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PLANNING DEPARTMENT
COUNTY OF HAWAII

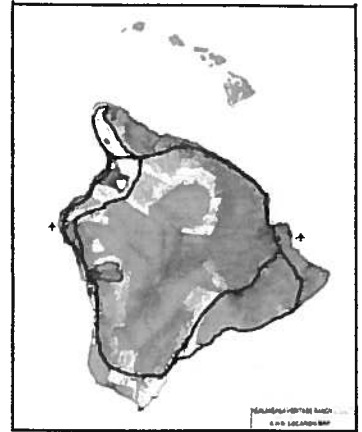


Forest Legacy Project

Kealakekua Ranch, Kailua-Kona (South Kona County), Hawaii

FUNDING HISTORY

Forest Legacy Program FY 2007 Funding	\$ 2,000,000
FY 2007 Non-Federal Cost Share	\$ 11,650,000
FY 2007 Project Costs	\$ 13,650,000
FY 2007 Project Acres	4,000
Forest Legacy Funding to Date	\$ 0
Total Project Costs	\$ 30,750,000
Total Project Acres	9,000



Tract Name	Size (acres)	Tract Cost	FLP Funding	Non-Fed Cost Share	Status
Kealakekua Ranch (Phase II)	5,000	\$ 17,100,000	\$ 2,000,000	\$ 15,100,000	Proposed 2008
Kealakekua Ranch (Phase I)	4,000	\$ 13,650,000	\$ 2,000,000	\$ 11,650,000	Proposed 2007
Total	9,000	\$ 30,750,000	\$ 4,000,000	\$ 26,750,000	

General Description – The Kealakekua Ranch project is an approximately 9,000 acre easement acquisition on an 11,184 acre property located on the western slope of Mauna Loa in the District of South Kona on the "Big Island" of Hawai'i. The ranch is accessed at its makai (waterward) boundary at 2,200 feet above sea level, one mile from Hawai'i Belt Road (Highway 11), and then extends 10 miles inland to its mauka (mountainward) boundary at 6,200 feet above sea level. The property is bounded on its north and east sides by the North/South Kona District boundary, on the south by former McCandless Ranch/Bishop lease land and by Bishop's Honaunau Forest Reserve, and on its west lies the town of Kealakekua. Kailua-Kona is approximately 20 miles from the property. The property contains many different forest types, including mixed open forest, closed 'ohi'a lehua rainforest, open koa forest with mamane, and open koa forest. This forest mosaic supports a wide variety of federally listed threatened and endangered plant and animal species. The landowner is committed to donating a significant amount of the easement's value as well as continuing the Ranch's sustainable forestland-based economic uses.

PROJECT FEATURES

Important:

- Among the property's many unique attributes is its diverse landscape, including vast multi-species forestland throughout the property, extensive lava outcroppings in the

north, and rich fertile soil in the southern portion of the property.

- Hawaii's Kona Coast greatly contributes to Hawaii's overall biodiversity. Hawaii is among the United States' three most biodiverse ecosystems, which together contribute more than 90% of the U.S. plant species listed as endangered.
- In Kona, migration and related population growth are contributing to an advance of suburban sprawl and increased breakdown of this species-rich biological community.
- Leaders in developing complementary economic uses of their forestland, the owners of Kealakekua Ranch offer guided hunts for existing exotic species such as sheep and feral pigs during the hunting season.
- Other activities being established on the owner's adjacent property include eco-tourism activities such as guided horseback tours and camping opportunities.
- Plans are also being developed for a "Mauka Lodge" to support scientific research, education, and alternative health-related activities, including high-altitude training and accommodations for "extreme hikers" on the proposed Mauna Loa Mauka Loop Trail.
- Providing excellent examples of late 19th and early 20th century vernacular architecture, numerous buildings on this Ranch are considered "historic," including original koa and ohia structures.
- The easement will provide recreational, educational, and scientific access to the property through designated non-profit organizations.
- The easement would also provide protection of native koa-'ohi'a forests and the restoration of



forested corridors between the Kealakekua forest core (along the north of the property) and the Bishop's Honaunau Forest Reserve (to the south).

