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DEPARTMENT OF TRANSPORTATION SERVICES
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HONGLONG LI, PH.D., P.E.
DEPUTY DIRECTOR
HOPE PO'O

May 26, 2026

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Resolution Authorizing the Mayor to Execute an Amendment to the Land Exchange Agreement Between the City and County of Honolulu and the State of Hawai'i, Department of Hawaiian Home Lands, for the Varona Village/Ewa Drum Property Exchange, and Approving a Revised Equalization Payment

The Department of Transportation Services requests your review and appropriate action on the attached draft resolution.

The purpose of the Resolution is to authorize the Mayor to execute an amendment to the land exchange agreement between the City and County of Honolulu and the State of Hawai'i, Department of Hawaiian Home Lands, for the Varona Village/Ewa Drum Property exchange, and to approve a revised and updated Equalization Payment.

We ask for your early and favorable consideration of our request. Should you have questions, please contact Director J. Roger Morton at (808) 768-8303.

Very truly yours,

J. Roger Morton
Director

Attachment

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

DEPT. COM. 362(26)

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No._____

RESOLUTION

AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE LAND EXCHANGE AGREEMENT BETWEEN THE CITY AND COUNTY OF HONOLULU AND THE STATE OF HAWAI'I, DEPARTMENT OF HAWAIIAN HOME LANDS, FOR THE VARONA VILLAGE / EWA DRUM PROPERTY EXCHANGE, AND APPROVING A REVISED EQUALIZATION PAYMENT.

WHEREAS, the Honolulu City Council ("City Council"), in Resolution 09-343, CD1, a copy of which is attached hereto as Exhibit A, authorized the Mayor or the Director of the Department of Transportation Services ("DTS"), or the Director's designee, on behalf of the City and County of Honolulu (the "City"), to enter into a Memorandum of Agreement ("MOA") with the State of Hawai'i, Department of Hawaiian Home Lands ("DHHL"), to sell or exchange parcels of land described as the 'Ewa Drum Site, Waipahu, Hawai'i (TMK Nos. 9-4-008-010 & 9-6-003-044) (the "Ewa Drum Site"), for portions of the Varona Villages, 'Ewa, Hawai'i (TMK Nos. 9-1-182:007 (por.) and :010 (por.)) (the "Varona Sites", and together with the 'Ewa Drum Site, the "Properties"); and

WHEREAS, Resolution 09-343, CD1 further provided that the City administration is to seek Council approval of the sale or exchange prior to consummation of the transactions; and

WHEREAS, on March 10, 2010, the City and DHHL entered into the MOA as authorized by Resolution 09-343, CD1; and

WHEREAS, on July 10, 2013, the City Council adopted Resolution No. 13-137, CD1, further authorizing and refining the terms of the exchange and reaffirming that the transaction served a valid public purpose; and

WHEREAS, on June 1, 2022, the City Council adopted Resolution No. 22-131, authorizing execution of the land exchange agreement and approving an Equalization Payment of $415,323 reflecting the difference in appraised values of the Properties with an adjustment based on the consumer price index to 2021; and

WHEREAS, the exchange of the Properties remains in the public interest as the City and DHHL have each constructed improvements on the Properties pursuant to their respective licenses and agreements, and the exchange will allow the City to operate and maintain the Rail Operations Center at the 'Ewa Drum Site and will allow DHHL to utilize the Varona Sites in furtherance of housing development for Native Hawaiian beneficiaries; and

RESOLUTION

WHEREAS, the land exchange requires federal approval by the United States Department of the Interior ("DOI") pursuant to federal law governing transactions involving Hawaiian Home Lands; and

WHEREAS, DHHL submitted the required proposal package to DOI, and DOI subsequently requested supplemental documentation and clarification, including matters relating to valuation and equalization; and

WHEREAS, due to the federal review process and the passage of time since the adoption of Resolution No. 22-131, the DOI has requested that the Equalization Payment be revised to reflect the updated consumer price index adjustment through time of closing (estimated in 2026); and

WHEREAS, the requested increase in the Equalization Payment to adjust for changes in the consumer price index from 2021 to 2026 is $76,377, for a total revised Equalization Payment of $491,700; and

WHEREAS, Chapter 1, Article 8, Revised Ordinances of Honolulu 1990, requires that any intergovernmental agreement or amendment concerning the Honolulu High Capacity Transit Corridor Project that places an obligation upon the City must receive prior consent and approval of the City Council; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the revised Equalization Payment in the amount of $491,700 is hereby approved and shall supersede the Equalization Payment previously approved in Resolution No. 22-131; and

BE IT FURTHER RESOLVED that the Mayor, or the Mayor's designee, is hereby authorized to execute any documents to reflect the revised Equalization Payment and to effectuate the exchange of the Properties between the City and the State of Hawai'i, Department of Hawaiian Home Lands, consistent with Resolutions No. 09-343, CD1; No. 13-137, CD1; and No. 22-131, as amended by this Resolution; and

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No._____

RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Director of Transportation Services; the Director of Housing and Land Management; the Executive Director of the Honolulu Authority for Rapid Transportation; the Director of Budget and Fiscal Services; and the State of Hawai'i, Department of Hawaiian Home Lands.

INTRODUCED BY:

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DATE OF INTRODUCTION: _____

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_____ _____

Honolulu, Hawai'i Councilmembers

Report Title:

Varona Village; Ewa Drum Property Exchange; Department of Transportation Services ("DTS"); State of Hawai'i, Department of Hawaiian Home Lands ("DHHL"); Revised Equalization Payment.

The report title of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.