

ORIGINAL

LAND USE COMMISSION  
STATE OF HAWAII

MAR 30 2 28 PM '93

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM, DATED March 30, 1993, BY AND BETWEEN THE DEPARTMENT OF AGRICULTURE, STATE OF HAWAII (HEREINAFTER REFERRED TO AS THE "DOA"), AND HALEKUA DEVELOPMENT CORPORATION (HEREINAFTER REFERRED TO AS "HALEKUA"), IS BEING EXECUTED TO MEMORIALIZE THE PARTIES' UNDERSTANDING REGARDING THE CONVEYANCE AND DEVELOPMENT OF APPROXIMATELY 150 ACRES OF LAND WITHIN THE ROYAL KUNIA PHASE II SUBDIVISION FOR A STATE AGRICULTURAL PARK, LOCATED AT WAIKELE AND HOAEAE, EWA, OAHU, CITY AND COUNTY OF HONOLULU, STATE OF HAWAII, TAX MAP KEY NO. 9-4-02: Portion of 1 and Portion of 52.

Whereas, pursuant to Sections 166-1 and 171-112, Hawaii Revised Statutes, as amended, the Legislature of the State of Hawaii has found that there is a need for agricultural land use planning in the State and that the acquisition of private property for agricultural purposes is a public purpose or use necessary to facilitate sound agricultural land use planning;

Whereas, the DOA has jurisdiction for the development of agricultural parks for the purpose of assisting and perpetuating the small diversified farmer in the State of Hawaii;

Whereas, Halekua is developing the Royal Kunia Phase II subdivision in Central Oahu as a continuation of the Royal Kunia Phase I and Village Park planned communities;

Whereas, Halekua is committed to working with the DOA to integrate a State agricultural park into its master plan for Royal Kunia Phase II;

Now therefore, the DOA and Halekua agree to the following to promote the development of the agricultural park:

A. Halekua shall convey approximately one hundred fifty (150) acres of land within Royal Kunia Phase II, in the approximate location identified on Exhibit A, attached hereto and incorporated herein, to the State of Hawaii for the purpose of establishing a State agricultural park (hereinafter referred to as the "agricultural park").

B. The agricultural park is intended to benefit the small diversified farmer and use of the park shall be intended for diversified agricultural production including crop, floriculture, foliage and orchard production. In addition, up to a maximum of fifty (50) related agricultural farm dwellings or farm employee housing units may be constructed within the agricultural park. These dwellings shall not be offered for sale by the DOA.

C. As this agricultural park will be located adjacent to an urban community, commercial livestock and aquaculture production or other related activities shall be prohibited.

D. Halekua shall incorporate the agricultural park into its land plan for the Royal Kunia Phase II subdivision and jointly with the DOA shall prepare a preliminary site plan for the agricultural park reflecting the locations of the agricultural lots, agricultural farm dwellings, and roadway and infrastructure connections to the boundary of the agricultural park parcel. The DOA shall determine the final layout of the agricultural park's interior configuration, subject to review and concurrence by Halekua, and shall provide funding for construction of the improvements within the interior boundaries of the agricultural park. The DOA may elect as part of its subsequent agreement with Halekua to have Halekua construct the infrastructure improvements as part of the Royal Kunia development.

E. Halekua shall convey the fee title to the agricultural park to the State of Hawaii at no cost to the State within six (6) months of receipt of all necessary land use approvals from the State of Hawaii and the City and County of Honolulu for the Royal Kunia Phase II project or, in the alternative, by December 31, 1997, whichever event shall occur sooner.

F. Halekua shall design and construct off-site infrastructure improvements for the agricultural park including

roadway, potable and irrigation water lines (exclusive of water commitment), and sewer lines and utility connections, up to the property boundary of the agricultural park at no cost to the DOA. The DOA shall review and concur with the design of the off-site infrastructure improvements that would service the agricultural park. These infrastructure improvements shall be sufficient to service agricultural uses anticipated by this Agreement, and shall be sufficient to service a maximum of fifty (50) agricultural farm dwellings. Halekua shall initiate these infrastructure improvements within one (1) year of conveyance of the property to the State of Hawaii and shall complete the improvements within thirty (30) months thereafter.

G. The DOA shall assume responsibility for the development of and all costs (other than those set forth in this Agreement as being assumed by Halekua) associated with the agricultural park and the agricultural farm dwellings therein.

H. Halekua and the DOA shall use their best efforts to work jointly to coordinate the development of their respective portions of Royal Kunia Phase II project.

I. The DOA, to the extent permitted by law or regulation, shall involve the Hawaii Farm Bureau Federation in the utilization, operation, and management of the agricultural park with the intent of maximizing the efficiency and success of diversified farming efforts at the agricultural park.

J. The DOA shall assist and support Halekua in its efforts to obtain necessary land use approvals for the Royal Kunia Phase II project, as well as in its efforts to obtain necessary infrastructure permit approvals. Any assistance and support by the DOA shall be limited to the extent permitted by statute or rules.

K. The DOA shall initiate development of the on-site improvements for the agricultural park within five (5) years of the conveyance date, subject to legislative authorization and funding, and shall achieve utilization of the site for its intended purposes within ten (10) years of the conveyance date. If the agricultural park is not developed and utilized within this time frame, ownership of the agricultural park shall revert to Halekua or its successors in interest, subject to any extension of time which may be mutually agreed to by the parties.

L. The DOA agrees to use its best efforts to minimize the impact of the agricultural park on adjacent residential, industrial, and other urban uses.


M. The DOA shall assist Halekua, to the extent allowable by law and subject to the availability of funds, in obtaining and developing a non-potable water system to service its Royal Kunia Phase I and Phase II projects, including the agricultural park.

N. The parties agree that this Memorandum of Understanding is being executed to evidence their mutual understanding regarding the terms of the conveyance of the agricultural park. It is further agreed that a more detailed agreement covering the conveyance of the agricultural park and the provision of off-site infrastructure shall be executed within eighteen (18) months of the Land Use Commission action approving the reclassification of the Royal Kunia Phase II project.

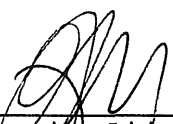
DEPARTMENT OF AGRICULTURE

HALEKUA DEVELOPMENT CORPORATION

  
By \_\_\_\_\_  
Its: Chairperson

  
By \_\_\_\_\_  
Its: HERBERT K. HIRONAKA  
PRESIDENT

Approved as to legality and form:

  
\_\_\_\_\_  
Deputy Attorney General  
State of Hawaii

Date: 03/29/93

