

JOHN WAIHEE  
GOVERNOR OF HAWAII



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
P. O. BOX 621  
HONOLULU, HAWAII 96809

February 23, 1994

Keith W. Ahue  
Chairperson  
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STATE PARKS  
WATER AND LAND DEVELOPMENT

FEB 24 AM 11:30

Ref. LM-GYT

Mr. Brian Choy, Director  
Office of Environmental Quality Control  
220 S. King Street, 4th Floor  
Honolulu, HI 96813

Dear Mr. Choy:

Subject: Direct Grant of Easement "A" to the County of Hawai'i at Keahuolu,  
North Kona, Hawai'i - Tax Map Key:3rd/7-5-05:07 (por.)

In accordance with the requirements of Chapter 343, Hawai'i Revised Statutes, and Chapter 200 of Title 11, Administrative Rules, a Final Environmental Assessment has been prepared for the subject project.

Notice of availability of the Draft Environmental Assessment for the project was published in the January 8, 1994 OEQC Bulletin. One (1) letter was received and responded to. The comment and response letters have been attached to the Final Environmental Assessment.

As the proposing agency, we are forwarding herewith, one copy of the OEQC Bulletin Publication form, and four copies of the Final Environmental Assessment. We have determined that there will be no significant impacts as a result of the project and, therefore, are filing the Final Environmental Assessment to be published in the next scheduled OEQC Bulletin.

Very truly yours,

Handwritten signature of Keith W. Ahue in black ink.  
KEITH W. AHUE  
Chairperson

c: Hawai'i Land Board Member  
Land Management Administrator  
Hawai'i District Land Office

1994-03-08-HI-FEA-Kuakini Highway  
Easement "A"

MAR - 8 1994

FINAL  
ENVIRONMENTAL ASSESSMENT FOR  
EASEMENT "A" FOR KUAKINI HIGHWAY  
KAILUA-KONA, HAWAII  
TMK: 7-5-05:07 (portion)

1. Applicant/Proposing Agency: Department of Public Works, County of Hawaii
2. Approving Agency: Department of Land and Natural Resources, State of Hawaii
3. Agencies Consulted

State of Hawaii:

Land Management Division, Department of Land and Natural Resources  
State Parks Division, Department of Land and Natural Resources

County of Hawaii:

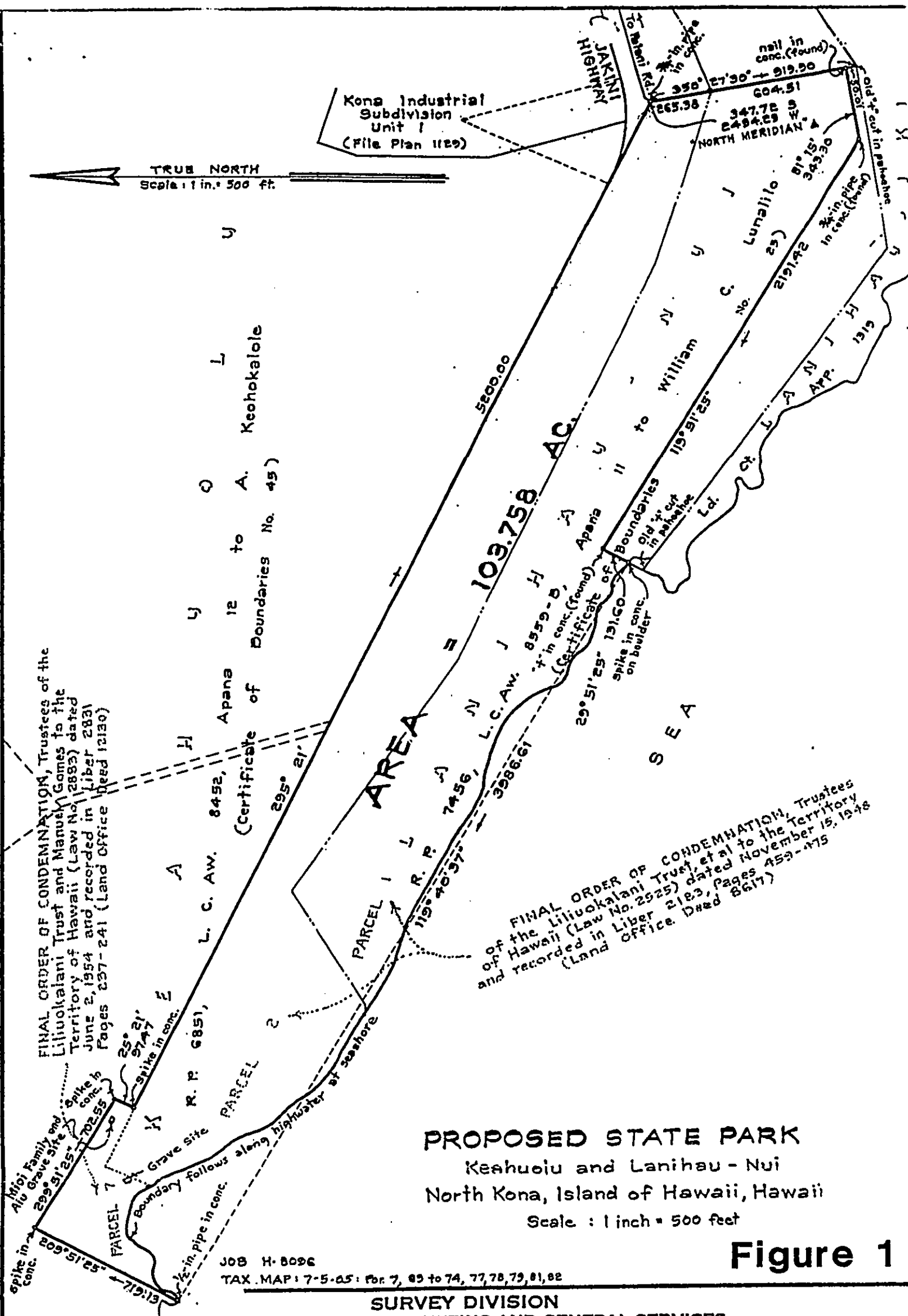
Department of Parks and Recreation  
Planning Department

