Shall the Authority Authorize the Executive Director to Pursue the Due Diligence Process for the Proposed Acquisition of Properties (Tax Map Keys: 9-1-16: 27 (portion) and 9-1-160: 06, 07, 08, 09 and 10) Owned by James Campbell Company LLC for Future Improvements to Franklin Delano Roosevelt Avenue in the Kalaeloa Community Development District and Expend an Amount Not to Exceed $50,000.00 from the Kalaeloa Community Development Revolving Fund for Such Due Diligence?

Staff Report
June 9, 2015

Discussion: Franklin Delano Roosevelt Avenue (“FDR”) has always been a major east-west corridor in the Kalaeloa Community Development District (“Kalaeloa”). In response to community feedback, staff from the Hawaii Community Development Authority (“HCDA”), the State Department of Transportation (“DOT”), City and County of Honolulu (“City”) and community stakeholders have had several meetings to discuss appropriate steps to improve the roadway standards and safety of FDR.

The DOT currently owns FDR and is obligated to construct improvements to the roadway in accordance with City standards. Upon completion of the improvements, the DOT would then dedicate ownership of FDR to the City. However, the DOT has indicated that funding is not readily available to construct any improvements to FDR because other DOT roadways in the entire State have more priority for improvements and repairs.

The outcome of the agency/stakeholder meetings proposes that, initially, ownership of FDR between the West Perimeter to Enterprise Avenue (“FDR-West”), be transferred from the DOT to the HCDA. As the designated redevelopment authority for Kalaeloa, the HCDA would be able to better facilitate and coordinate the FDR-West improvements than the DOT, which has a greater responsibility of maintaining all of its roadways in the State.

In the agency/stakeholder meetings, the City acknowledged the difficulty in immediately constructing the FDR-West improvements to its current standards, particularly in widening the right-of-way from the existing 60 feet to 108 feet. Consequently, the City has agreed in principal to accept ownership of FDR-West upon completion of improvements with an interim right-of-way width of 80 feet, provided that restrictions and setbacks be imposed on properties adjacent to FDR-West to accommodate the future 108 feet width.

Properties owned by James Campbell Company LLC: James Campbell Company LLC (“Campbell”) currently owns properties on the Mauka side of FDR, shown in Exhibit A. Portions of these Campbell properties are within the future FDR right-of-way width of 108 feet.
Staff met with a Campbell representative and was informed that Campbell has been in contact with Hawaiian Electric Company, Inc. (“HECO”) to convey these properties to HECO via quitclaim deeds. Campbell stated that the properties are considered to be remnants with no development potential because of the existing HECO and sewer easements that are in them.

Staff met with HECO representatives and there were no objections to the HCDA acquiring the Campbell properties, instead of HECO, as long as the HECO easements could remain. In addition, HECO requested that a new electrical easement grant from Campbell be completed before the HCDA acquires the properties.

Subsequently, Campbell stated that it is willing to convey its properties, in their entirety, to the HCDA via quitclaim deeds subject to the following provisions:

1. The HCDA’s payment of an estimated $10,000.00 to Campbell for costs incurred by Campbell relating to the conveyance.
2. The properties will remain subject to reservations for future utility installations.
3. Completion of the subdivision of Property No. 7, Lot 178, shown on the Key Map of Exhibit A, for the Department of Hawaiian Home Lands (“DHHL”) and conveyance of a subdivided portion of said property to DHHL.
4. Completion of the electrical easement grant as requested by HECO.
5. Conveyance of the properties will occur as soon as Items 3 and 4 above are complete, and no later than December 31, 2015.

**Proposed Action:** Staff believes that the HCDA should consider the acquisition of the Campbell properties for future improvements to the entire length of FDR. Therefore, staff proposes that the process of due diligence for the acquisition be pursued. The due diligence process would include title researches for the properties, a Phase 1 environmental site assessment and if warranted from the Phase 1 assessment, a Phase 2 assessment.

The estimated costs for are as follows:

1. Title researches - $2,500.00
2. Phase 1 environmental site assessment - $10,000.00
3. Phase 2 environmental site assessment, if necessary - $30,000.00

Kalaeloa Community Development Revolving Fund will be used to fund the above costs. Upon completion of the due diligence process, staff will inform the Authority of its findings and recommend appropriate action.

**Recommendations:** Staff recommends that the Authority authorize the Executive Director to pursue the due diligence process for the proposed acquisition of properties (Tax Map
Keys: 9-1-16: 27 (portion) and 9-1-160: 06, 07, 08, 09 and 10) owned by James Campbell Company LLC for future improvements to Franklin Delano Roosevelt Avenue in the Kalaeloa Community Development District and expend an amount not to exceed $50,000.00 from the Kalaeloa Community Development Revolving Fund for such due diligence.

Attachment: Exhibit A – Map of James Campbell Company LLC Properties