

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

December 12, 2014

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

PSF No. 06MD-123  
GL S-5398  
Maui

Approval to Retroactively Assign and Amend General Lease No. S-5398, Hana District "Pohaku" Corporation, Assignor, to Kipahulu Ohana, Inc., Assignee, for General Agriculture and Allied Purposes, Kipahulu, Hana, Maui, Tax Map Key No.'s: (2) 1-6-009:001 and (2) 1-6-009:011, to Amend Annual Rent Determination, Lease Area, and Character of Use.

APPLICANT:

Hana District "Pohaku" Corporation, as Assignor, to Kipahulu Ohana, Inc., a 501(c)(3) non-profit corporation, as Assignee whose mailing address is P.O. Box 454, Hana, HI 96713.

LEGAL REFERENCE:

Sections 171-6, 171-36(a)(5) and 171-43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Kipahulu, Hana, Maui, Tax Map Key (TMK): (2)1-6-009:001 ("triangle") and (2)1-6-009:011 ("9-acre"), as shown on the attached map(s) labeled Exhibit A.

ORIGINAL LEASED AREA:

TMK: (2) 1-5-004:016 1.75 acres, more or less  
TMK: (2) 1-6-009:001 2.40 acres, more or less  
TMK: (2) 1-6-009:011 8.70 acres, more or less

Total = 12.85 acres, more or less.

AMENDED LEASE AREA:

TMK: (2) 1-6-009:001 2.40 acres, more or less  
TMK: (2) 1-6-009:011 8.70 acres, more or less

Total = 11.10 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act;

DHHL 30% entitlement lands pursuant to the Hawaii State  
Constitution: YES \_\_\_ NO X

CHARACTER OF USE:

General Agriculture and Allied Purposes.

TERM OF LEASE:

35 years, commencing on September 1, 1995 and expiring on August  
31, 2030.

ANNUAL RENTAL:

For the first four (4) years, the sum of four hundred and two  
dollars (\$402) per annum (fair market annual lease rent of \$322 per  
annum plus a 25% premium of \$80 per annum) was established.  
Beginning with the fifth (5<sup>th</sup>) year of the lease term Lessee was  
required to pay only \$322 per annum with no premium. Upon rent  
reopening in 2005, rent was determined to be \$11,400 per annum.

AMENDED RETROACTIVE RENT

For the nine (9) year term commencing September 01, 2005 to August  
31, 2014, the annual rent is amended from eleven thousand four  
hundred dollars (\$11,400) to one thousand three hundred and seventy  
one dollars (\$1,371) per annum. Determined as a result of good  
faith efforts of lessee to maintain good standing given limited  
resources and significant programmatic costs necessary to improve  
and maintain lease property.

CONSIDERATION:

Beginning the 19<sup>th</sup> year of the lease term, commencing on September  
01, 2014; Lessee shall pay the effective annual rent of four hundred  
and eighty dollars (\$480) per annum. Proposed rent is consistent  
with the Board established minimum rent policy intended to support  
non-profit efforts on leased State lands that have significant  
public benefit.

RENTAL REOPENING:

Last rental reopening occurred in 2005. The original lease called  
for reopening and redetermination of annual rent on the 10<sup>th</sup>, 20<sup>th</sup>  
and 30<sup>th</sup> years of the lease term. Staff recommends that the rent  
for the 20<sup>th</sup> year lease term reopening be determined at \$480.00 per  
annum. Staff recommends that next and final reopening occur on the  
30<sup>th</sup> year of the lease term due to current amendments being  
recommended as we approach the 20<sup>th</sup> year of the lease term.

PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

ASSIGNOR:

Place of business registration confirmed:	YES	<u>X</u>	NO	<u>      </u>
Registered business name confirmed:	YES	<u>X</u>	NO	<u>      </u>
Good standing confirmed:	YES	<u>X</u>	NO	<u>      </u>

ASSIGNEE:

Place of business registration confirmed:	YES	<u>X</u>	NO	<u>      </u>
Registered business name confirmed:	YES	<u>X</u>	NO	<u>      </u>
Good standing confirmed:	YES	<u>X</u>	NO	<u>      </u>

PROPERTY CHARACTERISTICS

*TMK: (2) 1-6-009:001 ("Triangle")*

- 2.40 acres, more or less; Government remnant. Odd shape parcel with gentle slope adjacent to kalena gulch
- "Off-grid." No standard utilities available. Existing improvements serviced by solar energy and water catchment systems. Located in very remote area of East Maui. Over 50 miles from the urban center of Wailuku / Kahului. Access via adjacent County road.

*TMK: (2) 1-6-009:011 ("9-acres")*

- 8.70 acres, more or less. Existing pasture lot. Gentle to severe slopes onsite.
- "Off-grid." No standard utilities available. Located in very remote area of East Maui. Over 50 miles from the urban center of Wailuku / Kahului. Access via adjacent County road.

APPLICANT REQUIREMENTS:

Applicant shall be required to comply with all of the requirements of all municipal, state and federal authorities and observe all municipal, state and federal laws applicable to the premises, now in force or which may be in force.

Note: Applicant is currently working with the County of Maui, Planning Department, Zoning Administration Enforcement Division, to acquire after-the-fact approval for existing structures to comply with Special Management Area requirements. Staff finds that existing improvements are consistent with existing lease terms and intent of the original disposition for general agriculture purposes. See remarks section below for further discussion.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List," approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from

the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states: "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."