- The native forests of central and south Kona provide an important watershed function for the North Kona, South Kona and Kau Districts and their water-dependent tourism and agricultural industries.
- The tourism pressure on the Kona side of Hawai'i's Big Island is tremendous, with more than one million visitors each year on the Kona side alone.
- This Ranch contains essential habitat for survival and restoration of many federally listed endangered birds (including the 'alala, aki'apola'au, and Hawai'i creeper) and other threatened and endangered wildlife.

Threatened:

- Although approved for development of 500 residential lots, an 18-hole golf course, and a recreational facility, the landowners would prefer not to develop the property as entitled, and a conservation solution would avoid resorting to this outcome.
- As development pressure mounts, the Pace family has been approached numerous times since its recent purchase of the Ranch with offers to purchase at a significant profit for the purpose of completing the existing development entitlements.
- Density of the population around the property is high, with the adjacent town of Kealakekua seeing 218 residents/sq. mile and nearby Kailua seeing 278 persons/sq. mile.
- Due to agricultural zoning, forests in Kona are threatened by conversion to non-forest uses. Sale for development would result in drastic changes to the area's rare habitat and important watershed needs.
- Home sales in the Kona District increased substantially in the last year, and the Kona District's home prices far surpassed the island's other geographic areas.
- Kona's forests are threatened by the spread of invasive non-native plants and feral ungulates, all of which increase wildfire susceptibility and decrease natural forest regeneration. The control of invasive plant and animal species will be managed.
- The state's population grew at the nation's 10th-highest rate in 2003, jumping more than 20 spots from the previous year largely because of

migration to the islands.

Strategic:

- Adjacent to the Bishop's Honaunau Forest Reserve, a large protected forested area located on the property's southern border, the Kealakekua Ranch fits within a matrix of many other protected lands.
- Building on completed South Kona District projects (Kapua and Papa) and the funded McCandless Ranch from past Forest Legacy appropriations, this project seeks to further Forest Legacy Program's success in this part of Hawai'i.
- The conservation easement is in line with the broader goals of the landowner which include preservation of native forest, recovery of native species, and educational and recreational uses.
- The Kealakekua Ranch project continues the strategic approach to provide a continuous mauka reserve of protected habitat encircling Mauna Loa from Volcanoes National Park to the Hualalai volcano, including critical acreage above the 4,500 foot elevation, above the avian malaria threat, and so providing an excellent opportunity for restoration of a complete dryland koa-ohia forest ecosystem.
- The tentative Forest Legacy Program area is part of 44 contiguous square miles owned by the Pace family. Additional portions of the property are being considered for future conservation easements.

Ready:

- An appraisal has been completed with a total value of the CE on the 9000 acres of over \$30 Million in April 2005.
- The landowner is committed to providing an easement that will protect approximately 9,000 acres and will include public access, forestry/reforestation, vegetation management, wildfire fuels reductions, and continued forestland-based economic use.
- The owner has also committed to donate a significant amount of the easement's value (at minimum 30%).

