



UNITED STATES DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
APPRAISAL AND VALUATION SERVICES OFFICE

MEMO

Date: July 22, 2025

To: Ka'i'ini Kaloi, Director
Lisa C. Oshiro Suganuma, Policy Analyst
Office of Native Hawaiian Relations
U.S. Department of the Interior

From: Glen Cole, MAI, AI-GRS
Review Appraiser
Appraisal & Valuation Services Office (AVSO)
Office of the Secretary
U.S. Department of the Interior

Subject: Summary of Findings:
Appraisal Review Reports - Varona Village
Property and Ewa Drum Property Land Exchange.
Appraisal Reviewer - Alfonso Montoya from DOI/AVSO

Summary of Findings

This memo provides a summary of the appraisal review reports conducted for the Varona Village Property and the Ewa Drum Property, that were part of a Land Exchange agreement between the City & County of Honolulu and the Department of Hawaiian Home Lands (DHHL). The review was performed by Alfonso Montoya, a certified general appraiser with the Appraisal and Valuation Services Office (AVSO), on behalf of the Department of the Interior, Office of the Secretary. The information presented below is taken from the appraisal review reports that were completed by AVSO for this project.

Property Overview

- **Property Name:** Varona Village Property
- **Location:** Ewa Villages, Oahu, Hawaii
- **Size:** 50.666 acres, consisting of two parcels:
 - Varona Village Mauka Parcel (18.808 acres)
 - Varona Village Makai Parcel (31.858 acres)
- **Property Interest:** Fee simple interest, subject to reservations, easements, and encumbrances as of June 25, 2008.

Appraisal Review Details

- **Appraiser:** Paul D. Cool, MAI, CRE

- **Date of Value:** June 25, 2008
- **Date of Report:** September 29, 2021
- **Market Value Conclusion:** \$4,660,000
- **Date of Review:** September 29, 2021

Key Assumptions and Conditions

- **Extraordinary Assumption:** The appraisal assumes that the lack of mineral and water rights does not affect the property's value, as these rights are typically reserved by the State of Hawaii or the Hawaiian Home Lands Trust.
- **Hypothetical Conditions:**
 1. The appraiser is instructed to appraise the Varona Village Parcels as if they were in their current configuration as of the retrospective date of value of June 25, 2008. This is contrary to the actual configuration as of that date, however, the process to consolidate, divide, and carve out the Kapolei Parkway roadway was well underway. This is a hypothetical condition and necessary for appraising the parcels that are actually being exchanged as required by the UASFLA.
 2. The Varona Village parcels are currently encumbered by a pair of aviation easements that were in place to protect flight patterns at the Barbers Point Naval Air Station (NAS). The language in the easements state that the easements would last only until “NAS Barbers Point ceases to be used as a military air station.” The base ceased operations and was turned over to the State of Hawaii on July 2, 1999. Because the easements remain on the record but are no longer in effect due to the closure of the base, the appraiser is instructed to appraise the subject parcels as if aviation easements No. 2279 and 2280 do not exist.

Highest and Best Use

The highest and best use of the Varona Village Property is identified as speculative investment with potential for residential development, subject to reclassification and rezoning from agricultural to residential use.

Review Conclusion

The appraisal report was found to be complete, accurate, and compliant with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). The methodologies and techniques used were appropriate, and the analysis and conclusions were well-supported by market data.

Approval

Based on the review, the appraisal report is approved for use by the intended users, including the Department of Hawaiian Home Lands and the City & County of Honolulu, for negotiating a land exchange and fulfilling trust responsibilities under the Hawaiian Home Lands Recovery Act of 1995.

Property Overview

- **Property Name:** Ewa Drum Property
- **Location:** Pearl City, Oahu, Hawaii
- **Size:** 55.876 acres, consisting of:

- 12.063 acres in Road Parcels
- 43.813 acres usable and available for development
- **Property Interest:** Fee simple interest, subject to reservations, easements, and encumbrances as of June 25, 2008.

Appraisal Review Details

- **Appraiser:** Paul D. Cool, MAI, CRE
- **Date of Value:** June 25, 2008
- **Date of Report:** September 29, 2021
- **Market Value Conclusion:** \$4,990,000
- **Date of Review:** September 29, 2021

Key Assumptions and Conditions

- **Extraordinary Assumption:** The appraisal assumes that the lack of mineral and water rights does not affect the property's value, as these rights are typically reserved by the State of Hawaii or the Hawaiian Home Lands Trust.
- **Hypothetical Condition:** As of June 25, 2008, the United States Department of the Navy owned the fee simple interest in the Ewa Drum Property. The Navy was in the process of conveying its ownership to DHHL, which was completed on June 29, 2009. For the purposes of the appraisal, it was assumed that DHHL owned the property as of June 25, 2008.

Highest and Best Use

The highest and best use of the Ewa Drum Property is identified as speculative investment with potential for residential development, subject to rezoning from agricultural to residential use.

Review Conclusion

The appraisal report was found to be complete, accurate, and compliant with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). The methodologies and techniques used were appropriate, and the analysis and conclusions were well-supported by market data.

Approval

Based on the review, the appraisal report is approved for use by the intended users, including the Department of Hawaiian Home Lands and the City & County of Honolulu, for negotiating a land exchange and fulfilling trust responsibilities under the Hawaiian Home Lands Recovery Act of 1995.