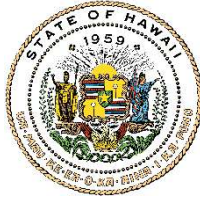


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



DEPT. COMM. NO. 549

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

October 27, 2025

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura,
Speaker
and Members of the House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Comprehensive Economic Analysis of All Military-Leased Lands and Formal Public Process for the Lease Renewal Negotiations in response to House Resolution 199, adopted in final form, Regular Session 2025. In accordance with Section 93-16, Hawaii Revised Statutes, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2026/LD26-Comprehensive-Economic-Analysis-of-All-Military-Leased-Lands-FY25.pdf>.

Sincerely,

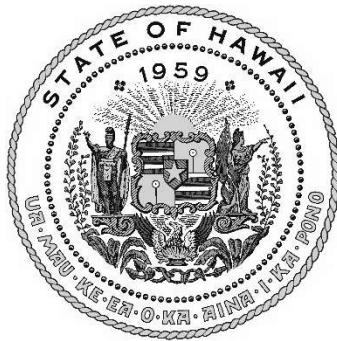
A handwritten signature in black ink, appearing to be "Dawn N. S. Chang".

Dawn N. S. Chang
Chairperson

Enclosure

REPORT TO THE THIRTY-THIRD LEGISLATURE
STATE OF HAWAI'I
2026 REGULAR SESSION

COMPREHENSIVE ECONOMIC ANALYSIS OF ALL MILITARY-LEASED LANDS
AND
FORMAL PUBLIC PROCESS FOR THE LEASE RENEWAL NEGOTIATIONS



Prepared by

Department of Land and Natural Resources
State of Hawai'i

In response to House Resolution 199 (2025)

October 2025

REPORT TO THE THIRTY-THIRD LEGISLATURE
STATE OF HAWAII
2026 REGULAR SESSION

COMPREHENSIVE ECONOMIC ANALYSIS OF ALL MILITARY-LEASED LANDS AND
FORMAL PUBLIC PROCESS FOR THE LEASE RENEWAL NEGOTIATIONS

PURPOSE

House Resolution (HR) 199 was introduced during the 2025 Legislative Session and subsequently adopted. HR 199 requested that the Department of Land and Natural Resources (DLNR) conduct a comprehensive economic analysis of all military-leased lands to assess the following:

- (1) Lost economic opportunities from the unavailability of these lands for beneficial trust purposes pursuant to section 5(f) of Public Law 86-3, including agriculture, education, and housing, and the betterment of conditions of Native Hawaiians;
- (2) The comprehensive costs for cleanup, including contaminants and unexploded ordnance of trust lands;
- (3) The costs of restoration and development of these trust lands to productive economic use;
- (4) Lost income to the State had these trust lands been leased at fair market rents, instead of the \$1 leases agreed to between the State and the United States; and
- (5) Lost tax dollars to the State had these trust lands been utilized for productive purposes under section 5(f) of Public Law 86-3.

HR 199 also requested that DLNR establish a formal public process for the lease renewal negotiations, including public hearings, community consultations, and stakeholder engagement ensuring that all affected parties have an opportunity to provide input before any new agreements are signed.

LEASE REQUESTS

As of September 2025, DLNR has received the following Department of Defense (DoD) requests for lease renewals¹:

Department of the Army:

- Pōhakuloa Training Area, Hawai'i Island: approximately 2,300 acres; Expires August 16, 2029
- Kahuku Training Area, O'ahu: Tract A-1 is approximately 450 acres and Tract A-3 is approximately 700 acres; Expires August 16, 2029

¹ The acreages are based on the current leased areas set to expire.

- Kawaiiloa-Poamoho Training Area, O‘ahu: Poamoho Tract is approximately 3,170 acres and the proposed NAR Tract is approximately 1,220 acres; Expires August 16, 2029
- Mākua Military Reservation, O‘ahu: Makai Tract is approximately 210 acres, North Ridge Tract is approximately 320 acres, Center Tract is Approximately 162 acres, and South Ridge Tract is approximately 90 acres; Expires August 16, 2029

The Army has indicated its intent to reduce its training footprint, however, no formal applications have been received indicating the exact acreage of lands it is seeking to retain at each training site.

Department of the Navy:

- Pacific Missile Range Facility (PMRF), Kaua‘i: Approximately 684 acres of leased lands, 7,488 acres of easements, and 7,680 acres of submerged lands (ocean right-of-way); Leases expire August 19, 2029, and December 16, 2030, with easements expiring as early as January 8, 2027. The ocean right-of-way expires on December 16, 2030, and the Navy will not be pursuing a new land disposition as they will continue to use this area pursuant to Section 1314(a) of the Submerged Lands Act, 43 U.S.C. sections 1301 et seq., and U.S. Constitution Article 1, Section 8, Clause 3.