DISCUSSION:

*BACKGROUND*

On June 28, 1991 the Board of Land and Natural Resources (Board) approved a 35-year direct lease, pursuant to Act 237, SLH 1988; to the Hana District "Pohaku" Corporation for 3 separate lots of almost 13 acres for general agriculture purposes. The 3 lots included 8.7 acres at TMK (2)1-6-9:011 ("9-acres"), a 2.4 acre government remnant at TMK (2)1-6-009:001 ("Triangle") and 1.7 acres at TMK (2)1-5-004:016 (former Haou school lot). These lands are located in a very remote district of East Maui more than 50 miles away from the urban centers of Wailuku and Kahului in Central Maui. The Kipahulu area is "off-grid" with no electrical service and no County Water with a network of substandard rural roads. However, the region does have good soils, adequate rainfall and sunshine.

On November 28, 1995, the Department disposed the subject premises to the Hana District "Pohaku" Corporation via General Lease No. S-5398 for General Agriculture purposes that is set to expire on August 31, 2030. The direct lease provided for a fair market rent of \$322 per annum with lease reopening on the 10<sup>th</sup>, 20<sup>th</sup> and 30<sup>th</sup> year of the lease term.

*LAND USE ANALYSIS*

Since 1995, the tenant has installed significant agriculture related improvements upon the subject premises with financial support from both private donations and public grant programs. Improvements at the "triangle" include a certified commercial kitchen with related water storage for the processing of agricultural products grown on the leased premises as well as on other lands within the Kipahulu District and a storage building for the placement of agriculture related supplies and equipment (Exhibit B). At "9-acres" a storage building, which also serves as a marine observation deck, was also constructed along with stock proof fencing around the entire premises to enable ongoing agriculture and pasture uses. At this time no improvements have been constructed upon the former Haou School lot.

*PUBLIC BENEFITS*

Improvements and lands are available for use by area residents who elect to participate in the non-profit organization. The commercial kitchen can be reserved on a daily basis for a nominal fee. Monies collected are used to cover the costs of utilities and periodic maintenance. Given the rural nature of the Kipahulu area, unemployment is high and subsistence activities are the primary source of economic production for many area residents and their

families. This lease of government lands and the improvements installed by the community have provided an opportunity for non-profit members to add value to their produce through further processing which then can be sent to market and thus command higher value and therefore increase the return on their investment of sweat equity. There are no other facilities in the area that support this type of economic production and/or communal activity. These lands and their uses have proven to increase the supplemental financial and nutritional needs of participating members at no cost to the State.

The agriculture processing facility and related improvements at the "triangle" and "9-acres" have evolved into a sort of community center that often functions as a gathering place for area residents. These community gathering opportunities offer tremendous social benefits that strengthen families and the communities in which they live. Furthermore, the "triangle" has provided space for government services in times of disaster. For example, when the Hana Highway was closed in both directions pursuant to a major earthquake in 2006, the leased lands became the alternate landing zone for FEMA and the Maui County Civil Defense program as well as the center for governmental operations necessary to service the community during that time of disaster.

#### *RENTAL ANALYSIS*

With rent reopening scheduled for the 10<sup>th</sup> year of the lease term, the department, in 2004, hired an independent appraiser to conduct an appraisal of General Lease No. S-5398 which determined the fair market rent to be \$11,400 per annum; a significant increase from the previous rent of \$322 per annum.

On August 24, 2004, representatives of the Hana District "Pohaku" Corporation rejected the proposed new rent. The tenant declared that they were unable to absorb such a significant and unforeseen rent increase (\$322 to \$11,400 per annum) and asked that the department work with them to come to an amicable agreement in regards to lease rent given the public service nature of their organization and the significant improvements that were installed to improve the properties at no cost to the department.

In May of 2005, the Office of Hawaiian Affairs submitted a letter of support encouraging the department to work with the tenant to resolve the rent issue (Exhibit C). OHA and the tenant suggested that GL S-5398 be amended and disposed to an eleemosynary (charitable) organization pursuant to HRS 171-43.1, at nominal rent, by direct negotiation.

At this time, the Kipahulu Ohana Inc., who is recognized to be exempt from federal income tax pursuant to 501(c)(3) of the Internal Revenue Code, is in position, with support from the existing tenant and overall community, to take on the responsibility for the prudent management and use of the subject premises for general agriculture and related allied purposes. The Kipahulu Ohana, Inc. was organized

for the purpose of advancing Hawaiian culture and the restoration and conservation of natural resources in the Kipahulu district. According to business registration records, Kipahulu Ohana, Inc. was registered in 1995. They have an ongoing agreement with the Haleakala National Park to manage NPS lands that are in close proximity to the leased State lands for taro cultivation. The produce from the NPS lands are brought to the "triangle" for processing and later distribution to the community thus improving community health and well-being through the cultivation of culturally significant and healthy foods.

Since 2005, the revised annual rent of \$11,400 per annum continues to accumulate. The department did not respond to the tenants' plea for reconsideration first due to changes in personnel in both the Appraisal Section and District Office and later due to a backlog in processing responsibilities that are charged to the Maui District Land Office. As a result the current sum in default for GL S-5398 is over \$100,000. However, in good faith and in the attempt to maintain good standing with the department; despite their limited resources and related fiscal challenges, the existing tenant continued to pay monthly rent installments that the organization was able to offer for an average of about \$1,400 per annum. The tenant met all other terms and conditions of the existing lease agreement such as providing adequate insurance coverage and being a good steward of the land by implementing prudent agricultural management and conservation practices pursuant to their approved Conservation Plan that was recently updated with support from the USDA Natural Resources Conservation Service in April of 2012 (Exhibit D).