4. Proposed Action

- 4.1 Background

In 1948, the Territory of Hawaii acquired from Liliuokalani Trust by Order of Condemnation a 103.758-acre parcel of land on which the Kona Airport was built. With the opening of the new airport at Keahole, the State Parks Division of the Department of Land and Natural Resources (DLNR) was granted a General Lease for the site—known as Old Kona Airport—for park use (Figure 1). Concurrently, the County of Hawaii was also granted a ten-year General Lease which established a 14.082-acre County park within the Old Kona Airport site (Figure 2).

The metes and bounds document for the lease to the County included reference to "Easement A" for access and utility purposes, consisting of a 2.712-acre parcel abutting the northern boundary of the County park. Easement A permitted the County access to the 14-acre park site via Kuakini Highway. At the time, there was considerable discussion about the proposed Kealakehe regional sports facility, and the County believed that the demand for the proposed park might shift to the sports facility if it were eventually constructed. Hence, the General Lease was limited to ten years.



FINAL ORDER OF CONDEMNATION, Trustees of the Liliuokalani Trust and Manuella Gomes to the Territory of Hawaii (Law No. 2893) dated June 2, 1954 and recorded in Liber 2831 Pages 237-241 (Land Office Deed 12130)

FINAL ORDER OF CONDEMNATION, Trustees of the Liliuokalani Trust, et al to the Territory of Hawaii (Law No. 2925) dated November 15, 1948 and recorded in Liber 2123, Pages 459-475 (Land Office Deed 8617)

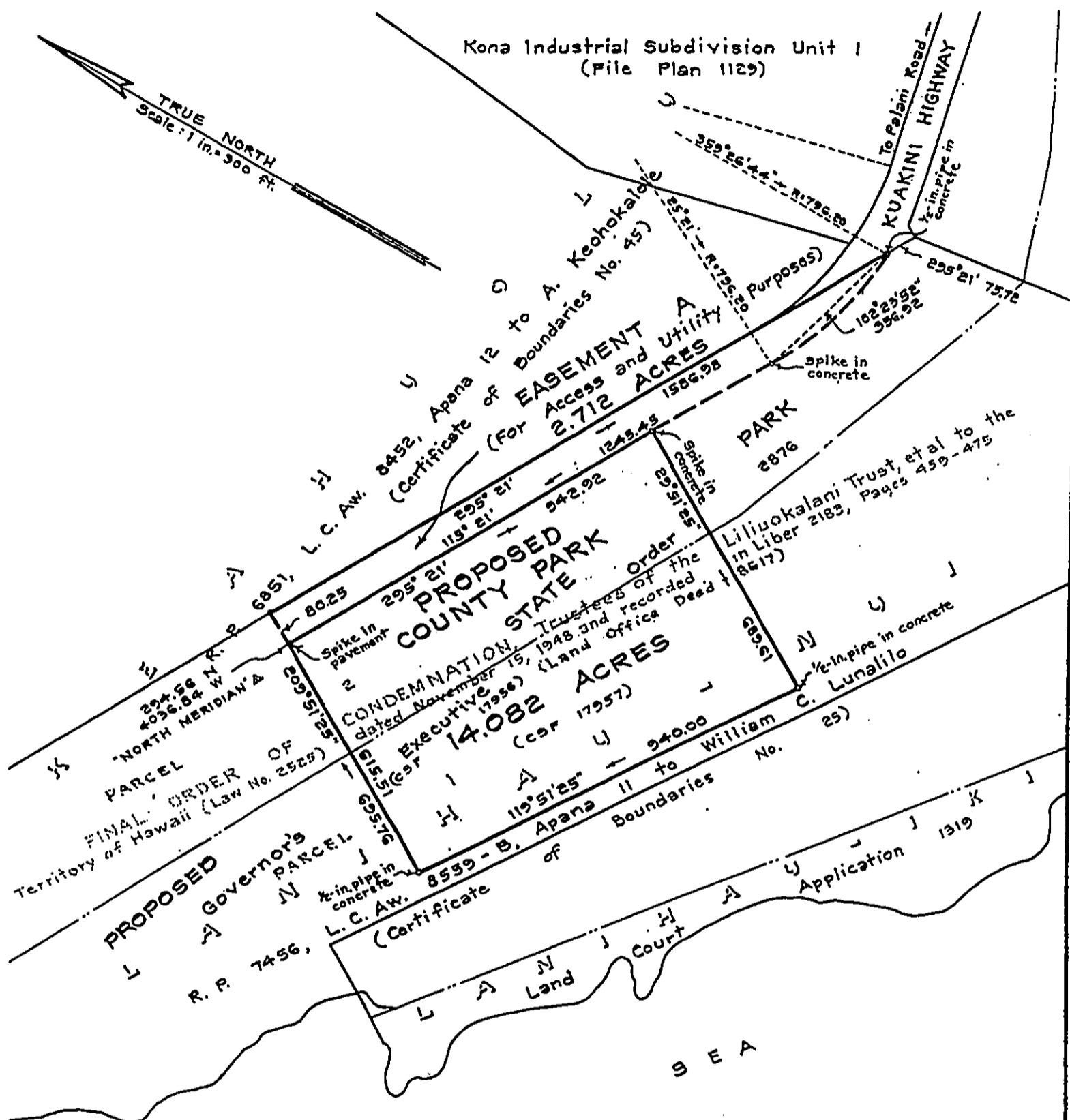
**PROPOSED STATE PARK**  
 Keahuouiu and Lanihau - Nui  
 North Kona, Island of Hawaii, Hawaii

Scale : 1 inch = 500 feet

JOB H-8096  
 TAX MAP: 7-5-05: Feb. 7, 83 to 74, 77, 78, 79, 81, 82

**SURVEY DIVISION**  
 DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
**STATE OF HAWAII**

**Figure 1**



**PROPOSED COUNTY PARK**  
 Keahuolu and Lanihau-Nui, North Kona, Island of Hawaii, Hawaii  
 Scale : 1 inch = 300 feet

**Figure 2**

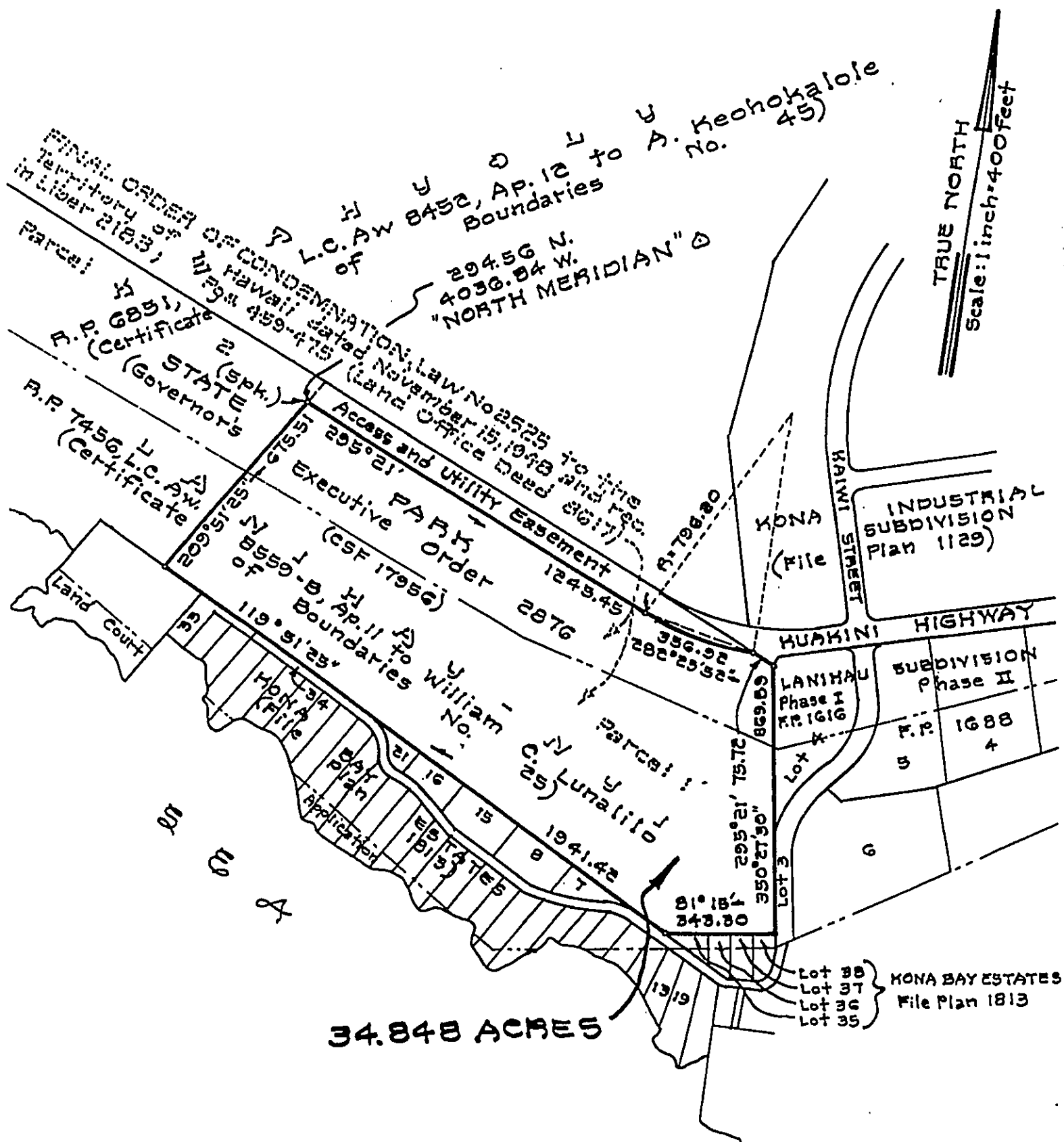
JOB H-8096  
 C. BK

TAX MAP: 7-5-05: 70, 71, 78, Par. 7

SURVEY DIVISION  
 DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
**STATE OF HAWAII**

C. S. F. No. 17,957

I.S. Oct. 6, 1977



**COUNTY PARK SITE**  
 Keahuolu and Lanihau-Nui, North Kona, Island of Hawaii, Hawaii  
 Scale: 1 inch = 400 feet

**Figure 3**

JOB H-101 (87)  
 C.BK T (MSN)

SURVEY DIVISION  
 DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
 STATE OF HAWAII

BS.N. May 5 1987

C.S.F. No. 20551

TAX MAP: T-5-05:83 + Part

In 1986, one year before termination of the County park lease, it was evident that the regional sports facility was not going to materialize. The County asked DLNR if the lease could be extended and a second lease granted for a 21-acre area adjoining the County park. DLNR declined and suggested instead that the existing General Lease be allowed to expire so that it could be replaced with a new lease for a larger 35-acre area (the existing 14-acre parcel plus the requested 21-acre parcel, as shown in Figure 3).

