

PUBLIC NOTICE OF NEGOTIATION FOR LEASE
OF WAIANAE AGRICULTURAL PARK
ISLAND OF OAHU

The Department of Agriculture ("DOA") is accepting applications to negotiate for agricultural leases. Applications and information regarding the lease disposition are available at the DOA's Agricultural Resource Management Division ("ARMD"), 1428 South King Street, Honolulu, or by calling the following toll free numbers from: Kauai, 274-3141, ext. 39473; Maui, 984-2400, ext. 39473; Molokai and Lanai, 1 800-468-4644, ext. 39473; or on Oahu, 973-9473, 7:45 a.m. to 4:30 p.m., Monday through Friday, except holidays. Information is also available on the DOA's website at <http://hawaii.gov/hdoa>.

Application forms shall be filed with the ARMD at 1428 S. King Street, Honolulu, Hawaii 96814 no later than 3:00 p.m., April 23, 2018. The DOA will review all applications, verify applicant qualifications and determine those qualified. All applicants shall be notified in writing of the result of the application review. Any questions or inquiries should be directed to the toll free number(s) above.

Eligibility of Applicants

1. Any person shall be eligible to apply if they are a U.S. citizen, who has resided in the State for 3 years; or
2. Is a permanent status alien who has resided in the State for 5 years; and
3. Is a bona fide farmer or new farmer as defined in §4-153-1, Definitions, Hawaii Administrative Rules ("HAR").
4. In the case of agricultural cooperatives, associations, partnerships, corporations and limited liability companies, the residence requirement must be met by 75% of the associates, partners, stockholders, officers, directors, and members, as applicable, who are bona fide farmers, new farmers, or qualified aquaculturalists.
5. No person shall be eligible to lease agricultural lands who, during the 5 years preceding the date of this notice, has had a previous sale, lease, license, permit, or easement covering public lands canceled for failure to satisfy its terms and conditions, or who is in arrears in the payment of taxes or other obligations to the State or any of its counties.
6. All persons interested in applying for the available farm lot(s) shall comply with §4-153-5, 13 & 15, HAR, Application requirements and be subject to §4-153-16, HAR, Preference right.

Submission of Proposal

Upon notification by DOA that an applicant is qualified, a proposal for lease

shall be submitted within 30 days after receipt of notification. The Board of Agriculture ("BOA") shall review all proposals received and shall accept the proposals with the best negotiated terms. All applicants shall be contacted by the ARMD regarding the disposition of their proposals, of which the successful proposal shall be subject to the satisfactory completion of the conditions stated in §4-153-32, HAR, Additional terms and conditions. The awardee shall be required to attend and successfully complete a half-day workshop covering topics including conservation planning, review of the lease contract, and other related matters, attain cooperative status with the respective Soil and Water Conservation District, submit a Conservation Plan ("CP") approved by the USDA Natural Resources Conservation Service or its designated representative, and prepare a Plan of Utilization and Development ("PUD") for the lot according to criteria established by the DOA and submit the CP and PUD for review and approval. Further, the awardee (qualified applicant) who successfully completes all the requirements for lease shall pay the costs incurred in the administration of the lease disposition, pursuant to §4-153-6 Fees and charges, HAR, which may include negotiation, appraisal, notices, publications, and closing costs.

A Right-of-Entry shall be issued to the awardee enabling access for the limited purpose of meeting the above conditions. Upon successful completion of the conditions, the lease will be executed and issued; until then, the awardee shall have no interest in the subject lot(s).

In the event the above conditions are not satisfactorily met within 6 months after proposal is accepted, the award shall be rescinded.

Summary of Significant Lease Provisions

1. Uses will be permitted only as shown on the list of parcel(s).
2. Lessee will be required to support the operations and maintenance costs of the irrigation project, as applicable. Lessee shall become a participant in an irrigation project as may be created under Chapter 167, Hawaii Revised Statutes, and abide by the irrigation project's rules, rates and charges.
3. No residential dwellings shall be allowed, except as approved by the BOA.
4. Transfer, assignment or sublease of an agricultural land lease shall be only to persons or entities which satisfy qualification requirements and §4-153-33, HAR, Lease restrictions; generally.
5. For the purposes of this disposition, no lease shall be transferred, assigned or subleased for the first five (5) years of the initial lease term.

Description of Land(s)

The lot(s) have access via paved roads; irrigation water and/or potable water service, telephone, electricity and other utilities shall be the responsibility of the awardee. The lot(s) will require clearing and grading before any agricultural activity can commence and will be leased on an "as is" basis. It is the awardee's

responsibility to inspect and develop the lot(s) in accordance with applicable county regulations and lease provisions.

Parcels to be disposed of include:

ITEM I:

LOCATION: Lot 2, Waianae Agricultural Park, 85-585 Piliuka Place, Waianae, Island of Oahu; 1st Div. (Oahu) 8-5-034:002; AREA: 10.240 gross acres (5.7 net useable acres); TERM: 45 years; UPSET MINIMUM ANNUAL RENTAL: \$3,330.00 per annum; payable semi-annually, in advance; or ADDITIONAL RENTAL: 1½% of gross proceeds, whichever is greater; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM II:

LOCATION: Lot 13, Waianae Agricultural Park, 85-1012 Kawiwi Place, Waianae, Island of Oahu; 1st Div. (Oahu) 8-5-034:013; AREA: 8.160 gross acres (7.2 net useable acres); TERM: 45 years; UPSET MINIMUM ANNUAL RENTAL: \$4,700.00 per annum; payable semi-annually, in advance; or ADDITIONAL RENTAL: 1½% of gross proceeds, whichever is greater; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM III:

LOCATION: Lot 16, Waianae Agricultural Park, 648 Piliuka Place, Waianae, Island of Oahu; 1st Div. (Oahu) 8-5-034:016; AREA: 6.429 gross acres (4.6 net useable acres); TERM: 45 years; UPSET MINIMUM ANNUAL RENTAL: \$3,630.00 per annum; payable semi-annually, in advance; or ADDITIONAL RENTAL: 1½% of gross proceeds, whichever is greater; RENT REOPENING: To be determined; USE: Diversified agriculture only.

ITEM IV:

LOCATION: Lot 17, Waianae Agricultural Park, 85-680 Piliuka Place, Waianae, Island of Oahu; 1st Div. (Oahu) 8-5-034:017; AREA: 9.489 gross acres (6.000 net useable acres); TERM: 45 years; UPSET MINIMUM ANNUAL RENTAL: \$3,440 per annum; payable semi-annually, in advance; or ADDITIONAL RENTAL: 1½% of gross proceeds, whichever is greater; RENT REOPENING: To be determined; USE: Diversified agriculture only.

The BOA has approved the acceptance of up to five (5) "back-up" proposals in the event the initial awardee fails to complete the leasing process.

The general lease conditions describing the terms and conditions, property map, lot descriptions, and Chapter 4-153, HAR, are available on the DOA's website or may be examined at the office below:

1428 S. King Street, Honolulu, HI 96814-2512 Tel. 973-9473

The disposition of lease(s) may be canceled, postponed or continued from time to time, as may be deemed necessary, by publication of notice to that effect

by order of the Chairperson of the BOA.

Scott E. Enright, Chairperson
Board of Agriculture

March 8, 2018
(SA1078854 3/8, 3/15, 3/22/18)