HRS 171-43.1 authorizes the Board to lease lands to an eleemosynary organization at nominal consideration by direct negotiation. On May 13, 2005, the Board established a minimum rent policy that stated that the minimum rent for leases be no less than \$480 per annum. Staff supports the assignment of GL S-5398 to Kipahulu Ohana, Inc. for the nominal consideration of \$480 per annum. However, in order to rectify the existing rent default that was partly due to a lack of response from the department, staff recommends that the Board approve the following:

- a) The retroactive assignment of GL S-5398 to Kipahulu Ohana, Inc., as of September 1, 2005, pursuant to HRS Section 43.1 as a direct lease to an eleemosynary organization;
- b) Following the assignment, the retroactive amendment of the lease terms to allow the rent amounts to be consistent with rent payments received from the tenant in good faith, in order to resolve the outstanding rent currently owed. Therefore, for the 8 year term commencing September 01, 2005 to August 31, 2014, the annual rent is to be amended from \$11,400 to \$1,371 per annum;
- c) The amendment of the lease to authorize that, starting with the 19<sup>th</sup> year of the lease term commencing on September 01, 2014 to August 31, 2025, the Lessee shall pay the annual rent of four hundred and eighty dollars (\$480) per annum;

- d) The reduction of the leased area from almost 13 acres to a little more than 11 acres (more or less) by removing the unutilized 1.7 acres, TMK (2)1-5-004:016 (former Haou school lot), from the lease offering; and
- e) Amend the lease to change the character of use from General Agriculture to General Agriculture and Allied Purposes.

The Proposed rent of \$480.00 per annum is consistent with the Board established minimum rent policy intended to support non-profit efforts on leased State lands that have significant public benefit. Any rent received and balance remaining anterior to August 31, 2014 shall be applied to the current billing cycle that shall commence beginning September 01, 2014 at \$480 per annum. The lessee and assignee are both aware of these proposed amendments and have no objections at this time.

*FINDINGS / CONCLUSION*

Staff has requested, from the assignee, information about its operations and services. The information received consisted of existing agreements, financial reports, program plan, letters of support, newspaper articles, awards and certifications that clearly demonstrate the high level of educational and charitable support provided to the Kipahulu and broader Hana Community by the Kipahulu Ohana, Inc. Furthermore, staff has been provided a copy of a letter of support from Hana District Representative to the Maui County Council, Mr. Robert Carroll, dated January 30, 2012 as a descriptive example of the services provided to the community and overall support for the efforts of the Kipahulu Ohana, Inc. (Exhibit E). Staff supports the proposed amendments to GL S-5398 and its retroactive assignment to the Kipahulu Ohana, Inc.

RECOMMENDATION:

That the Board:

1. Declare that, after considering the potential effects of the proposed assignment 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. Subject to the Applicant fulfilling all of the Applicant requirements listed above, approve the retroactive assignment of General Lease No. S-5398 from Hana District "Pohaku" Corporation, Assignor, to Kipahulu Ohana, Inc., Assignee, beginning September 1, 2005, subject to the following:
  - a) The standard terms and conditions of the most current consent to assignment 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.
3. Authorize the following retroactive amendments to General Lease No. S-5398:
- a) Amend the annual rent for the term beginning September 01, 2005 to August 31, 2014 from \$11,400 per annum to \$1,371 per annum; and
  - b) Amend the annual rent for the term beginning September 01, 2014 to August 31, 2025 to \$480 per annum.
4. Authorize the following amendments to General Lease No. S-5398:
- a) Amend the lease area from 12.85 acres to 11.10 acres, more or less; and
  - b) Amend the character of use from General Agriculture to General Agriculture and Allied Purposes.

Respectfully Submitted,

  
\_\_\_\_\_  
Daniel Ornellas  
District Land Agent

APPROVED FOR SUBMITTAL:

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



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

December 12, 2014

**EXEMPTION NOTIFICATION**

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

**Project Title:** Retroactive Amendment and Assignment of General Lease No. S-5398 to Kipahulu Ohana, Inc. for General Agriculture and Allied Purposes.

**Project / Reference No.:** PSF No. 06MD-123

**Project Location:** Kipahulu, Hana, Maui, Hawaii

**Project Description:** Board Consent to Retroactive Amendment and Assignment of General Lease for Agriculture and Allied Purposes

**Chap. 343 Trigger(s):** Use of State Lands in the Agriculture District

**Exemption Class No. and Description:** In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List," approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states: "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."

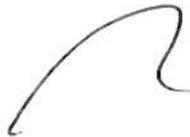
**Consulted Parties:** The Office of Conservation and Coastal Lands, The County of Maui Department of Planning Zoning Enforcement Division, and the Office of Hawaiian Affairs were consulted as source authorities having jurisdiction or expertise in this matter, and concurs that the exemption identified above is applicable to and appropriate for the proposed project. OCCL staff determined that because no uses are proposed within the conservation district; this action is therefore exempt from Chapter 343. County of Maui staff concurred that existing structures and uses are allowed within the agriculture district and SMA and the Office of Hawaiian Affairs does not object to

the exemption as a result of conditions listed above.

Recommendation:

