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HART Presentation to the Budget Committee on Resolutions 23-137 and 23-138, June 20, 2023

DEPT. COM. 406
BUD

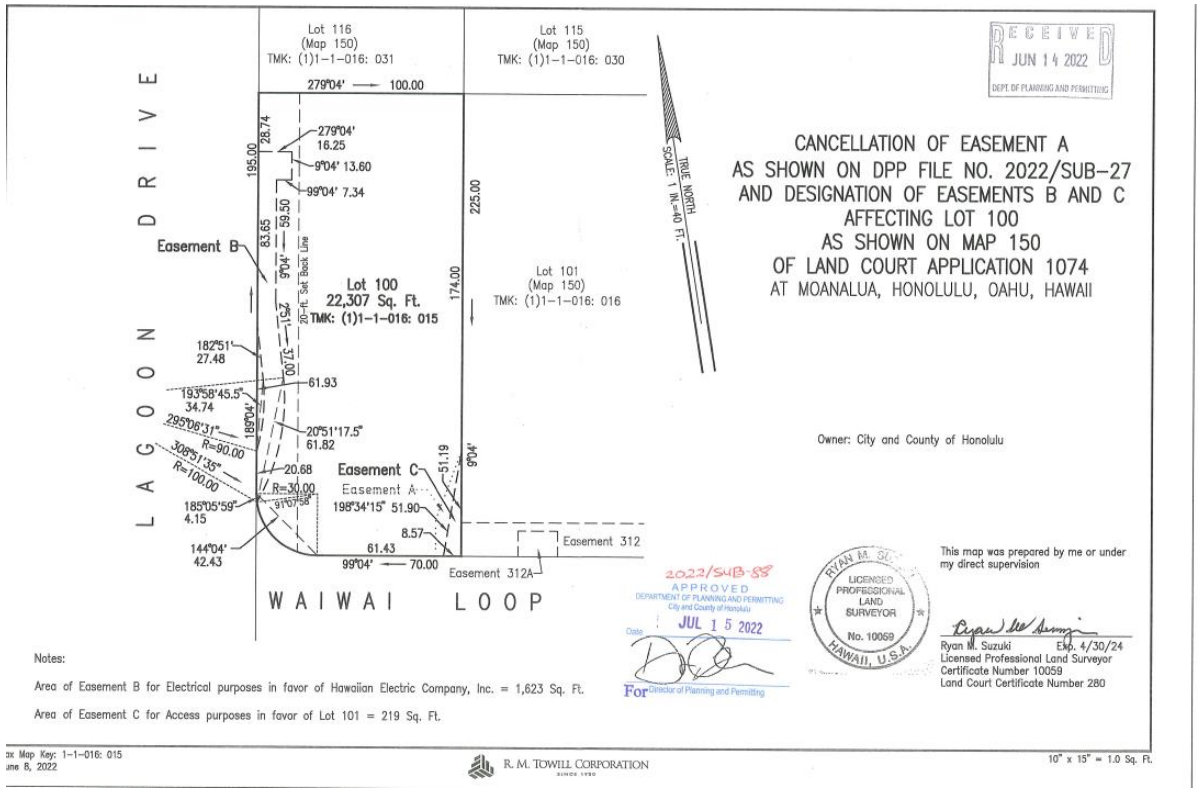
International Express Incorporated vs. Honolulu Authority for Rapid Transportation

Request for Approval of Property Disposition

Owner:	City and County of Honolulu FBO HART
Tax Map Key (TMK):	(1) 1-1-016-016
Address:	2613 Waiwai Loop
Parcel Identification Number (PID):	D33121