DLNR granted the County a 40-year General Lease for the expanded 35-acre site on May 5, 1987. However, the metes and bounds instrument of the new lease did not include reference to Easement A. This does not appear to have been an oversight. Rather, because of the shape of the expanded park area, it now directly abutted the existing stub of Kuakini Highway, thereby allowing direct access without the need for Easement A. Thus, as of that date, it appears that Easement A was cancelled and reverted back to the State.

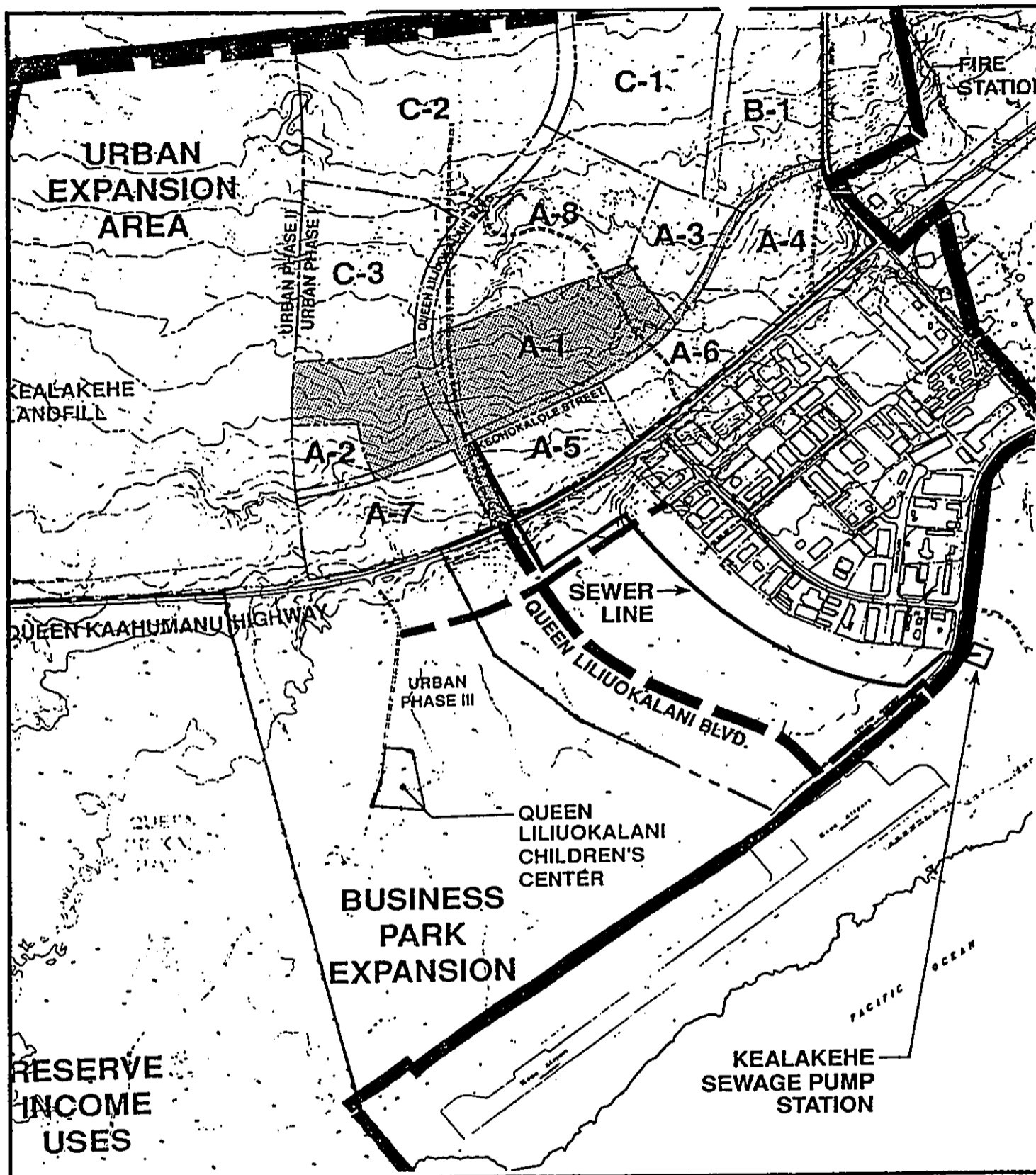
#### **4.2 Description of the Action**

It is proposed that the Department of Land and Natural Resources issue a lease to the County of Hawaii for Easement A, for access and utility purposes.