Department of the Air Force:

- Ka‘ala Air Force Station, O‘ahu: 1.8 acres; Expires April 18, 2028
- Ka‘ena Point Space Force Station, O‘ahu: 86.72 acres of leased lands and 51.47 acres of easements; Expires August 16, 2029
- Koke‘e Air Force Station, Kaua‘i: 8.45 acres; Expires August 31, 2030

STATUS UPDATE

The Final Environmental Impact Statements for the Army Training Land Retention at Pōhakuloa Training Area and the Army Training Land Retention at Kahuku Training Area, Kawaiiloa-Poamoho Training Area, and Makua Military Reservation were not accepted by the Board of Land and Natural Resources (BLNR) on May 9, 2025, and June 27, 2025, respectively. Without completing the environmental review process, no new leases can be contemplated at this time by the BLNR. DLNR is aware that the Governor and U.S. Army Secretary Dan Driscoll signed a non-binding statement of principles on September 29, 2025, which recognizes Hawai‘i’s role in national security while respecting local communities, considering options to return land to Hawai‘i, exploring ways to clean up unexploded ordnance and improve stewardship, and discussing possible federal support for housing, infrastructure, and energy development. Nevertheless, decision making regarding the leases will ultimately be at the discretion of the BLNR and require compliance with State laws.

The Navy published the Draft EIS for the PMRF in the June 23, 2025, edition of The Environmental Review Program’s The Environmental Notice. The 45-day comment period on the Draft EIS ended on August 7, 2025. The Final EIS is anticipated to be published and brought before the BLNR in the second quarter of 2026.

The Air Force has had several meetings with the DLNR, however, they have not formally begun the environmental review process for the three sites and it is DLNR’s understanding that will not

commence until sometime next year. It is DLNR's understanding that the Air Force will be completing three (3) separate Environmental Assessments (EAs), one for each of the sites.

ECONOMIC ANALYSIS AND PUBLIC PROCESS

Regarding the request to conduct a comprehensive economic analysis for the military leases, while DLNR is not opposed to conducting such a study, HR 199 did not provide a source of funding. Preparation of such analysis would require the Department to contract a consultant to perform the analysis and produce a report. A request of this breadth would likely exceed \$2 million and saddle the Department with an unfunded mandate that it cannot afford. Therefore, DLNR felt it prudent to rely on resources that are already available. One such resource would be the EAs or Environmental Impact Statements (EIS) prepared by the applicants which would be needed to complete the environmental review process pursuant to Hawai'i Revised Statutes (HRS) Chapter 343 and Hawai'i Administrative Rules (HAR) Chapter 11-200.1. It should be noted that the completion of the environmental review process is a prerequisite for any lease disposition to be heard by the BLNR.

As outlined in HAR, Chapter 11-200.1, the content of the applicants' EAs or EISs should cover many of the requested topics under HR 199. It is the DLNR's intent to request (or have already requested) that such information be included, to the extent the rules allow, information and analysis such as an economic impact analysis of the proposed long-term retention of State lands; hazardous material and remediation studies in order to inform the public of the existing conditions of the leased lands, especially for those lands in which live fire training was conducted; as well as the thorough exploration and analysis of the No Action Alternative which should include discussion on the restoration of leased lands in order to allow redevelopment for other uses by the State and the public.

Regarding the request for a formal process for the lease renewal negotiations, the lease process will follow HRS Section 171-95, in which the BLNR can, without public auction, lease to governments and agencies public lands for terms up to, but not in excess of, 65 years. It should be noted that while HRS Section 171-95 does not require rent at fair market value, the BLNR may elect to require the payment of rent at the fair market value for the term of the lease, including any stepped or annual increases as proposed by the appraiser as a condition for the approval of any new lease. Agencies must submit formal applications to the Land Division for processing, and as stated earlier, compliance with the environmental review process is a prerequisite for the consideration of a lease by the BLNR. The environmental review process is one way that will allow for public input as it is required by HRS Chapter 343 and HAR, Chapter 11-200.1, and that any Final EA/FONSI determination or acceptance of a Final EIS would be brought before the BLNR for decision making at a public meeting subject to notice pursuant to HRS Chapter 92 (Sunshine Law). Furthermore, the leases themselves will also be brought before the BLNR for decision making at a public meeting subject to Sunshine Law, separate and subsequent of BLNR action on the environmental review process documents.

In addition, much of what HR 199 requests for consideration is consistent with what DLNR has already requested of the applicants as DLNR is aware of public sentiment and concern regarding the DoD lease renewals. The Chairperson has consistently emphasized the need for additional

public outreach in addition to the required public comment periods and scoping meetings as required under the environmental review process. In addition, the agencies have been highly encouraged to consult with the State Aha Moku Advisory Committee (AMAC) who is tasked with advising the BLNR and bringing forward regional concerns so that issues can be addressed and if needed, mitigated.

If the Legislature determines that more information than what is already provided in an EA or EIS is needed in order to fulfill the purpose of HR 199, then DLNR respectfully recommends that an appropriation in the amount of \$2 million be provided to contract for the requested comprehensive economic analysis.