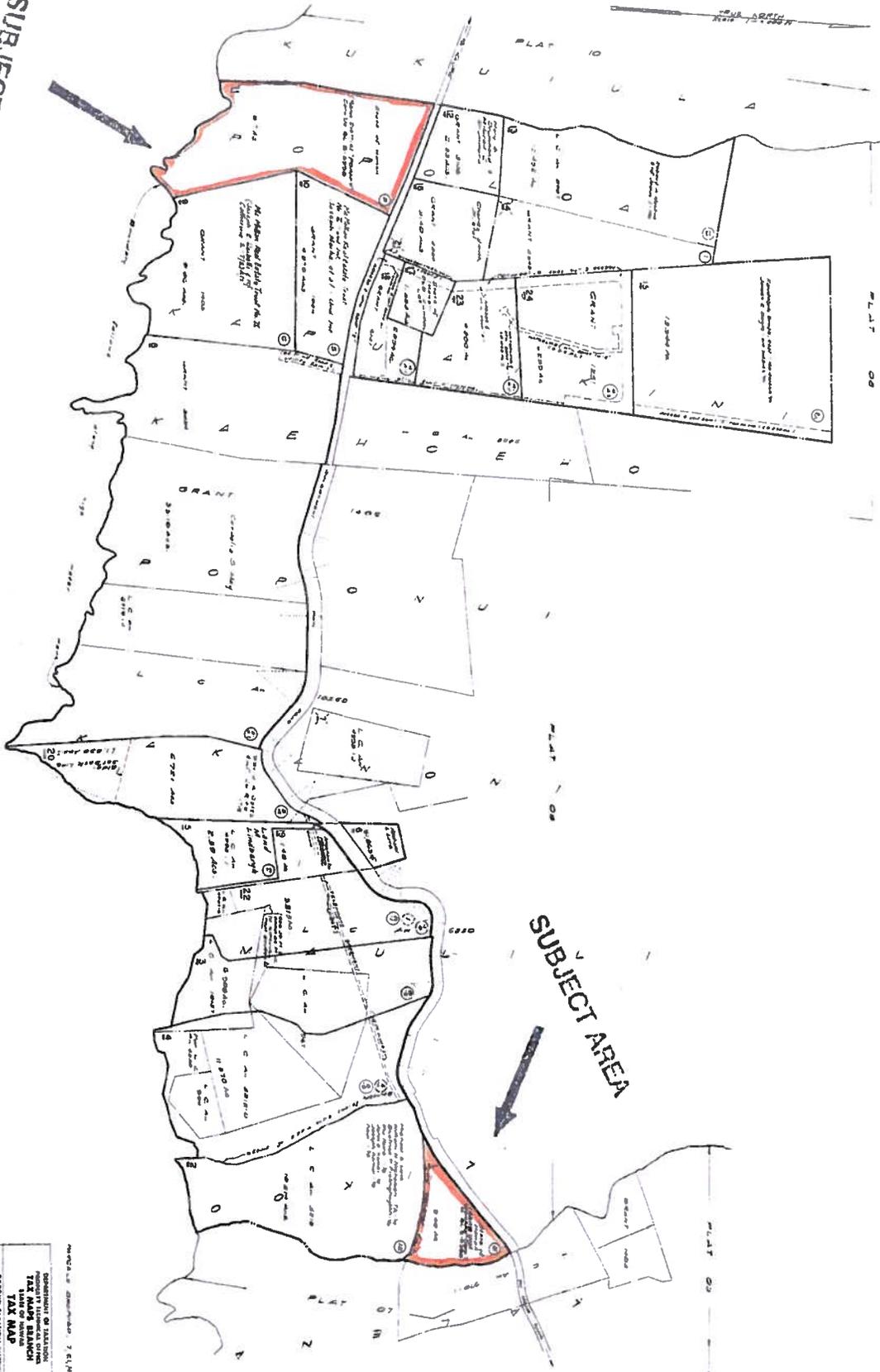
It is anticipated this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

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

  
11/25/14  
\_\_\_\_\_  
Date

FOR RECORDS - HONOLULU, HAWAII, HAWAII

**SUBJECT AREA**

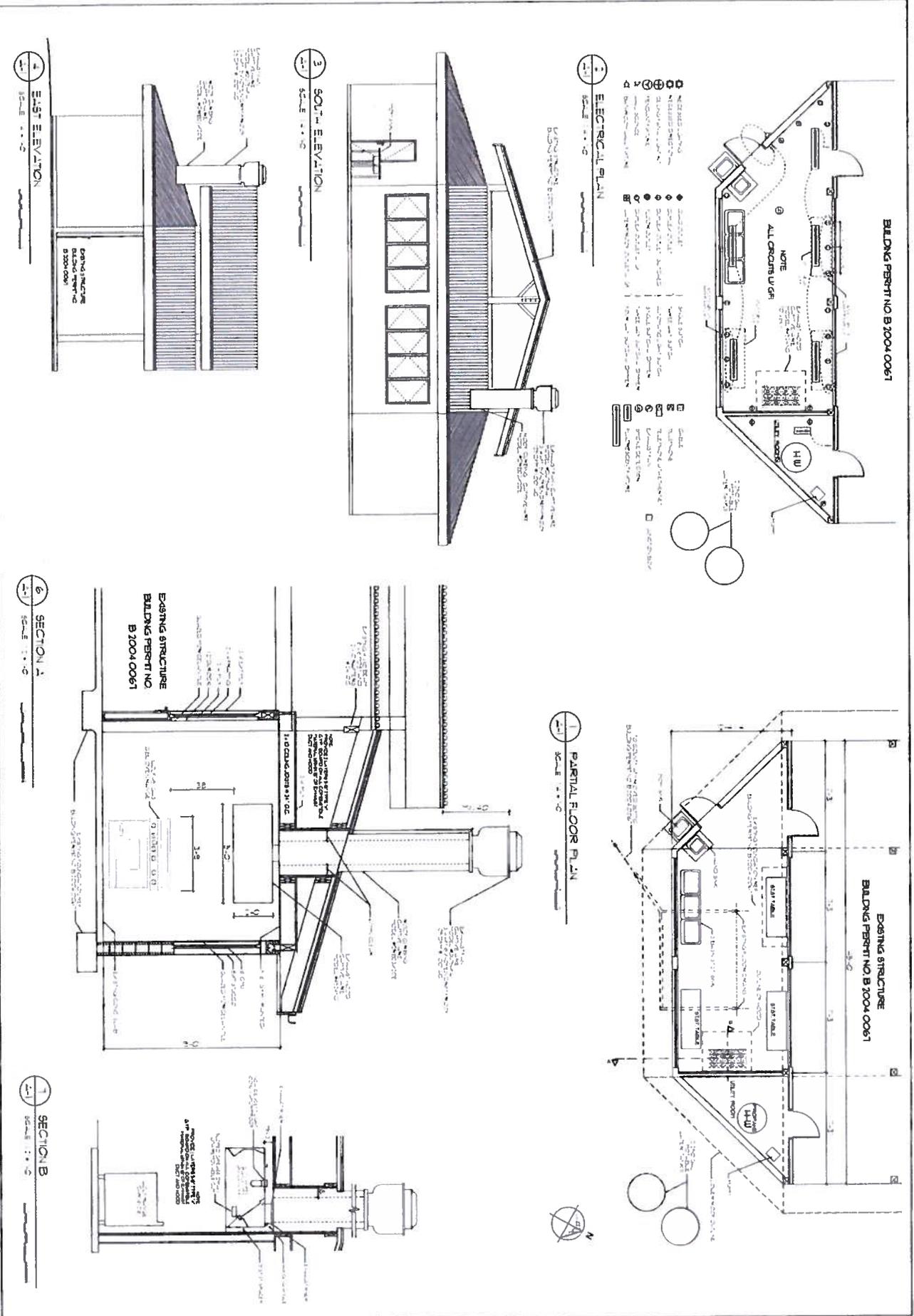


FOR PROPERTY ASSESSMENT PURPOSES  
SUBJECT TO CHANGE

REVISION: 02/01/1987 7:51 PM

DEPARTMENT OF TAXATION	
TAX MAPS BRANCH	
TAX MAP	
FORM	6
REV.	09
PLAT	09

SCALE: 1" = 100' 11"



Photos taken: 2/1/2012



Hana District Pohaku, Triangle- TMK. (2) 1-6-009:001

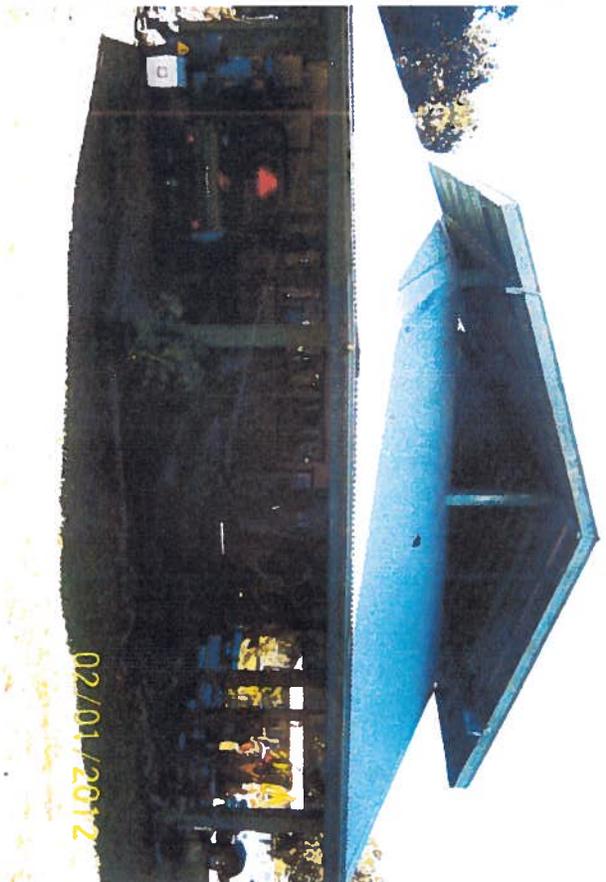
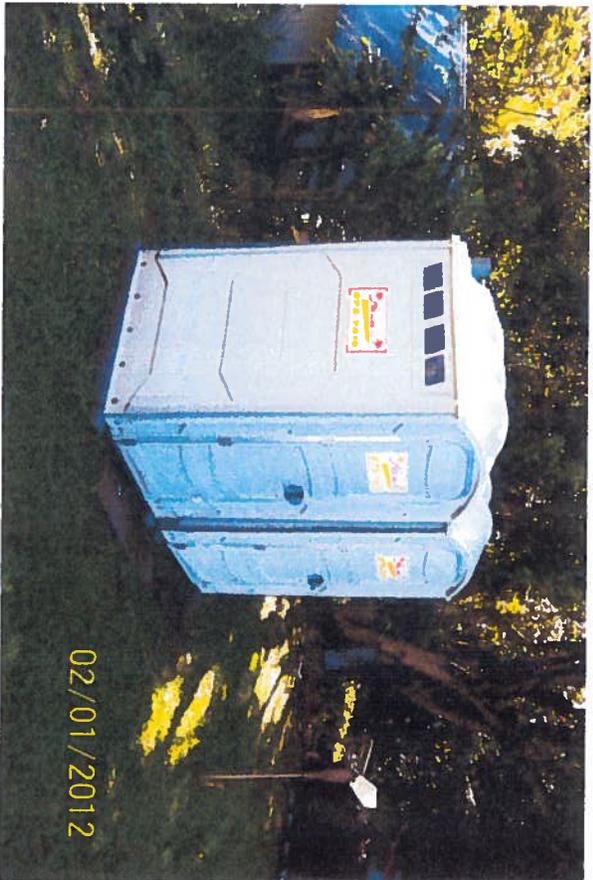


Exhibit B

Photos taken: 2/1/2012



Hana District Pohaku, Triangle- TMK: (2) 1-6-009:001





STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS  
711 KAPI'OLANI BOULEVARD, SUITE 500  
HONOLULU, HAWAII 96813

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MAY 12 2005  
MAIL ROOM

py

HRD05/1840

May 8, 2005

Peter T. Young, Chairperson  
Board of Land and Natural Resources  
P.O. Box 621  
Honolulu, HI 96809

**RE: Proposal to transfer General Lease No. S-5398 to Hana District Pohaku Non Profit Corp. and to Negotiate the Rent Pursuant to Chapter 171, 43.1, Hawai'i Revised Statutes**

Dear Mr. Young,

The Office of Hawaiian Affairs (OHA) has been approached by our beneficiaries who are the current holders of the above referenced General Lease. They have provided to us copies of correspondence between your Department and themselves regarding the proposed renegotiated rent for the lease and their attempts to resolve the issues that have been raised. We are writing today to encourage you to pursue their proposed option of reissuing a lease to them under your authority as described in HRS § 171-43.1.