#### **4.3 Purpose and Need**

Easement A is needed to allow for the construction of improvements by Liliuokalani Trust as required by conditions set forth in County of Hawaii Ordinance No. 9366, enacted on June 22, 1993, which approved the rezoning of 315 acres of the Trust's Keahuolu lands located mauka of the Queen Kaahumanu Highway. Condition H of the Ordinance requires the extension of the new Queen Liliuokalani Boulevard between Queen Kaahumanu Highway and Kuakini Highway.

Queen Liliuokalani Boulevard will be constructed on Trust property through an area known as the Kona Industrial Subdivision (KIS) expansion area (see Figure 4). The connection to Kuakini Highway (a County roadway) will be through Easement A, currently under the State's jurisdiction. Furthermore, the Trust will be constructing a sewer line from its mauka development, through the KIS expansion area, to the existing Kealakehe pump station (see Figure 4). This sewer line will also cross through Easement A. Eventually, both Queen Liliuokalani Boulevard and the sewer improvements will be dedicated to the County.



0 500 1000  
SCALE IN FEET

Figure 4  
Liliuokalani Trust  
Keahuolu Lands  
Belt Collins Hawaii

5. **Alternatives to the Proposed Action**

There are no feasible or practical alternatives to the proposed action. To facilitate the Liliuokalani Trust project, as required by County ordinance, the County needs to obtain an easement from the State over the subject area.

6. **Existing Conditions**

The 2.712-acre parcel referred to as Easement A is the site of a roadway connection between Kuakini Highway and the County portion of Old Kona Airport Park. The parcel is paved and located in an urbanized, developed area. Surrounding land uses are park/recreation and light industrial/commercial. Easement A is zoned Limited Industrial (ML-20) by the County.

There are no significant flora, fauna, or significant habitats on the site, nor are there any historical, archaeological, or cultural sites. Nearby natural resources include the beach and ocean fronting the park. No sensitive habitats are located adjacent to the site.

7. **Potential Impacts**

No significant impacts will be associated with the proposed action. The area was previously a County easement for access and utility purposes, and the action will simply reinstate that easement. The action is consistent with County land use plans and policies, since it would facilitate development of roadway improvements required by County ordinance.

8. **Proposed Mitigation Measures**

None are required.

9. **Determination**

The proposed action will not have any significant impacts on the environment. No short- or long-term impacts are expected, nor will there be any cumulative impacts. Therefore, it is determined that an environmental impact statement is not required.



District of North Kona  
Post Office Box 4551  
Kailua-Kona, Hawaii 96745

RECEIVED  
DIVISION OF  
LAND MANAGEMENT  
KA LAHUI HAWAII  
Moku o Hawaii  
JAN 28 2 01 PM '94

District of South Kona  
Post Office Box 601  
Hunuaui, Hawaii 96720

Mr. Glenn Toguchi  
Department of Land and Natural Resources  
P.O. Box 936  
Hilo, Hawaii 96720

Jan. 26, 1994

Dear Mr. Toguchi:

I would like to thank you once again for taking your time to speak with me over the phone last Friday, and for sharing your views with regards to my concerns on the sale, lease or exchange of ceded lands. As you recall we discussed in particular three pending actions listed in the January 8, 1994 OEQC bulletin. They are 1) Lease of ceded lands to HCEOC, 2) Lease of land which may be ceded lands for easement to Hawaii county and 3) Exchange of ceded lands in Piihonua for private lands in Kehena. The merits of the proposed actions are obvious however in my opinion they may not necessarily meet all the criteria for the disposition of ceded lands as stated in the state constitution. The desire of the DLNR to act in behalf of the "public good" is without question but in examining each of the proposals on their individual merits I would like to offer the following comments and would greatly appreciate your thoughts and guidance on how certain determinations are made within the scope of the DLNR's policies and procedures.

