

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawaii'*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawaii'*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ilo 'ōkele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ilo 'ōkele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

Ka 'Oihana 'Āina Ho'opulapula Hawaii'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

July 24, 2025

**VIA EMAIL (lisa_oshiro_suganuma@ios.doi.gov);
Hard Copy to Follow**

Mr. Tyler Hassen
Acting Assistant Secretary for Policy, Management and Budget
U.S. Department of the Interior
1849 C Street N.W.
Washington, D.C. 20240

Dear Assistant Secretary Hassen:

The Department of Hawaiian Home Lands (DHHL) respectfully requests your approval of a land exchange between DHHL and the City and County of Honolulu (CITY) per the provisions of Section 17 of the U.S. Public Law 101-132, 103 Stat. 783 (November 2, 1989), as amended. This land exchange involves: (A) two parcels of Hawaiian home lands located at Waiawa, Ewa, on the island of Oahu, known as the “Ewa Drum” site, further identified as Tax Map Key Nos. (1) 9-4-008:010 and (1) 9-6-003:044, aggregately comprising approximately 55.842 acres (the “Ewa Drum Site”); and (B) two parcels of lands owned by CITY located at Kapolei on the island of Oahu, formerly known as a portion of the “Varona Village” site, further currently identified as Tax Map Key Nos. (1) 9-1-182:007 and (1) 9-1-182:010, aggregately comprising approximately 52.061 acres (the “Varona Village Site” and, together with the Ewa Drum Site, the “Exchange Lands”).

This land exchange packet – consisting of this request letter and a series of exhibits to be made available in electronic format – contains the following required statements, information and documentation:

1. Approval by the Hawaiian Homes Commission.

Item No. E-1, the Hawaiian Homes Commission (HHC) submittal dated October 20, 2009, and the corresponding minutes from this meeting are provided as evidence of approval for the proposed land exchange by HHC (*See Exhibit I-A*). It is noted that DHHL obtained HHC approval of *either* a mutual sale *or* an exchange of the Exchange Lands, but that an exchange is the transaction the exchange parties ultimately opted to proceed with.

Item No. C-4, HHC submittal dated December 17, 2024, and the corresponding minutes from this meeting are provided as evidence of an update provided to HHC that informed them of

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the respective appraised values determined for the Exchange Lands and the resulting “Equalization Payment” to be made by CITY to DHHL (*See Exhibit 1-B*).

2. Approval by the Honolulu City Council.

Honolulu City Council (HCC) Resolution 09-343, CD1, introduced on November 25, 2009, and the corresponding certificate of adoption are provided as evidence of the initial approval by HCC of the proposed land exchange (*See Exhibit 2-A*). It is noted that CITY obtained HCC approval of *either* a mutual sale *or* an exchange of the Exchange Lands, but that an exchange is the transaction the exchange parties ultimately opted to proceed with.

HCC Resolution 22-131, introduced on June 1, 2022, and the corresponding certificate of adoption are provided as evidence of approval by HCC of the proposed exchange with acceptance of the respective appraised values of the Exchange Lands and the resulting “Equalization Payment” to be made by CITY to DHHL (*See Exhibit 2-B*).

3. Compliance with the National Historic Preservation Act (NHPA).

To the best of its knowledge, DHHL is in full compliance with NHPA.

4. How the proposed exchange advances the interests of Hawaiian Homes Commission Act (HHCA) beneficiaries.

The biggest demand for residential homesteads is on the Island of Oahu, even though Oahu has the least amount of Hawaiian home lands (on a county-by-county comparison). There is a need for additional lands on Oahu suitable for homesteading purposes to accommodate existing and projected demands for residential homesteads. DHHL already has developed commercial (income producing) projects in Kapolei on the Island of Oahu. DHHL is aware of the opportunities to generate income from these types of projects in the district, thus becoming more self-sufficient. There is a need for additional lands in Kapolei suitable for commercial development to take advantage of these opportunities. The Varona Village Site, nestled between existing DHHL residential and commercial developments, is ideally situated to meet both needs.

