

MINUTES OF THE MEETING OF THE
BOARD OF LAND AND NATURAL RESOURCES

DATE: August 22, 1980

TIME: 9:00 A. M.

PLACE: DLNR Board Room

Kalanimoku Building

1151 Punchbowl Street

Honolulu, Hawaii

ROLL
CALL

Chairman Susumu Ono called the meeting of the Board of Land and Natural Resources to order at 9:05 A. M. The following were in attendance:

MEMBERS

Mr. Moses W. Kealoha
Mr. Takeo Yamamoto
Mr. Stanley Hong
Mr. Roland Higashi
Mr. Thomas Yagi
Mr. Susumu Ono

STAFF

Mr. Charles Neumann
Mr. Roger Evans
Mr. Henry Sakuda
Mr. Libert Landgraf
Mr. Robert T. Chuck
Mr. James Yamashiro
Mr. William Gorst
Mr. James Detor
Mr. Mike Shimabukuro
Mrs. Joan K. Moriyama

OTHERS

Mr. Edwin P. Watson, Jr.
Mr. David C. Matteson and
Mr. David W. Rae (Item H-11)
Mr. George Yim (Item D-3)
Mr. William Yuen (Item F-16)
Mr. Ernest Shima (Item F-19)
Mr. Danny Graham (Item H-10)
Ms. Terri Strehl (Item H-6)
Mr. Peter Garcia

Added
Items

The board unanimously voted to include the following items to the board agenda, on Mr. Kealoha's motion and seconded by Mr. Higashi:

Water & Land Development

Item D-11 -- Appointment of Directors for Kau Soil and Water Conservation District

Land Management

Item F-1-v -- (TRANSFER) - ANTONIA FUJIMOTO to ROBERT RIKIO FUJIMOTO and ANTONIA FUJIMOTO, FIRST HAWAIIAN BANK and NOBORU MURAOKA - Lot 18, Hanapepe Heights House Lots, Unit 2, Hanapepe, Waimea, Kauai

Item F-1-w -- (COLLATERAL AGREEMENT) - STATE OF HAWAII, ROBERT RIKIO FUJIMOTO and ANTONIA FUJIMOTO, FIRST HAWAIIAN BANK, and NOBORU MURAOKA - Lot 18, Hanapepe Heights House Lots, Unit 1, Hanapepe, Waimea, Kauai

Item F-60 -- Lease of Office Space for the Department of Labor and Industrial Relations, Hilo, Hawaii

Administration

Item H-12 -- Filling of Position No. 11447, Forester IV, Hawaii District

MINUTES

The minutes of June 27, July 21, and July 25, 1980 were unanimously approved as circulated. (Hong/Yamamoto)

ITEM G-1

FILLING OF CLERK II, POSITION NO. 159

ACTION

Mr. Kealoha moved to approve the appointment of Sally Blackiston to Position No. 159, Clerk II. Mr. Higashi seconded and the motion was unanimously carried.

The chairman announced that the board agreed to deviate from its regular agenda and take up Item H-11 next to accommodate the many people who were in the audience.

ITEM H-11

REQUEST TO ESTABLISH POLICY AS IT RELATES TO PIER COMPLIANCE STATEWIDE IN THE CONSERVATION DISTRICT

The department, over the past few years, has received several complaints from residents in the Kaneohe Bay area concerning what they believed to be the unpermitted construction of piers in the conservation district. The department initiated an inventory and compliance check of all piers in a study section of Kaneohe Bay. A total of 176 cases were identified. The study investigated the extent and nature of noncompliance with state laws and regulation in regard to the permitting of piers in the state conservation district.

An inventory of piers was done, which documented all piers in the study area. Piers were identified by the land parcel with which they were associated. The unit of reference was the land parcel and by tax map key numbers. Each parcel in the study was assigned a case identification number.

The permit records of the U. S. Army Corps of Engineers; State Department of Transportation, Harbors Division; State Department of Land and Natural Resources, Planning Office and Division of Land Management, were investigated to assess the degree of compliance of piers inventoried.

Mr. Evans recommended that (1) the board consider as policy the eight general policy recommendation indicated in Exhibit 1, and the nine specific policy recommendations indicated in Exhibit 2; and (2) considering staff and financial constraints, the timeframe for the dissemination and implementation of this policy be delegated to the chairman by the Board of Land and Natural Resources.

Mr. David Matteson and Mr. David Rae, graduate students of the University of Hawaii, who were instrumental in formulating this policy and who participated in all phases of this study, were present and provided some of the methodology, the background and the kinds of policies that they came up with and their specific rationale.

Mr. Matteson reviewed briefly some of the major points that were made in the report. They inventoried all the areas in the study area, between Nuupia Pond to Kealohi Point. He pointed out that they did not know the degree or representativeness of this study area to the statewide situation. They did not investigate the regulations of other counties. They did not investigate any other section of the state.