TMK 2-3-32:04

The subject property is 5.28 acres or thereabouts and was formerly planted in cane. The applicant is the HCEOC, a private non-profit Community Action Agency. The proposal for development calls for a fairly large construction project of buildings, parking lots, motorpool etc. It appears that the HCEOC is prepared to invest a sizable amount of capital. In a situation where improvements to the property are made does the lease rent reflect the fair market value as improved property or as cane land? If as a business HCEOC should fail, what mechanisms are employed to safeguard the public's interest from investment loss. I suppose I have a view that if the property is leased to the applicant then a reasonable profit should be expected by the lessor. This is a business risk that a lessor undertakes in binding the property under contract and therefore a profit is justified. Should the lessee default that would constitute a loss to the lessor and in this case to the beneficiaries.

I would also appreciate understanding how the DLNR determines how long leases should run and how that policy would apply to this applicant.

TMK 7-5-05:07

It is unclear as to whether the subject property is ceded lands or

*in Mo*

not. I assume this will be determined prior to the granting of easement. Again the merits of granting the easement are obvious. My question would be more on procedure. I have observed construction already underway on the Queen Liliuokalani development which would seem inappropriate if the easement has not yet been granted. In a situation such as this how is the value of the easement determined. The trust is investing to make profit, as above is this value reflected in the grant of easement.

TMK 2-3-27:4

The site of the Wedeman property contains important archeological sites and thus is of historical significance. As such there are laws already in existence which protect those sites from destruction. It would appear that the development of the property would be very difficult if not inappropriate. It would be preferable if the DLNR were to purchase the site and designate it for preservation but lacking the funds to do so they are proposing a trade or exchange. I can see the logic to that approach but here again how do we value the exchange. The Wedeman property has a current net worth i.e. fair market value. They will be given a parcel of equal value in exchange. The new parcel however has much higher potential for development and should the Wedemans decide to develop the Pihonua site, does the DLNR receive a fair share of the profits?

In our conversation we discussed the issue of "public good". This is impossible to measure and difficult to audit. In the three cases above I definitely see three individuals or entities benefitting in measurable terms, all three will profit. How will the public or more specifically the native Hawaiians benefit? What guidelines are used?

I greatly appreciate your assistance in helping me to understand the DLNR's policies and procedures with regard to the disposition of the ceded lands.

Sincerely,

*Charles Young*  
Charles Young

15.

I would also ask that you reconsider putting on your mailing list when you notify other interested parties on pending proposals.

*Mahalo*

# BCA

BELT COLLINS  
& ASSOCIATES

Engineering • Planning  
Landscape Architecture

680 Ala Moana Boulevard, First Floor, Honolulu, Hawaii 96813-5406

Phone: (808) 521-5361, Fax: (808) 538-7819  
Hawaii • Singapore • Australia • Hong Kong • Thailand • Saipan

February 10, 1994  
94P-78/345.04

Mr. Charles Young  
Ka Lahui Hawai'i  
P. O. Box 4551  
Kailua-Kona, Hawaii 96745

Dear Mr. Young:

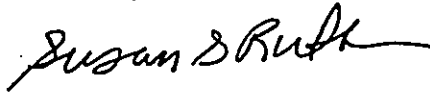
**Reinstatement of Easement "A" to the County of Hawaii  
TMK: 7-5-05:07 (por)**

Glenn Taguchi, Hawaii District Land Agent, forwarded a copy of your letter dated January 26, 1994. As a consultant to Liliuokalani Trust, we are responding to the second item in your letter regarding the reinstatement of Easement "A" to the County of Hawaii.

In response to your question, the subject property is not ceded lands but is land that was formerly owned by Queen Liliuokalani. It was part of a larger parcel acquired by the Territory of Hawaii via Final Order of Condemnation, dated November 15, 1948, from the Trustees of Liliuokalani Trust. The Trust was paid in cash for this land.

For your information, the construction you are observing at the site is for the commercial development mauka of the Queen Ka'ahumanu Highway. The proposed work in Easement "A" is a separate construction package and has not begun.

Sincerely,



Susan S. Rutka

cc: Glenn Taguchi, DLNR Land Management Div.  
Galen Kuba, County Public Works Dept.  
Wesley Park, FHB/QLT