The Ewa Drum Site is irregular in shape with sloping topography. The usable area is estimated to be about 40 acres with limited access. CITY's use for this site is for its transit corporation yard that is an essential element of Honolulu's SKYLINE rail transit system.

The Varona Village Site is fairly level and close to necessary infrastructure and easily accessible from both Kapolei Parkway and Kualakai Parkway at its mauka (toward the mountain) boundary and from Franklin D. Roosevelt Avenue and Renton Road at its makai (toward the ocean)

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boundary. Receiving the two parcels would give DHHL control of all four corners of a key roadway intersection for the district at the site's mauka boundary. DHHL additionally aspires to have CITY to extend its SKYLINE rail transit system to serve the Varona Village Site as its West/Leeward terminus point. If successful, this degree of transit accessibility will provide considerable lift to the utility and value of all Hawaiian home lands in the area.

In summary and in short, based on the potential to serve and advance the interests of the respective exchange parties' constituents/beneficiaries, the proposed land exchange is truly a win-win transaction.

5. Beneficiary Consultation.

DHHL conducted Beneficiary Consultation meetings on January 13, 2010 in Kapolei, Oahu, on January 14, 2010 in Wailuku, Maui, and on January 15, 2010 in Hilo, Hawaii. The power point presentation and consultation notes for these meetings are included as part of Exhibit 5. DHHL also:

- a. Engaged beneficiaries in 2011 and 2012 in a planning charette process on lands on all four corners of Kapolei Parkway and Kualakai Parkway intersection, including the Varona Village Site (even though even though not yet in DHHL's land asset inventory at the time);
- b. From time to time, updated individual Commissioners, HHC in full, and beneficiaries in attendance at HHC meetings on the status of this proposed exchange (including the December 17, 2024, meeting mentioned in paragraph no. 1 above); and
- c. Is collaborating and participating in the HHCA Beneficiary Consultation events being held by personnel from the U.S. Department of the Interior (DOI), Office of Native Hawaiian Relations this July and August, 2025.

6. Compliance with the Native Americans Graves Protection and Repatriation Act (NAGPRA).

To the best of its knowledge, DHHL is in full compliance with NAGPRA.

7. Environmental Compliance.

The Environmental Assessment and the Finding of No significant Impact (FONSI) for Environmental Assessment (EA) for the Disposal of the Ewa Drum Sites, Wai'awa, O'ahu, Hawaii commissioned by the Real Admiral C.E. Weaver, U.S. Navy, Commander, Navy Region Hawaii

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dated June 2005 is provided as evidence of compliance with federal environmental requirements with regard to the Ewa Drum Site (*See Exhibit 7-A*).

The Final Environmental Assessment/Finding of No Significant Impact (FONSI) for the redevelopment of Varona Village Phase II commissioned by Mr. Roland D. Libby, Jr., Director of the Department of Housing and Community Development of the City and County of Honolulu dated November 1996 is provided as evidence of compliance with federal environmental requirements with regard to the Varona Village Site (*See Exhibit 7-B*).

DHHL has more recently commissioned additional environmental analyses on the Varona Village Site. Provided as *Exhibit 7-C* is the May 16, 2014 final report of the Phase 1: Environmental Site Assessment conducted by Kimura International. Provided as *Exhibit 7-D* is the June 26, 2024 letter report of the Preliminary Site Investigation conducted by Element Environmental LLC. It is noted that to the best of DHHL's knowledge, the Varona Village Site was:

- a. Owned by Campbell Estate and leased to the Ewa Sugar Plantation (ESP) from the late 1800's until ESP merged with the Oahu Sugar Company in 1970, with sugar operations continuing through the late 1980s;
- b. Acquired by CITY from Campbell Estate in the 1990s and included in the scope of the Ewa Villages Revitalization Project Master Plan (EVRPMP);
- c. Never developed by CITY under the EVRPMP (other than clearing and fire prevention work on the raw land); and
- d. No longer considered for development under the EVRPMP (as evidenced by the 20+ year holding of the raw land without any development) and held by CITY without commitment as to its future development and use at the time the exchange parties executed the Land Exchange Agreement described in paragraph no.10 below.

