

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

January 8, 2016

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

PSF: 15HD-132
HAWAII

Consent to Assign General Lease No. S-6029, Connections New Century Public Charter School, Assignor, to Connections New Century Public Charter School and Community Based Education Support Services – Friends Of Connections, Assignees, Kaumana and Kukuau 2nd, South Hilo, Hawaii, Tax Map Key: (3) 2-5-006:141.

APPLICANT:

Connections New Century Public Charter School (Connections PCS), as Assignor, to Connections PCS and Community Based Education Support System – Friends Of Connections (CBESS-FOC), a Hawaii nonprofit organization, as Assignees.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kaumana and Kukuau 2nd situated at South Hilo, Hawaii, identified by Tax Map Key: (3) 2-5-006-141, as shown on the attached map labeled Exhibit A.

AREA:

72.34 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:

School purposes.

TERM OF LEASE:

65 years, commencing on February 1, 2013 and expiring on January 31, 2078. The first rental reopening is scheduled for February 1, 2023.

ANNUAL RENTAL:

\$480.00 per annum.

CONSIDERATION:

None

RECOMMENDED PREMIUM:

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

DCCA VERIFICATION:

ASSIGNOR:

Not applicable as Assignor is a nonprofit public charter school.

ASSIGNEE:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Good standing confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

BACKGROUND:

Connections New Century Public Charter School (Connections PCS) was established in February 2000 as a Hawaii Public Charter School via Hawaii State Legislation, and is part of the State's public school system. They operate through a Governing Board with an alternative framework with regards to curriculum, facilities management, instructional approach, length of school periods, and personnel management.

Community Based Education Support Services – Friends Of Connections (CBESS-FOC) was established in January 2001 as a non-profit corporation to provide fiscal support to Connections PCS and to operate exclusively for charitable, scientific, literary, religious, or educational purposes.

Connections PCS opened in August 2000, with 184 students in grades K-6. By August 2001, the school has expanded to a K-12 program with a total of 360 students. The expansion is further illustrated by an enrollment waiting list and is also evident with a broad-based community representation in the operation of the school. Connections PCS's faculty has been recognized for their innovative work, which has resulted in the school being designated as a "Demonstration Site" for University of Hawaii at Manoa Curriculum Research and Development Group. This designation has resulted in Connections PCS becoming a major clearinghouse for emerging curriculum, as well as a center for teacher development. Due to this expansion, along with the desire to consolidate elementary, intermediate, and high school on a single campus property for cost saving and better management reasons, plus the potential addition of a small dormitory facility, a sustainable agriculture program and a pre-kindergarten program, amongst other opportunities for growth and development, Connections PCS and CBESS-FOC sought out the subject State property.

REMARKS

At its meeting of January 13, 2011, under agenda item D-4, the BLNR authorized the issuance of a direct lease to the Connections New Century Public Charter School, covering the subject area. The lease was issued approximately two years later, with a commencement date of February 1, 2013. In the period between the Board approval of the lease and the actual commencement date, Connections PCS was cited for unauthorized grubbing and installation of a fence on the future lease lands in 2012.

On October 26, 2012, under agenda item D-2, the BLNR approved, as amended, an enforcement action on violations of the Hawaii Administrative Rules (HAR), Unencumbered Public Lands, Sections 13-221-23 and 13-228-28, regarding Connections PCS's activities on the subject State land. The bulldozing of trees and shrubs and construction of the hog-wire fence around the perimeter of the lower portion of the subject parcel constituted the violation for HAR 13-221-23, and the removal of Ohia timber at the subject location was a violation of HAR 13-228-28. For both violations, the BLNR imposed a fine of \$500.00 plus the assessment of administrative costs in the amount of \$540.00, pursuant to HRS § 171-6. Connections PCS paid the fine as of February 4, 2013, a payment in the amount of \$500.00 was logged on SLIM's Tenant Ledger for GL S-6029 for a "Land Violation Fine," curing the above mentioned violations. On December 2, 2015, Hawaii District Land Office (HDLO) received a check in the amount of \$540.00 for the administrative fee owed for administrative costs incurred by investigation and enforcement actions regarding violations mentioned above.

Currently, Connections PCS's elementary and middle school campus are located in the Kress Building on Kamehameha Ave. in downtown Hilo. The Kress Building is owned by the school's affiliated non-profit organization and financial backbone, CBESS-FOC, and is being rented by Connections PCS. The high school campus is presently located in

leased facilities at the Nani Mau Gardens, just south of Hilo town. CBESS-FOC's office is also currently located in the Kress Building and has no plans to relocate to the State lease premises.