Our staff visited with the members of the corporation this February and visited the three parcels covered by this lease. We were able to see the cultural sites on these parcels and the activities they currently pursue. We were further able to discuss the history of their acquisition of the lease and the efforts their non-profit corporation has made to help local families use lands for subsistence agriculture in Hana.

We have discovered that although they did lease the land under their for-profit arm initially, they did so only at the advice of a former member of your Board; their initial preference was to lease the land as a non-profit. Despite their holding the lease under their for-profit arm, their activities have always been oriented towards achieving the goals identified for their non-profit corporation.

We are aware of other cases in the islands -- such as at Waipā, Kaua'i -- where other large landowners (in this instance Kamehameha Schools) leases lands to Hawaiians for essentially the same purposes. Similarly to your Board's past actions, in the past Kamehameha insisted that those Hawaiians pursue for-profit goals as a condition for obtaining a lease. Thus the families at

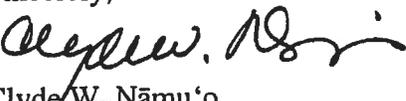
Waipā did so in order to secure access to the land, but their activities have always remained non-profit in nature. Only recently has Kamehameha fully appreciated the value of enhancing land management by leasing to non-profits. We are aware of the efforts you are making to partner with the non-profit sector in your management activities and we encourage you to see this request in this light. Thus while you correctly stated in a November 4, 2004 letter to Glenna Ann Lind of the corporation that it is the raising of the rent that has prompted this issue, we believe that the facts we have outlined above illustrate why an issuance of a new lease would be appropriate and could conform to the best practices of landowners who have to meet clear fiduciary duties.

We further would like to note that we find it significant that this past week in the Honolulu Star-Bulletin, the plight of families in Hāna – including one whose land borders one of the parcels we are discussing – was highlighted (“Illegal vacation rentals make tight market worse,” by Gary Kubota and Rod Thompson, May 5, 2005, attached). The increasing use of land in rural Hawai‘i for extremely expensive second homes, estates, and vacation rentals is not only reducing the availability of affordable housing, but is transforming parcels once used for subsistence activities, including farming. The revised rental rate on this lease would make using the land for residential purposes the only economically viable alternative, further squeezing out Hawaiian families from being able to practice traditional and customary activities.

Finally, we wish to address your suggestion, made in the same letter to Ms. Lind, that the Department of Agriculture (DOA) might be the best entity to take over the lease in question. We agree with you that the agency has the mission of promoting the agricultural industry in Hawai‘i; however, as we have noted, this land is not appropriate for industrialized, export oriented agriculture, the main thrust pursued by the DOA. Because the agriculture in question is subsistence oriented, and because the lessees in question wish to simultaneously maintain the cultural sites on these parcels, we believe the value of the land and the goals of the group are far more resonant with the mission of your Department rather than with that of the DOA.

We would appreciate being advised of your progress in resolving this issue, and offer whatever support we can. If you have further questions, please contact Dr. Jonathan Likeke Scheuer at 594-1946 or e-mail him at [jonathans@oha.org](mailto:jonathans@oha.org).

Sincerely,

  
Clyde W. Nāmu‘o  
Administrator

Enc.