The data were organized into nine general categories and were listed as follows:

1. Piers built after September 18, 1964; possesses approved CDUA and current revocable permit.
2. Piers built before September 18, 1964 and possesses a current revocable permit.
3. Piers built after 1964; possesses an approved CDUA, but no current revocable permit.
4. Piers built before 1964; possesses DOT and Corps of Engineers permits; no revocable permit.
5. Piers built after September 18, 1964; possesses DOT and Corps of Engineers permits, but no approved CDUA or current revocable permit.
6. No permits found. Has not responded to letter of inquiry.
7. No permits found; has responded to letter of inquiry.
8. Piers built on land under questionable jurisdiction and/or ownership.
9. Piers built on land adjacent to state land.

Mr. Higashi asked whether under Categories 8 and 9 the posts are still in the submerged land. Mr. Matteson said the posts are on conservation land-- conservation land being that land makai of the vegetation mark or the high-water mark.

In referring to Categories 6 and 7, where there are no permits and four agencies were contacted, Mr. Kealoha asked whether they were able to find any evidence with the county for permission to build. Mr. Matteson said they did investigate the building department records. However, they were extremely difficult to investigate as they are filed by permit numbers and not by tax map key numbers. They did not find any permits for piers as the county jurisdiction runs from highwater mark and mauka.

The general policy recommendations to the board were as follows:

1. That the board consider general policy for each of the nine categories.
2. Policy be made and applied statewide at this time and deal with exceptions on a case-by-case basis.
3. Honor DOT's private/public option. In computing back rent, suggested not penalizing if the owner had a public option.
4. Summarize laws and regulations for all shore waters residence.

5. Case exceptions are very few and recommended that those be dealt on a case-by-case basis.
6. Suggested that coordination be further studied between the federal and state agencies, including HPASS (Hawaii Permit Application Support System) for future permit procedures.
7. Suggested that before any actions are passed that those proposed actions be transmitted to the U. S. Corps of Engineers and DOT for consideration.
8. Where a determination of construction date is required, and in the absence of other data, a qualified person judge the approximate date of construction.

In going through the categories, Mr. Matteson further recommended that:

Category 1 - (In compliance)

Suggested that the owners be notified that they are in compliance and for those who participated in the study, send them a thank-you letter.

Category 2 - (In compliance)

Same recommendation as Category 1. The only difference between these two cases is the date of construction.

Category 3 - (In partial compliance)

Owner must apply for a permit. Have them apply for a permit within thirty days. Charge back rent from date of construction or date of purchase, whichever is more recent. This allows the present owner not to be penalized for noncompliance of the previous owner. Fine is required for damages to the state. Under Chapter 171, HRS, as amended, it is up to the discretion of the board whether that fine is to be levied and how much that fine will be.

Category 4 - (In partial compliance)

All that is required with respect to this is a revocable permit. Suggested that the owner be given thirty days from the time of notification to apply for a permit. Charge back rent from June 12, 1962, date of construction or the purchase date, whichever is most recent. Fine is suggested under Chapter 171, HRS, as amended.

Category 5 - (In partial compliance)

They should apply for a CDUA within thirty days from the time of notification. Suggest back rent be levied from the date of construction. Fine maybe levied against the land owner, again at the discretion of the board. Subsequent to approval of CDUA, the owner will be required to obtain a revocable permit.

Category 6 - (Not in compliance)

Determine a date of construction through declaration. If construction date is determined to be prior to Regulation 4, it would be treated similarly to Category 4. For those built on or after Regulation 4, it would be treated similarly to Category 5. Fine heavier because no demonstrated attempt to comply.

Category 7 - (Not in compliance)

The only difference between Categories 6 and 7 is the fact that citizens responded. Determine date of construction through declaration. Levy of fine should reflect the fact that there is no demonstrated attempt to comply.

Category 8 - (Removed from study)

Piers built on land under questionable jurisdiction or ownership. Refer to Planning Office for further investigation.

Category 9 - (Removed from study)

Hold in abeyance until Land Management and the Attorney General's Office decide on the disposition of these lands.

In implementing the policies that are adopted, Mr. Matteson suggested that:

- A. All affected citizens be notified by registered mail as to their status in the given category and the proposed disposition of those categories.
- B. Notification should also be sent in detailed steps as to what the citizens must do to bring their pier into compliance.
- C. Owner should be informed of permits required and permits he possesses as determined by this study.
- D. Notification should clearly state consequence of noncompliance and non-action.
- E. Chairman be directed to state the timeframe and the payments of how the rest of the policies should be implemented.

Mr. Kealoha said in instances where the original owner built a pier and sells his home, there is no evidence or decree of ownership of the pier. He said we may be penalizing an owner of a home for a pier which he does not own or which he may not want, and yet he may be required to maintain or be obligated to tear down that pier.

Mr. Hong commended the graduate students, and Mr. Kealoha stated that "this is a hell of a good study." The board felt this study will be very helpful to them in formulating the policies.

