulu, Hawaii  
May 19, 2016

TMK: (1) 1-5-007: 029  
Y:\2014\14-068\SURVEY\Descriptions\PARCEL 440 - Easement 1.docx



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

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1871 WILU PA LOOP, SUITE A  
WAILUKU, MAUI, HAWAII 96793

100 PAUHAHI STREET, SUITE 207  
HILO, HAWAII 96720

# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

<b>TITLE:</b> <b>RESOLUTION NO. 2016-22 APPROVING NOTIFICATION TO THE CITY COUNCIL OF INTENTION TO ACQUIRE PERMANENT GIUDEWAY EASEMENT OVER, ON, AND ACROSS THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY 1-5-007-029 (PORTION) BY EMINENT DOMAIN AND PUBLICATION OF A RESOLUTION AUTHORIZING ACQUISITION OF SAID EASEMENT BY EMINENT DOMAIN</b>	<b>STAFF CONTACT:</b> Jesse K. Souki Morris M. Atta	<b>DATE:</b> 06/16/2016
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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 1-5-007-029 (Portion), and situated at 505 Kaaahi Street, Honolulu Hawaii 96817, which is required for permanent guideway easement purposes for the Honolulu Rail Transit Project (H RTP). This property for which a 305 square-foot permanent guideway easement is required, is on the critical path for successful completion of the City Center Section of the H RTP. The property is owned by 300 Corporation.

HART recommends use of eminent domain to acquire the property.

**2. Background/Justification**  
 This property (Tax Map Key 1-5-007-029) 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 May 27, 2015, was conducted.
- A Letter of Offer dated August 31, 2015, was delivered.
- Letter of Offer was accepted and executed on October 23, 2015.
- Escrow opened on October 30, 2015.

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.

**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**

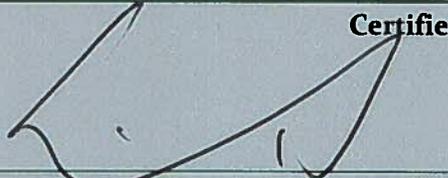
There is no feasible alternative to avoid the above described impacts to the property.

**8. Exhibits**

Exhibit 1 – Signed Letter of Offer dated August 31, 2015.

Exhibit 2 – Appraisal Summary prepared by Yamaguchi & Yamaguchi, Inc. with an effective appraisal date of May 27, 2015.

**Certified and Recommended by:**



**Executive Director and CEO**

6/8/16

**Date**

RL 2603

Exhibit 1  
**RECEIVED**  
OCT 15 2015



HONOLULU AUTHORITY for RAPID TRANSPORTATION

IN REPLY REFER TO:  
CMS-APOOROW-01037

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

**CERTIFIED MAIL/RETURN RECEIPT REQUESTED**  
7014 3490 0001 5634 8133

BOARD OF DIRECTORS

Donald G. Horner  
CHAIR

Damien T.K. Kim  
VICE CHAIR

August 31, 2015

HART-ROW

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

Mr. Alvin Awaya  
300 Corporation  
3660 Waiālae Avenue, Suite 400  
Honolulu, Hawaii 96816

2015 OCT 28 PM 2 53

Dear Mr. Awaya:

**Subject: Honolulu Rail Transit Project (H RTP)**  
505 Kaaahī Street  
Parcel 440: Tax Map Key (TMK) 1-5-007-029 (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 1-5-007-029 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 305 square feet, for permanent guideway easement purposes, for the total consideration of **\$30,000 (Thirty Thousand Dollars)**, as shown colored in yellow on the enclosed map.

The total offer for acquiring the interest in your property is **\$30,000 (Thirty 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.

If this offer is acceptable, please sign the duplicate of this letter and return it in the enclosed envelope by **October 1, 2015**. The remaining copy is for your file. Enclosed for your information are the Appraisal Summary Statement and General Acquisition and Relocation Information

Mr. Alvin Awaya  
Page 2  
August 31, 2015

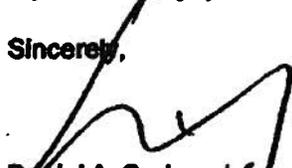
Brochure. Also enclosed is a draft Possession and Use Agreement for your review, consideration, and for further discussion with your acquisition agent. The Possession and Use Agreement is intended to provide you early access to most of the purchase price of this acquisition subject to HART being provided 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](mailto:jmarlar@paragon-partners.com) or by telephone at 536-5900 if you have any questions regarding this matter.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