In support of preserving the applicable categorical exclusion set forth in rules promulgated under Hawaii Revised Statutes (HRS) §343-6(7), DHHL hereby certifies that: (i) it does not currently intend to use the Varona Village Site after the proposed exchange any differently than the current "wait and see" use by CITY; and (ii) if a future intended use of the Varona Village Site triggers HRS Chapter 343 requirements, then DHHL will comply with such requirements before engaging in such future use.

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8. Appraisals.

A copy of DOI's Appraisal Review Report dated September 29, 2021, for the Ewa Drum Site, including a statement of qualifications of the appraiser conducting such DOI review, is provided as Exhibit 8-A. A copy of DOI's Appraisal Review Report dated September 29, 2021, for the Varona Village Site, including a statement of qualifications of the appraiser conducting such DOI review, is provided as Exhibit 8-B. The underlying "yellow book" appraisals that were reviewed and approved for use were both conducted by John Childs and Company (Paul D. Cool, MAI, CRE) in 2008.

9. Is the property conveyed adjacent to Hawaiian home lands?

NO – the Ewa Drum Site is not adjacent to any Hawaiian home lands.

YES – the Varona Village Site is directly adjacent to Hawaiian home lands in Kapolei. Hawaiian home lands directly North of the Varona Village Site were developed for residential (homesteading) uses. Hawaiian home lands directly West of the Varona Village Site were developed for commercial (income generation) uses. DHHL believes that the eventual development of the Varona Village Site will complement and not conflict with the established management objectives on the adjacent Hawaiian home lands.

10. Land Exchange Agreement.

A copy of the fully executed Amended and Restated Memorandum of Agreement between DHHL and CITY dated June 24, 2022, documenting the agreement to sell or exchange the Exchange Lands and the process to accomplish the transfer of title to each other is provided as Exhibit 10. It is noted that this agreement would allow for the transaction to be consummated as *either* a mutual sale or an exchange of the Exchange Lands, but that an exchange is the means of consummation the exchange parties ultimately opted to proceed with.

11. Title Reports.

Title Status Reports by Title Guaranty of Hawaii (TGH) dated November 25, 2019, for the two parcels that make up the Ewa Drum Site are provided as Exhibit 11-A.

Title Status Reports by TGH dated November 27, 2019 (each marked "REVISED – 12/24/19; report date unchanged"), for the two parcels that make up the Varona Village Site are provided as Exhibit 11-B.

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DHHL understands that updates to these four title reports have been commissioned from TGH by CITY. These updated title reports will be provided to DOI when DHHL receives them from CITY.

12. Exchange Deed.

The proposed form of Exchange Deed agreed upon by the exchange parties is provided as Exhibit 12. This form includes a signature line to indicate DOI approval. When DOI has notified us of its approval of the proposed land exchange, we will promptly obtain the signatures of the exchange parties and their respective counsel and send the partially, originally signed document to you for DOI signature. You will respectfully be asked to return the fully signed document to us for recording and filing.

* * *

Mahalo for your consideration of this request. Should you have any questions or need additional information or clarification, please have your staff contact Russell K. Kaupu from my office at (808) 730-0168 or Russell.K.Kaupu@hawaii.gov.

Aloha,



Kali Watson
Chairperson, Hawaiian Homes Commission
Director, Department of Hawaiian Home Lands

Exhibits (15) Submitted Electronically

cc (request letter only):

*Governor Josh Green
Mayor Rick Blangiardi
U.S. Senator Brian Schatz
U.S. Senator Mazie Hirono
U.S. Representative Ed Case
U.S. Representative Jill Tokuda
Hokulei Lindsey, Esq.
Cindy Ching, Esq.*