

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

September 13, 2013

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No.: 13KD-061

Kauai

Cancellation of Revocable Permit No. S-5113 to Abraham Kailikini and Issuance of Revocable Permit to Travis Kailikini for Pasture Purposes, por. of Hanapepe Valley, Hanapepe, Waimea (Kona), Kauai, Tax Map Key: (4) 1-9-002:031.

APPLICANT:

Travis Kailikini, single, Tenant in Severalty.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Lot 15, por. of Hanapepe Valley, Hanapepe, Waimea (Kona), Kauai, identified by Tax Map Key: (4) 1-9-002:031, as shown on the attached map labeled Exhibit A.

AREA:

0.75 acres, more or less.

ZONING:

State Land Use District: Agriculture  
County of Kauai CZO: Open

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Encumbered by Revocable Permit No. S-5113, Abraham Kailikini (deceased), for Pasture Purposes. Revocable Permit No. S-5113 is to be cancelled upon approval of a new revocable permit to Travis Kailikini.

CHARACTER OF USE:

Pasture Purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

\$40.00 per month (minimum rent policy) – Exhibit B.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See Exemption Notification attached below as Exhibit C.

In accordance with the "Exemption List for the State of Hawaii, Department of Land and Natural Resources, as Reviewed and Concurred Upon by the Environmental Council (Docket 91-EX-2, December 4, 1991), the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No.1, "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing [HAR § 11-200-8(a)(1)]." Exemption Class No. 4, which states, "Minor alterations in the conditions of land, water or vegetation [HAR § 11-200-8(a)(4)]". Exhibit C

DCCA VERIFICATION:

Not applicable – applicant is an individual.

REMARKS:

The subject property is State-owned land consisting of approximately 0.75 acres which is encumbered under Revocable Permit No. S-5113 dated March 1, 1975 to Abraham Kailikini for Pasture Purposes.

Prior to 1975 the subject parcel was encumbered under Revocable Permit No. S-3759 to Moises Balagan for pasture purposes.

The proposed use is allowable under the county zoning ordinance for the subject area and has not changed from its previous use.

Under Revocable Permit No. S-5113, the current rent is \$13.00 per month. Staff recommends that rent be set at \$40.00 per month, under the Minimum Rent Policy approved by the Board at its meeting on May 13, 2005, Item D-19 – Exhibit B.

Applicant has been working with his grandfather since 1976 to raise goats on the State parcel. His responsibilities included fencing, rotation of goats to different parts of the parcel for grazing purposes and animal husbandry.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

There is no other request to utilize the subject property from other parties.

Month-to-month tenancy is appropriate as Staff intends to lease this property along with several others in the Hanapepe area at a future public auction with Board approval.

Comments were solicited from:

State Agencies:

DOH	No environmental health concerns
OHA	No response by suspense date
DOA	No objections

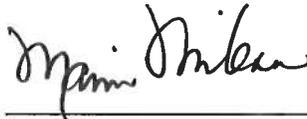
County Agencies

County Planning	No response by suspense date
Public Works Dept.	No response by suspense date
Dept. of Water	No response by suspense date

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the cancellation of Revocable Permit No. S-5113 to Abraham Kailikini.
3. Authorize the issuance of a revocable permit to Travis Kailikini covering the subject area for Pasture Purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
  - b. Review and approval by the Department of the Attorney General; and
  - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Marvin Mikasa  
Land Agent *ms*

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

May 13, 2005

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Statewide

Minimum Rent Policy for New Dispositions

BACKGROUND

Pursuant to discussion among staff, we feel there is a need to balance staff time and costs against the returns from Land Division dispositions. The State should receive a fair return on the land while maintaining its duty under the public land trust.

The current lowest rent for leases and revocable permits is \$156 per year or \$13 per month. Staff cannot locate any Board approval regarding the definition or the origin of the "minimum rent". Staff believes that in the past we just administratively adopted the term.

A consulting report by local real estate appraisal and consulting firm Medusky & Co. was completed in April 2004 which addressed the state's proposed formula for calculating one-time payments for term shoreline encroachment easements. The report recommended that for small encroachments where the rent payment, when calculated using the recommended formula is less than \$500, a minimum rent be charged of \$500. The \$500 amount was derived via other small easement considerations researched from the market. This fee was considered reasonable in part for inconvenience and to defray administrative costs. The Board has adopted the \$500 minimum rent for shoreline encroachments.

RESEARCH

Staff has conducted some research into overhead and administrative costs necessary to manage new dispositions and reopenings. Other landowners were surveyed such as Campbell Estate and Kamehameha Schools Bishop Estate. Campbell does not have a universal minimum rent but every year they set their rent based on the current conditions and evaluates all new deals based on that. Calls to Kamehameha Schools were not returned. Department of Transportation (DOT) and Department of Agriculture were also surveyed as to their policy regarding minimum rent. Only DOT charges a minimum rent of \$20 per month for rental of storage areas in the harbor areas.

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON *MO*

May 13, 2005

**EXHIBIT "B"**

**ITEM D-19**

Dispositions including lease, easement, license and revocable permit involve rental payments on a recurring basis or lump sum. The proposed guideline as explained below will cover these disposition but not the fee conveyances, e.g. sale of remnant or reclaimed land.

Further, staff notes that land dispositions involve multiple offices, e.g. DLNR, DAGS, AG. Staff would point out that the minimum rent recommended below only covers the staff cost of DLNR as the other agencies are only involved at the application stage. Once the disposition is consummated, DLNR is the only agency that manages the disposition and incurs staff costs. While we want to recoup part of the staff cost, staff feels that the figure has to be realistic and affordable by our tenants.

Also, time consumed for different disposition could be varied. Staff discussed the time with other districts and feels that an 8-manhour period is appropriate as the basis of this analysis.

EVALUATION:

Eight hours at a rate of \$18.91 (starting hourly rate of a Land Agent IV) is \$151.28. However, after the initial year, staff time expended on a disposition, which is in compliance with the terms and conditions, would be reduced substantially. Therefore, staff recommends a 75% discount from the total staff costs to account for the ongoing staff time on managing the disposition. Staff recommends \$40 per month or \$480 per year ( $\$151.28 \times 25\% = \$37.82$ , rounded to \$40 per month) as the minimum rent for all dispositions involving recurring rental payment.

Staff feels the minimum one-time payment (\$500) adopted by the Board for shoreline encroachment could be used as a guideline for other term or perpetual easements as well. The report by Medusky based his findings on market data, which reviewed other minimum rent payments for a variety of other easements. The report concluded a minimum payment for small encroachment easements of \$500. Land Division has been recommending one-time payment for other types of easements (e.g. access, utility easements). Easement valuations are largely determined via independent appraisal. However, in the event the appraised value for the term or perpetual easement is below \$500, then Staff recommends a \$500 charge to cover administrative overhead. Staff feels this amount should be set as a minimum for all dispositions involving one-time payment.

RECOMMENDATION

That the Board approves the above policy by requiring:

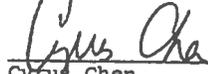
- A. All new dispositions by Land Division shall be subject to a minimum rent of \$40 per month, \$480 per year or \$500 (one-time payment) depending on the payment term.
- B. Staff shall bring any cases that require deviation from the above policy to the Board for approval.

BLNR – Minimum Rent Guideline  
for DLNR-Land Division

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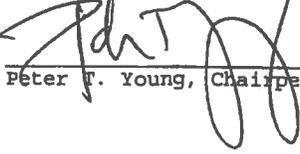
May 13, 2005

Respectfully Submitted,



Cyrus Chen  
Appraisal Manager

APPROVED FOR SUBMITTAL



Peter F. Young, Chairperson



**STATE OF HAWAII**  
**DEPARTMENT OF LAND AND NATURAL RESOURCES**

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WILLIAM J. AILA, JR.  
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INDUSTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAI'IA AND ISLAND DISTRICT COMMISSIONER  
LAND  
STATE PARKS

**EXEMPTION NOTIFICATION**

regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

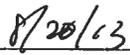
- Project Title: Cancellation of Revocable Permit No. S-5113 to Abraham Kailikini and Issuance of Revocable Permit to Travis Kailikini
- Project / Reference No.: PSF 13KD-061
- Project Location: por. of Hanapepe Valley, Hanapepe, Waimea (Kona), Kauai  
Tax Map Key: (4) 1-9-002:031
- Project Description: Issuance of Revocable Permit to Travis Kailikini for pasture purposes.
- Chap. 343 Trigger(s): Use of State Land
- Exemption Class No.: In accordance with the "Exemption List for the State of Hawaii, Department of Land and Natural Resources, as Reviewed and Concurred Upon by the Environmental Council (Docket 91-EX-2, December 4, 1991), the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No.1, "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing [HAR § 11-200-8(a)(1)]." Exemption Class No. 4, which states, "Minor alterations in the conditions of land, water or vegetation [HAR § 11-200-8(a)(4)]"
- Exemption Item Description From Agency Exemption List: Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing.

**EXHIBIT C**

Recommendation:

The subject area has been used for aquaculture purposes on the subject property from 1977 thru 1983 and 1986 thru 2000. It is recommended that the Land Board find that issuance of a Revocable Permit for aquaculture purposes is exempt from Chapter 343, HRS, as it will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

  
\_\_\_\_\_  
William J. Aila, Jr., Chairperson

  
\_\_\_\_\_  
Date