Enclosures

ACCEPTED:

300 CORPORATION

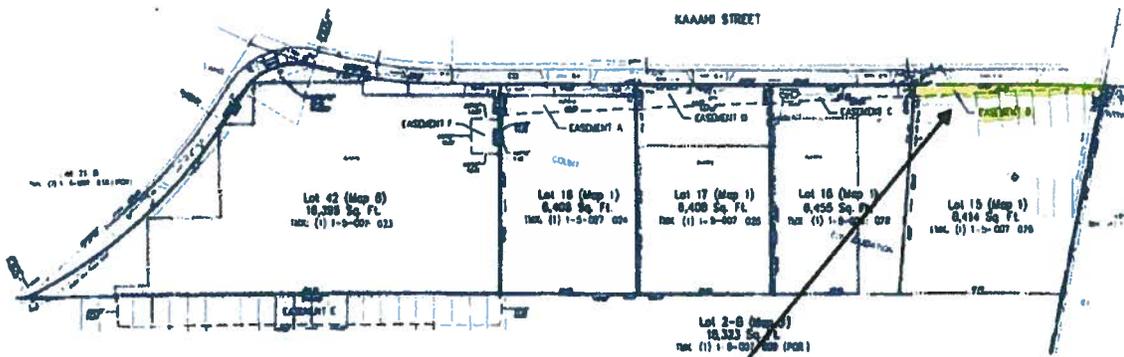


By \_\_\_\_\_  
Its President

Print Name: Alvin Awaya

Dated: OCT 23 2015

**PARCEL MAP EXHIBIT**  
**TMK 1-5-007-029 and 1-5-007-009**



**Yellow = 305 square-foot permanent  
guideway easement**



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

**PROJECT**

Honolulu Rail Transit Project

Parcel Designation: (1) 1-5-007-029 & 009  
HART RW Parcel: 440  
Owner: 300 Corporation  
505 Kaaahi Street  
Honolulu, Hawaii 96817

Effective Date: May 27, 2015

**AN APPRAISAL REPORT OF**

The IMX-1 Commercial Mixed-Use Property  
Partial Land Acquisition

**CLIENT**

Paragon Partners Ltd. for the Honolulu Authority for Rapid Transportation

**PREPARER**

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

**DATE OF APPRAISAL**

July 17, 2015



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

July 17, 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 440  
Parcel Designation: TMK (1) 1-5-007-029 & 009  
505 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 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* and *Temporary Construction Easement Evaluation* for Eminent Domain acquisition proceedings of the subject property as part of the Honolulu Rail Transit Project.

As a preview, the subject properties affected physically consist of two adjacent parcels: Parcel 29 (8,414 square feet) and Parcel 9 (131,215 square feet) fronting Kaaahi Street and Kuwili Street respectively. For appraisal purposes Parcel 30 (27,403 square feet) adjacent to Parcel 9 is included in the Larger Parcel identified in this report. All parcels are zoned IMX-1 Industrial Mixed-Use and have unity of ownership, contiguity and unity of use; therefore, the larger parcel is identified as a combination of the three adjacent parcels with a total area of 167,032 square feet. It is improved with open asphalt paved parking and loading area and a large mixed use warehouse office complex. These improvements are not included as a part of our appraisal job scope.

The permanent easement acquisition area identified as Easement D, fronts Parcel 29 along the west side of Kaaahi Street and consists of 305 square feet. HART also requires a Temporary Construction Easement (TCE) identified as Easement E that is adjacent to the east boundary of Parcel 9, encompassing 22 open parking stalls and consists of 2,689 square feet.

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 17, 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.

EXHIBIT 2

This letter is not an appraisal report hence it must not be removed from the attached 123-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 and temporary construction easement as of May 27, 2015:

\$ 18,095,000	<i>"As Is" Indicated Market Value of the Larger Parcel</i>
\$ 18,065,000	<i>"As Is" Indicated Market Value of the Remainder Parcel</i>
\$ 30,000	<i>"As Is" Indicated Market Value of the Partial Acquisition (90%)</i>
\$ 30,000	<i>"As Is" Indicated Market Value of the Partial 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>
\$ 30,000	<i>Total Fair Market Value of the Partial Acquisition (Rounded)</i>
\$ 34,320	<i>Estimated Annual Rent for the TCE</i>
\$ 2,860	<i>Estimated Monthly Rent 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