CC: Trustee Colette Machado

Michael P. Minn  
Hana District Pohaku Nonprofit Corporation

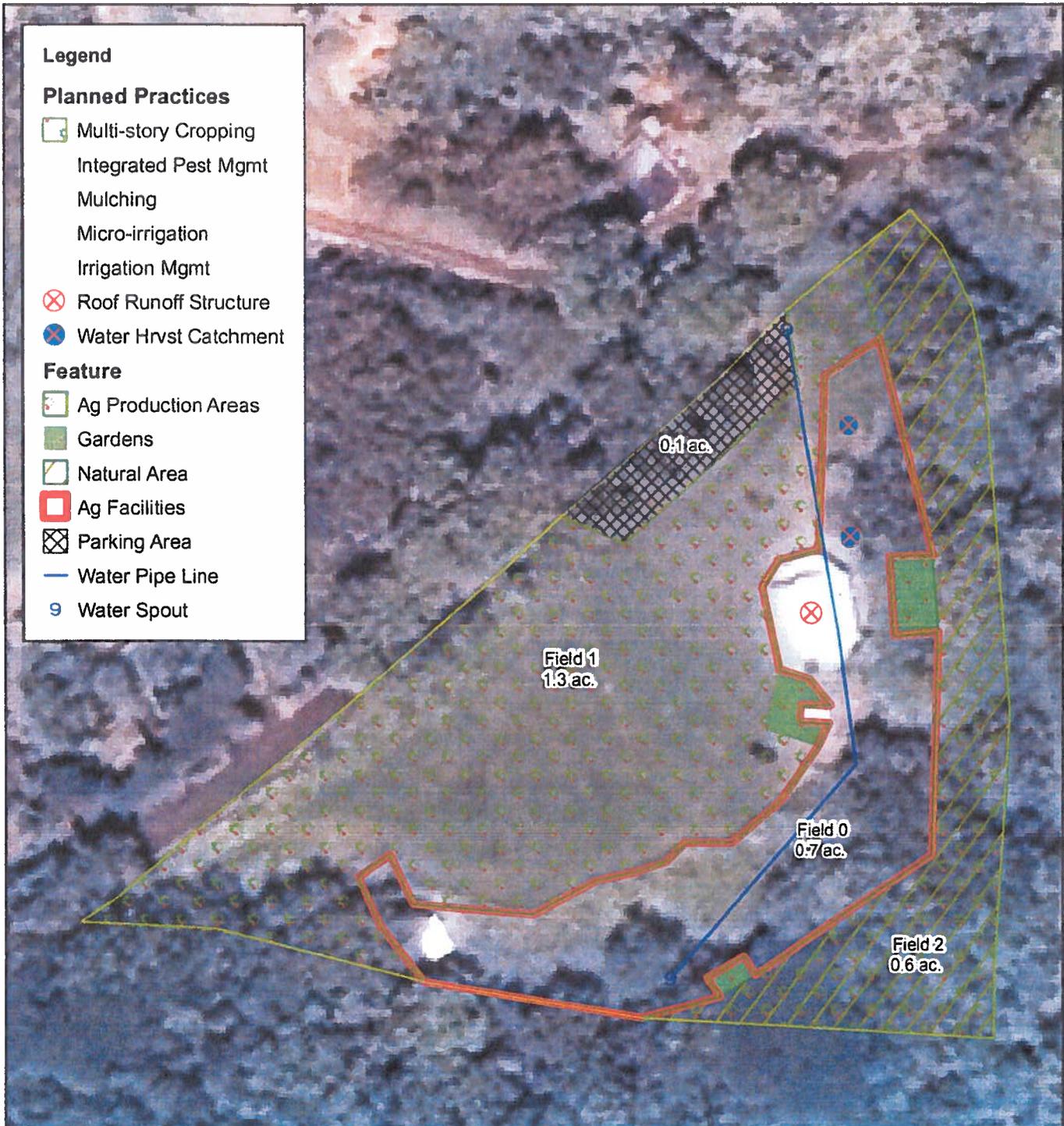
Hana, Hazwai‘i 96713

# KALENA TRIANGLE CONSERVATION MAP

Date: 3/5/2012

Customer(s): KIPAHULU OHANA INC  
District: HANA SOIL & WATER CONSERVATION DISTRICT  
Approximate Acres: 2.3  
TMK: (2)1-6-009-001

Field Office: KAHULUI SERVICE CENTER  
Agency: HACD  
Assisted By: Kira Nims  
State and County: HI, MAUI



# 9 ACRE CONSERVATION MAP

Date: 3/5/2012

Customer(s): KIPAHULU OHANA INC  
District: HANA SOIL & WATER CONSERVATION DISTRICT  
Approximate Acres: 8.8  
TMK: (2)1-6-009-011

Field Office: KAHULUI SERVICE CENTER  
Agency: HACD  
Assisted By: Kira Nims  
State and County: HI, MAUI