According to the Department of Commerce and Consumer Affairs (DCCA) business registration website, CBESS-FOC's purpose includes fiscal support for Connections PCS, and to operate exclusively for charitable, scientific, religious, or educational purposes. Connections PCS is financially dependent on CBESS-FOC, which is specifically intended for the expansion and growth of school/educational operations. CBESS-FOC also provides crucial management support for the school. As a result of their close association, Connections PCS is requesting that CBESS-FOC be added as co-lessee to General Lease No. S-6029 through an assignment of lease from Connections PCS, as Assignor, to Connections PCS and CBESS-FOC, as Assignees. As noted above, the character of use provision of the lease is limited to school purposes. Connections PCS and CBESS-FOC both understand that the Board's consent to the assignment of the lease to the two parties does not expand the character of use restriction under the lease in any way, e.g., the only use of the lease premises allowed will continue to be "school purposes".

Connections PCS and CBESS-FOC are currently waiting for approval of applicable permits from the County of Hawaii prior to beginning any further development.

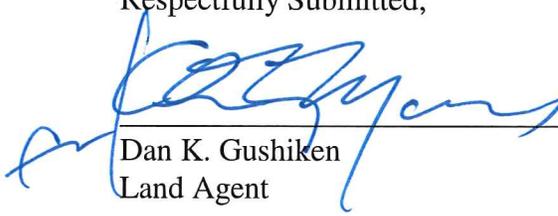
Applicant is currently compliant with all terms & conditions of the subject lease and has not had a lease, permit, easement or other disposition terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION:

That the Board consent to the assignment of General Lease No. S-6029 from Connections New Century Public Charter School, as Assignor, to Connections New Century Public Charter School and Community Based Education Support Services – Friends Of Connections, as Assignees, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Dan K. Gushiken
Land Agent

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson

Zoom County Zoom to Box Zoom In Zoom Out Panby Hand Get Info Zoom To Parcel Center On Parcel Measure Area Tool Print Page Additional Options

EXHIBIT B





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Owner and Parcel Information

Owner Name	STATE OF HAWAII Fee Owner CONNECTIONS NEW CENT PUBLIC CHARTER SCH Lessee	Today's Date	August 25, 2015
Mailing Address	174 KAMEHAMEHA AVE HILO, HI 96720-2865	Parcel Number	250061410000
Location Address		Project Name	
Property Class	AGRICULTURAL	Parcel Map	Show Parcel Map Plat (TMK) Maps
Neighborhood Code	2562-5	Land Area (acres)	72.34
Legal Information		Land Area (approximate sq ft)	3,151,130

Assessment Information [Show Historical Assessments](#)

Year	Property Class	Market Land Value	Dedicated Use Value	Land Exemption	Net Taxable Land Value	Market Building Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Taxable Value
2015	AGRICULTURAL	\$ 486,700	\$ 0	\$ 0	\$ 486,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 486,700

Appeal Information

No appeal information on parcel.

Land Information

Property Class	Square Footage	Acreage	Agricultural Usage
AGRICULTURAL	3,151,130	72.34	

Improvement Information

No Improvement Information available for this parcel.

Other Building and Yard Improvements

Description	Quantity	Year Built	Area	Gross Building Value
No information associated with this parcel.				

Permit Information

Date	Permit Number	Reason	Permit Amount
No permit information associated with this parcel.			

Dept of Public Works Bldg Division Permit and Inspections Information

Permit Date	Permit Type	Permit Number	Permit Reason	Permit Description	Estimated Cost	Inspection Date	Inspection Status
04/11/2003	Electrical	<u>E030583*</u>	Alteration		\$17,000		
06/06/1989	Electrical	<u>E890954*</u>	New		\$350	06/09/1989	COMPLETED

As a courtesy to the public, we provide building permit data as supplied by the Department of Public Works. As such, no warranties, expressed or implied, are provided for the data herein, its use or its interpretation, and accuracy.

Sales Information

Sale Date	Sale Amount	Instrument #	Instrument Type	Instrument Description	Date of Recording	Land Court Document Number	Cert #	Book/Page	Conveyance Tax	Document Type
12/03/2013	\$ 0		LEASE	Route Slip	12/03/2013					Route Slip
02/20/2002	\$ 0		OTHER	Mapping Change						Mapping Change
03/01/2001	\$ 0			Mapping Change						Mapping Change
06/07/2000	\$ 0	0000000000		Grant of easement						Grant of easement
06/07/2000	\$ 0	0000000000		Grant of easement						Grant of easement
03/04/1989	\$ 0	0000000000	LEASE							easement

Current Tax Bill Information [2015 Tax Payments](#) [Show Historical Taxes](#)

Tax Period	Description	Original Due Date	Taxes Assessment	Tax Credits	Net Tax	Penalty	Interest	Other	Amount Due
No Tax Information available on this parcel.									\$ 0.00



EXHIBIT D

STATE OF HAWAII STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: COMMUNITY BASED EDUCATION SUPPORT SERVICES - FRIENDS OF* CONNECTIONS

DBA/Trade Name: COMMUNITY BASED EDUCATION SUPPORT SERVICES - FRIENDS OF* CONNECTIONS

Issue Date: 05/28/2015

Status: Compliant

Hawaii Tax#:

FEIN/SSN#:

UI#: No record

DCCA FILE#: 122312

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement