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GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
WATER & LAND**

**Thursday, March 18, 2021
8:30 AM**

State Capitol, Via Videoconference, Conference Room 430

**In consideration of
HOUSE CONCURRENT RESOLUTION 66
RELATING TO REVIEWING AND APPROVING THE ACTION TAKEN BY THE
BOARD OF LAND AND NATURAL RESOURCES ON A LAND EXCHANGE
BETWEEN THE STATE OF HAWAII AND PARKER RANCH, INC.**

House Concurrent Resolution 66 requests the review and approval of a land exchange, previously approved in principle by the Board of Land and Natural Resources (Board) at its meeting on April 11, 2014, under agenda item D-6, and subsequently approved by the Board at its meeting on August 28, 2020, under agenda item D-3, pursuant to Section 171-50(c), Hawaii Revised Statutes (HRS). **The Department of Land and Natural Resources (Department) supports this concurrent resolution.**

To summarize the need for this concurrent resolution, Parker Ranch, Inc. has been in discussion with the Department since 2003 concerning a proposal to exchange some private land in Waimea on the Island of Hawaii for the state-owned site of the former Lalamilo Reservoir, which is configured as a flag lot. The Department was also interested in acquiring, through exchange, other land with better development potential than its flag lot, so sought and received approval in principle from the Board at its meeting of April 11, 2014, under Agenda Item D-6, for a proposed land exchange involving the former Lalamilo Reservoir site.

Parker Ranch aims to carry out its Waimea Town Center Plan through developments that support the vision of its benefactor, Richard Smart, to benefit Waimea town. In 2019, the United States Postal Service (USPS) announced its need to relocate the Kamuela Post Office to a site that could better meet the needs of its Waimea postal customers. Soon thereafter, Parker Ranch offered the Department an exchange proposition that would enable it to assist the USPS. In this exchange scenario, the flagpole portion of the Lalamilo Reservoir flag lot would be exchanged for a portion of a neighboring parcel that would provide the Department with alternative access to the otherwise inaccessible remaining flag portion of its lot. The exchange would also serve to

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COMMISSION ON WATER RESOURCE MANAGEMENT

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DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

straighten the lots lines of the State land. Parker Ranch would then be able to consolidate the newly acquired flagpole area with adjacent portions of its own land on either side of the flagpole to create a rectangular parcel suitable for a new post office site. At its meeting of August 28, 2020, under Agenda Item D-3, the Board approved the proposed land exchange, thereby also initiating statutory administrative procedures which include seeking legislative approval.

The proposed exchange complies with the requirements of Section 171-50, HRS. The value of the Parker Ranch land (\$250,000) exceeds that value of the state land to be exchanged (\$19,400). A copy of the draft concurrent resolution was submitted to the Office of Hawaiian Affairs on October 19, 2020. Compliance with these and other requirements of Section 171-50, HRS, is recited in the concurrent resolution.

Thank you for the opportunity to comment on this measure.



HCR66

REVIEWING AND APPROVING THE ACTION TAKEN BY THE BOARD OF LAND AND NATURAL RESOURCES ON A LAND EXCHANGE BETWEEN THE STATE OF HAWAII AND PARKER RANCH, INC

Ke Kōmike Hale o ka Wai a me ka ‘Āina
House Committee on Water & Land

Malaki 18, 2021

8:30 a.m.

Lumi 430

The Administration of the Office of Hawaiian Affairs (OHA) will recommend that the OHA Board of Trustees **COMMENT** on HCR66, which approves a land exchange of approximately 0.5368 acres of state land for approximately 0.3420 acres of private land owned by Parker Ranch in Waimea, Hawai‘i. Although the identified state parcel is “ceded” lands, the state land set to be exchanged is currently undeveloped and has a significantly lower appraised value than the private parcel that would be received by the State as a result of the exchange. The land exchange was also previously approved by the Board of Land and Natural Resources (BLNR) and reviewed by the Legislature in 2004 and 2017. OHA also received a copy of this proposal more than three months prior to the current legislative session as required under state law and was able to evaluate the appropriateness of the exchange. Accordingly, **OHA does not oppose this exchange.**

HCR66 has been offered for consideration by the Legislature in accordance with HRS §171-50. Among other things, HRS §171-50 only allows for an exchange of public land for private land for valid “public purposes” and requires a two-thirds approval by both houses of the Legislature before any specific lands controlled by the State can be exchanged (including, but not limited to, “ceded” lands). HRS §171-50 also requires notice to OHA of proposed exchanges at least three months prior to the legislation in which the aforementioned legislative approval would be sought. In general, exchanges of “ceded” lands raise concerns for OHA and its beneficiaries, because the Native Hawaiian people’s unrelinquished claims to “ceded” lands have yet to be resolved.

In this case, the proposed exchange appears to meet the statutory requirements of HRS § 171-50 and further does not raise concerns regarding the appropriateness of the exchange. OHA was provided with three months’ notice as required under the law. As acknowledged in the measure, the 0.3420 acres of land that will be acquired by the State will take on the status of “ceded” and public land trust lands by virtue of the exchange. The value of the lands acquired by the State would also be commensurate with the value of the lands that would be exchanged for those lands.

Accordingly, OHA does not oppose the proposed exchange in HCR66. Mahalo for the opportunity to testify on this measure.