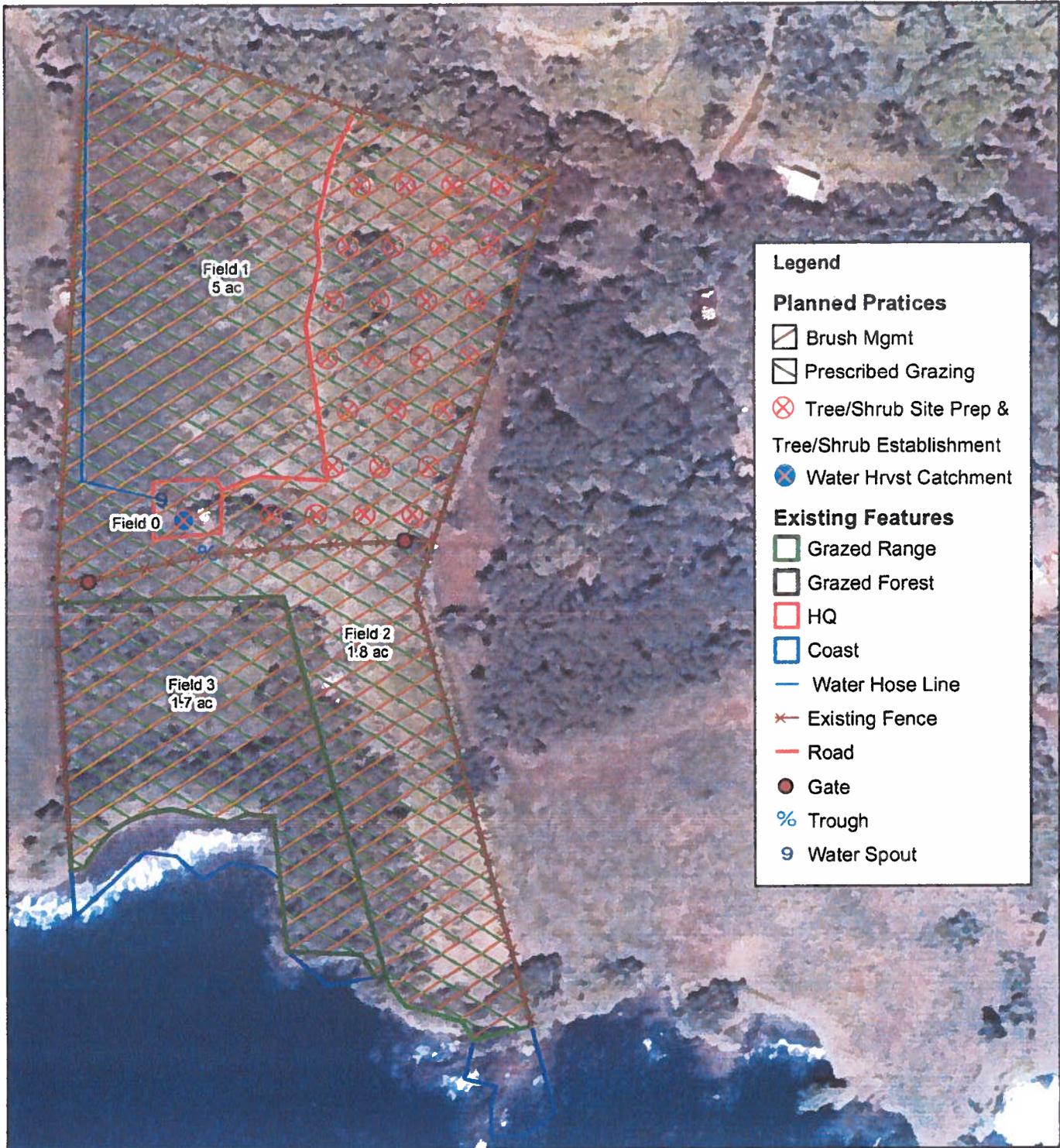


EXHIBIT "D"





EXHIBIT "2"



KĪPAHULU 'OHANA

## Kīpahulu 'Ohana

PO Box 454, Hana, HI 96713  
www.kipahulu.org • 808-248-8673

October 12, 2007

Daniel Ornellas  
Department of Land and Natural Resources  
Land Division, Maui District  
54 South High Street, Rm 101  
Wailuku HI 96793-2198

Aloha Daniel,

Enclosed please find the following supporting documents for our nonprofit lease application:

- Updated maps of the three parcels
- Tax clearance certificate
- A copy of our Cooperative Agreement with Haleakala National Park (note that we first entered into a Cooperative Agreement with the park in 1995, and this is the most recently revised version of the agreement)
- A National Park Service Conservation Study Institute publication entitled *Stewardship Begins with People: An Atlas of Places, People, and Handmade Products*. The Kīpahulu 'Ohana is featured on pages 26-27 (as well as in the photo collage on the cover).
- 2005 HTA "Keep It Hawaii Recognition Awards press release
- The rack card for our cultural interpretive tour
- Relevant newspaper and magazine clippings

Mahalo,

Scott Crawford  
Executive Director

EXHIBIT "E"

Council Chair  
Danny A. Mateo

Vice-Chair  
Joseph Pontanilla

Council Members  
Gladys C. Baisa  
Robert Carroll  
Elle Cochran  
Donald G. Couch, Jr.  
G. Riki Hokama  
Michael P. Victorino  
Mike White



Director of Council Services  
Ken Fukuoka

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.maui-county.gov/council](http://www.maui-county.gov/council)

2012 FEB -2 PM 1:44

January 30, 2012

Mr. Jerry Edlao  
Board of Land and Natural Resources  
P.O. Box 621  
Honolulu, HI 96809

Dear :Mr. Edlao and Members of the Board

**SUBJECT: LETTER OF SUPPORT FOR THE KIPAHULU `OHANA  
TO ASSUME THE LEASE TMK 1-6-009:001 AND TMK 1-6-  
009:011**

As a Maui County Council member, entrusted by the voters with the best interest of the Hana District, I am writing to express my support for the Kipahulu `Ohana, Inc. to be awarded a lease at a favorable rate for the above-mentioned parcels. The parcel located at TMK 1-6-009:001, also known at the 'Triangle', is home to the Kipahulu certified kitchen project. As an elected official, I have fully supported this endeavor, including working with our Office of Economic Development to ensure steady funding over the years.

The Kipahulu Kitchen produces uniquely Hawaiian products including prepared traditional foods benefiting both local and visitor populations, it also allows resident farmers to perform value added processing of various farm products. The Kipahulu `Ohana distribution of poi from our the kitchen to local events has been extremely valuable over many years in perpetuating Hawaiian culture as well as providing the otherwise difficult to obtain health benefits of fresh local taro. During the period following the October 2006 earthquake, when roads into Kipahulu were closed, this facility served a critical function as the Civil Defence/FEMA center of operations and supply resource hub. An employee of the county was stationed at the facility for an extended period of time, fully cooperating with our organization.

Recently, Department of Health enforcement activity has affected many of the value added farm stands and food vendors in East Maui. In September of 2011, I attended a meeting with State Department of Health employees Dr Lorrin Pang and Patty Kitkowski to discuss vendor operations in remote areas, it became clear that our Kipahulu certified kitchen is a crucial factor in assisting vendors with meeting DOH regulations and standards. It has always been a part of our mission to create and sustain economic growth in East Maui.

**EXHIBIT " E "**

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The other parcel located at TMK 1-6-009:011, also known as the '9 acres', is also being actively managed by the Kipahulu `Ohana. They have been relocating feral cattle that are captured from forest areas, and recently installed fencing to paddock the property and allow cultivation of orchard trees along with the livestock. The property was also used last year as the staging site for an abandoned vehicle removal program through the county, with the cooperation of the Kipahulu `Ohana.

It is clear that the Kipahulu `Ohana's management of these parcels has and will continue to provide important services that East Maui desperately needs. Therefore, I offer my strong endorsement for the Kipahulu `Ohana to receive a new lease on favorable terms for these parcels. If you have any questions, please contact me at (808) 270-7246 or email at [Robert.carroll@mauicounty.us](mailto:Robert.carroll@mauicounty.us).

Sincerely,



ROBERT CARROLL  
Council Member, East Maui

RC.mhh.12.1.30

cc: Kipahulu `Ohana  
Daniel Ornellas, DNLR

**EXHIBIT "E"**