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Presented in  
12/14 Working  
session

FHWilliams:12-14-74:kkc

OUTGRANTS (LEASEBACKS)

I. Introduction

- What I have to say this afternoon is conditional and provisional.
  - Conditional in the sense that the subject for this afternoon's meeting is related to other important parts of the total land question and so whatever I say is CONDITIONAL upon the outcome of our discussions of other elements of the land negotiations.
  - Provisional in the sense that what I will be proposing in a literal sense is outside the bounds of many current policies and regulations of the U.S. Government. I will be recommending that certain of these restrictions be lifted and that exceptions as may be needed be granted by the appropriate authorities. My recommendations in this regard will be included in my report to the President on Marianas V.
- What I will have to say this afternoon in principle is not new. In previous rounds I have said time and again that the U.S. Government does not wish to acquire land and then let it lie idle.
  - I confirmed this yesterday when I said "The U.S. proposes that all lands not being used for military purposes be available for other purposes so long as these purposes are not inconsistent with the military mission.
  - I said further that the U.S. is prepared to discuss with the Commission now the maximum utilization of the 17,800 acres to be acquired for non-military purposes--and that agreements reached should be incorporated in the separate draft technical agreement.

II. The U.S. proposals

A. The lands within the military boundaries lying south of West Field.

- All lands south of present West Field, including the harbor area would be made immediately available to the Government of the Northern Mariana Islands on an out-grant basis.

- The terms of payment would be on a nominal basis (\$1.00 per year per acre)

- The out-grant would be for ten years with renewal rights upon request for an additional ten years with the approval of the U.S. Government. *Shorter term in Harbor area*

- This area includes approximately \_\_\_\_\_ acres.

B. The lands north of West Field and east of Broadway would continue to be used in accordance with the terms and conditions of the current lease with the Micronesian Development Corporation.

- This area includes approximately \_\_\_\_\_ acres.

C. Out-grants in the area north of West Field and west of Broadway (in military maneuver area).

- The U.S. is prepared to consider out-grants for the continuation of ten out of the twelve existing grazing leases in the proposed maneuver area. Two of the leases are in areas with a high probability of their being used by U.S. forces and are therefore unsuitable for an out-grant. It is entirely possible that substitute grazing areas could be found for out-grants in the area immediately north of West Field.

- The out-grants would be for five year periods with an option to renew at the pleasure of the U.S. Government.
- The charge would be nominal (\$1.00 per year per acre).
- The total acreage involved would be \_\_\_\_\_ acres.
- Deeded homesteads within 17,800 acre military base area.
  - There are 38 such homesteads in the maneuver area.
  - The U.S. will need to acquire this land.
  - The U.S. would recommend that the owners of these homesteads be given an opportunity to exchange their land with comparable lands outside of the military area.
  - The homestead owners will be fully compensated and will receive whatever relocation compensation and assistance for which they would be entitled to under U.S. law.
  - After acquiring the land now held as homesteads the U.S. will be willing on a case by case basis to make out-grants to the former agricultural homestead owners to continue to use the land for agricultural purposes on the same terms and conditions applicable to the currently leased lands in the military maneuver area.
    - The acres involved is \_\_\_\_\_ acres.
- The total acreage covered by the U.S. proposal for out-grants within the boundaries of the Tinian base area is \_\_\_\_\_ acres.

### III. Special Question of San Jose Harbor Area

- U.S. willing upon satisfactory conclusion of other aspects of the land arrangements to reduce acreage presently included in San Jose Harbor area by \_\_\_\_\_ acres.

- This would also be conditional upon agreement in advance on restrictive covenants with respect to the use of the land in question and the compatibility of same with harbor operations.
- The location of the land we are talking about is (to be filled in)  
*9 acres*
- It is expected that future construction of a permanent nature by the Government of the Northern Mariana Islands or others would be located in this area.
- This entire matter will have to be discussed in greater detail by the Joint Land Committee.

IV. Restrictions to be contained in the separate agreement and in the out-grants to the future Government of the Northern Mariana Islands and individual lease holders or former homesteaders. In general terms, the precise legal language will be left to the lawyers.

1. Uses of land must be compatible with planned military activities in the area.
2. There would be no construction in the out-grant areas without prior consent of the U.S. Government.
3. Air terminal would by prior agreement remain or be possibly relocated to south side of West Field on a site mutually acceptable. We would recommend consideration of this possibility at the time of the up-grading of West Field.
4. FAA safety zone areas would apply to West Field with respect to land use 750 yards from center of runway.
5. No use could be made of out-grant land which would do damage to the property or would have a detrimental effect on the subsequent use of the land
6. All out-grants would be subject to cancellation upon one year notice

or in the event of urgent military requirement or national emergency.

7. Provisions for fair compensation in the event of foreseen termination of out-grants would be included in the agreements.

8. The length of the out-grants would be ten years to the Government of the Northern Mariana Islands and five years to private persons with current lease rights or deeds within the military base area. These out-grants could be renewed for a second ten years with approval of the U.S. Government.

9. The costs would be nominal (\$1.00 per acre per year) in order to encourage agriculture and to promote the economic development of the civilian sector on Tinian.

#### V. Summary

- In total we are proposing that the separate technical agreement provide for the out-grant of lands on Tinian within the proposed 17,800 acre military area.
  - The acreage would be \_\_\_\_\_
  - All out-grants would be subject to restrictive covenants with the principles regarding such restrictions to be included in the separate technical agreement.
- The U.S. would hope that its proposal will be met with favor.
  - We feel that they will give the people of Tinian a real opportunity to develop further their island's agricultural potential.
  - We would hope that the Phase II planners in cooperation with appropriate officials of the TTPI Headquarters Government and the District Government will plan carefully for the optimum use of these official out-grant lands.

- We will certainly do our part to encourage the TTPI Government to give agricultural development on Tinian and throughout the Marianas a higher priority. I can assure you that the policy of the U.S. Government and the Department of Defense will be to encourage the use of unused land for this purpose.
- Time factor: When will those out-grants be made?
  - Once we have provided for this arrangement in the Technical Agreement, it can go into effect as soon as the U.S. has the appropriate authority over the land to execute such provisions.
  - In other words as soon as the Department of Defense receives the money from Congress it will acquire the land and execute the appropriate use permits with the Government of the Northern Mariana Islands.
  - I would guess that the timing of this step would roughly coincide with the commencement of Phase II.
- During this interim period, the Transition Secretariat would have the opportunity to plan for the use of the leased land.
  - Emphasis on agricultural planning.
  - Assistance from the TT Headquarters and District Government.