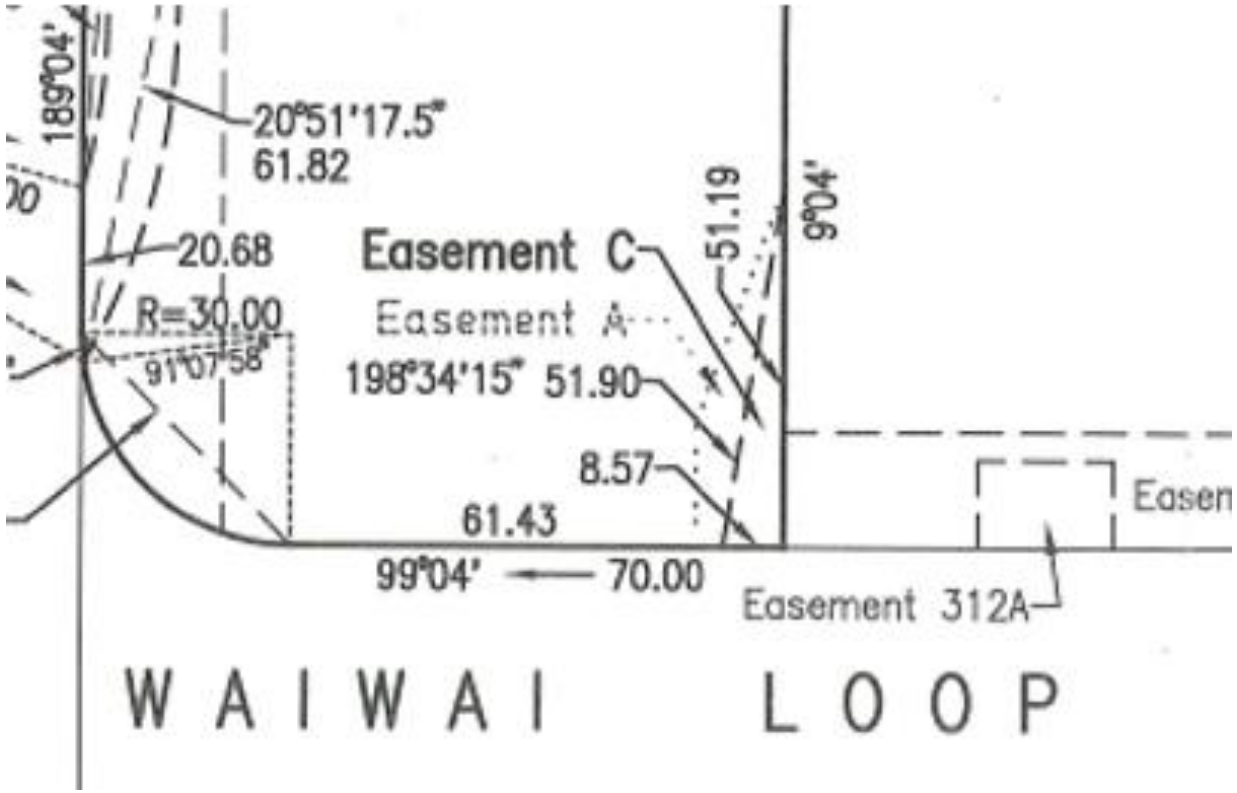
Property Location





Access Easement to IEX





Background

- The Honolulu Rail Transit Project (HRTP) required the acquisition of a portion of the IEX property for placement of a column and station canopy overhang.
- The column placement was determined to significantly impede IEX's use of the property. Therefore, a full acquisition of the property was negotiated.
- The property was acquired on January 5, 2016 for $5,936,000.
- This acquisition was compliant with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) and FTA requirements.

Background (Continued)

- IEX had remained on property since the acquisition.
- IEX had difficulty in finding a replacement location for its business operations.
- IEX expressed an interest in remaining at the property.
- After the acquisition of the property it was determined that a redesign of the column location and an access easement over the neighboring property, would minimize the impact to IEX's business operations.
- HART and IEX entered into negotiations to sell the property back to IEX. These negotiations have been ongoing since 2018.
- In mid-2022, HART and IEX were able to agree to terms of the transaction.

Terms of the Sale

- An appraisal of the property was completed in 2019 that was compliant with the URA and FTA Circular 5010.1E.
- The appraised value of the property was determined to be $6,400,000. This is the sales price of the property to IEX.
- The FTA has approved the sale of the property back to IEX for this price.
- As additional information to the Council, the terms of the sale include a credit to the purchase price at closing for an amount that will settle claims that IEX has against HART.
- In connection with the sale of the property, IEX will provide HART with easements necessary for a guideway column and overhead guideway needs and HART will provide an access easement over the neighboring property.
- The funds received from the sale of the property will be deposited into the transit fund as required by Section 17-103.2(c) of the Charter.

Council Approval to Sell the Property to IEX

- Section 17-103 of the Charter, which empowers HART to "recommend to the council the sale, exchange or transfer of real property or any interest therein which is under the control of the authority."
- The underlying property was acquired for the use and benefit of HART for purposes of the Honolulu Rail Transit Project (HRTP). As such, it is necessary for the Board to recommend to the City Council that they approve the sale of the property to IEX.
- The HART Board of Directors passed the necessary resolution on May 11, 2023, approving and recommending to the City Council the sale of the property to IEX.
- The requested sale does not conflict with HART's use of the property for the HRTP. Therefore, we request Council approve the sale of the property and grant of the necessary access easement.
- Approval of the resolutions will allow the Executor Director of HART to execute the necessary documents to complete this transaction.

Mahalo!

HonoluluTransit.org | 24-Hour Project Hotline: 808-566-2299 | info@honolulutransit.org

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