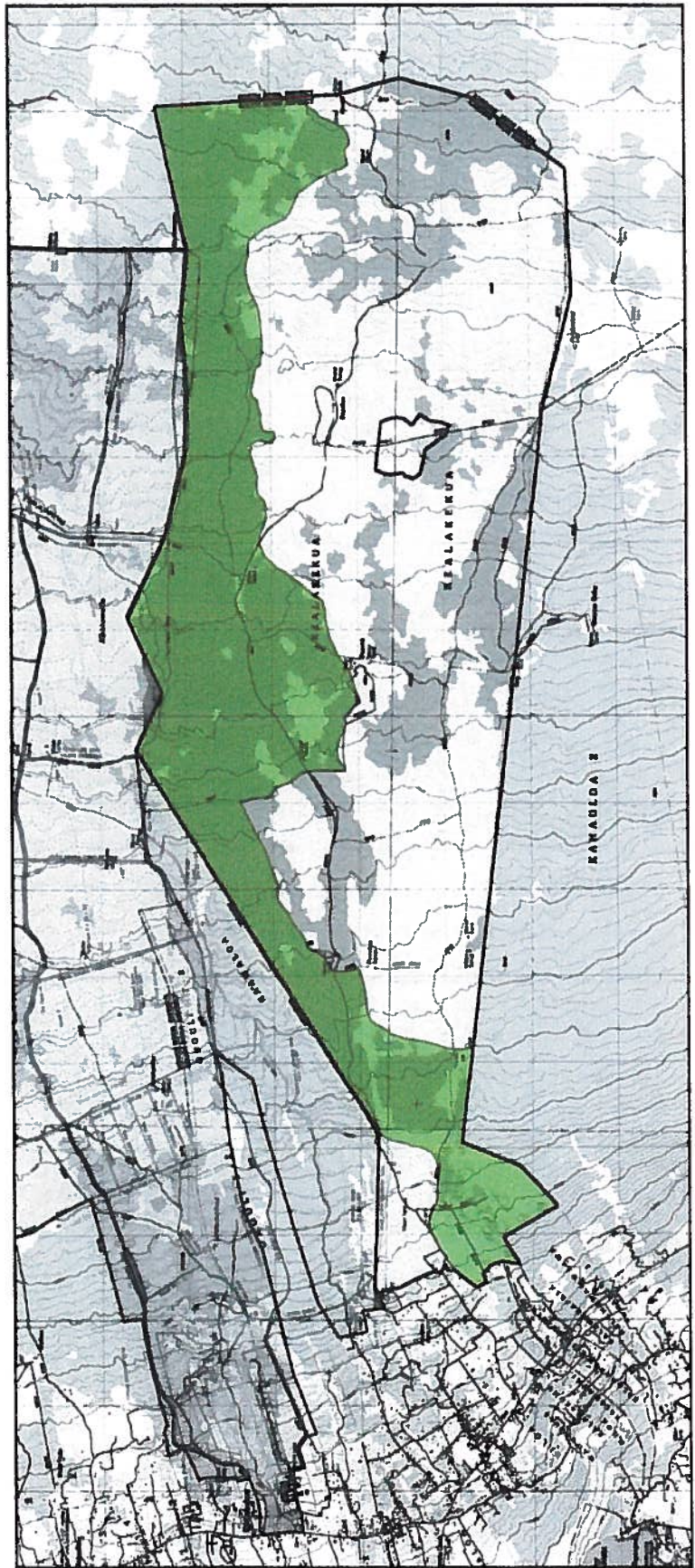
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Forest Legacy Program
 Fiscal Year 2007 Project Priority List
 PLANNING DEPARTMENT
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1	ME	Grafton	\$2,000,000
2	RI	North-South Corridor	\$3,000,000
3	SC	Pee Dee River	\$2,500,000
4	CA	Baxter Ranch	\$2,000,000
5	MI	Northern Great Lakes Forest Project	\$3,500,000
6	HI	Kealakekua Ranch	\$2,000,000
7	ID	Clifty Mountain Foothills Project	\$2,900,000
8	FL	Northeast Florida Timberlands	\$2,250,000
9	GA	Paulding County Land area	\$2,250,000
10	VA	New River Corridor	\$2,100,000
11	ME	Lower Penobscot Forest Project: Phase I	\$2,200,000
12	NH	Willard Pond	\$3,000,000
13	TX	Turkey Creek	\$2,045,000
14	SC	Savannah River	\$2,500,000
15	AL	Cumberland Mountains Preserve	\$1,185,000
16	MT	North Swan River Valley	\$3,000,000
17	NV	Ash Canyon Gateway	\$500,000
18	MA	Southern Monadnock Plateau	\$2,500,000
19	UT	Virgin River Headwaters	\$2,800,000
20	WA	Tahuya Headwaters Pope	\$1,880,000
21	AZ	Cedar Springs	\$880,000
22	MN	Sugar Hills	\$750,000
23	DE	Green Horizons	\$2,000,000
24	IN	Luke's Run	\$1,700,000
25	KY	Marrowbone Creek State Forest	\$1,000,000
26	PA	Birdsboro Waters	\$300,000
27	NC	Whitehurst Forest	\$1,000,000
28	AS	Ottoville Rainforest Preserve	\$500,000
29	AR	Moro Big Pine	\$500,000
30	OR	South Eugene Hills Phase I	\$460,000
31	MO	New State Start-Up	\$500,000
		Administrative Funds	\$5,815,000

\$61,515,000