Mr. Ono informed the audience that this is not a public hearing and that this meeting will not be opened up for general discussion at this time. People who are affected by the study will be given an opportunity to respond to the specific points covered in the study when this is implemented. He said the department will be in contact with each of the owners of the adjacent lands.

ACTION

Mr. Kealoha moved to accept the categories and the findings as presented, and approved staff's recommendation, subject to such terms and conditions which the chairman may deem necessary with respect to the points that were addressed regarding people who purchased the property and had no choice in taking over the piers. Mr. Yagi seconded, and the motion was unanimously carried.

Deputy Attorney General Watson said because of a recent attorney general's opinion with respect to policies and guidelines, he want to clarify this and inform the board that this is a policy and guidelines and not rules.

On behalf of the board, Mr. Ono commended Mr. Evans, Mr. Matteson, Mr. Rae, and Mr. Tom Dinnel of the University of Hawaii for his allowing them to participate in this study. Mr. Matteson and Mr. Rae thanked the board for allowing them the opportunity to participate at this level.

REQUEST FOR APPROVAL TO ENTER INTO A CONTRACT WITH THE WESTERN PACIFIC FISHERY MANAGEMENT COUNCIL (WPFMC) AND WITH THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII FOR THE DIVISION OF FISH AND GAME'S PARTICIPATION IN WPFMC ACTIVITIES

ITEM B-1

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

FILLING OF POSITION NO. 07647, RESEARCH STATISTICIAN III IN THE DIVISION OF FISH AND GAME

ITEM B-2

ACTION Mr. Yagi moved, seconded by Mr. Kealoha, and the board unanimously approved the appointment of Mr. Kenneth Yoshida to Position No. 07647, Research Statistician III.

REASSIGNMENT OF RIGHT-OF-ENTRY

ITEM C-1

ACTION On Mr. Higashi's motion, which was seconded by Mr. Kealoha, the board voted unanimously to transfer the Right-of-Entry assignment from Diamond Head Papapa Company, Ltd., to S. L. Farm, Inc., with all the terms and conditions.

OAHU SUGAR COMPANY'S REQUEST FOR CHANGE IN WATER USE, PEARL HARBOR GROUND WATER CONTROL AREA

ITEM D-1

Mr. Chuck said Oahu Sugar Company is requesting change in water use which will not affect the ground water withdrawals of the Pearl Harbor Ground Water Control Area.

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

EXTENSION TO SUBMIT WATER USE PLAN, PEARL HARBOR GROUND WATER CONTROL AREA

ITEM D-2

The water users in the Pearl Harbor area are required to submit a water use plan by September 2, 1980. The Honolulu Board of Water Supply has been working very diligently on this and closely with the staff, and they have asked for an extension of time until October 6. Staff found this to be reasonable.

Mr. Chuck asked to modify the recommendation to include the extension of time to October 6 for all of the water users who are required to submit this plan to this board.

ACTION Unanimously approved as amended. (Higashi/Yamamoto)

RESUBMITTAL - CERTIFICATION OF WATER WITHDRAWAL AND USE FOR MILILANI WELL NO. 5, PEARL HARBOR GROUND WATER CONTROL AREA, OAHU

ITEM D-3

Mililani Well No. 5 was under construction on the effective date of designation. This matter was brought several times and has been deferred. Staff now had

a recommendation before the board which was a resubmittal of the previous submittal of April 11, 1980.

Mr. Chuck stated that subsequent to submitting their recommendation into the board folder, and working with Mililani Town Development, they have come up with the latest schedule and requirements of water. At this time Mr. Chuck passed out to the board a modified recommendation that staff had suggested, which was based on the fact that a new development schedule has been produced by Mililani Town.

Based on the latest Mililani Development schedule, staff recommended that the Board of Land and Natural Resources conditionally certify Mililani Well No. 5 for 0.325 mgd for its 1981 requirements and for 0.345 mgd for its 1982 requirements. These quantities will come from the Honolulu Board of Water Supply's in-district use allocation of water conditionally certified by the Board of Land and Natural Resources on April 11, 1980. After all water use plans are submitted and approved, consideration will be given to Mililani Well No. 5 for 1983 requirements of an additional 0.259 mgd to come from the Honolulu Board of Water Supply's in-district use allocation, if the analysis of the water use plans submitted shows that there is this quantity of water available for allocation. The above certifications are subject to the Board of Land and Natural Resources' conditions and applicable laws and rules and regulations.

Mr. Yagi asked whether this matter was discussed with Mr. Yim. Mr. Chuck said this was discussed with Mr. Yim. Mr. Yim was present at the meeting to acknowledge this.

Mr. Ono wanted to know whether the attorney general's memorandum on this subject ties in with the proposed recommendation. Mr. Chuck said yes.

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM D-4 CONSENT OF ENTRY FOR JOB NO. 4-OW-8, WAILUPE WELL (1845-01), HONOLULU, OAHU

ACTION The board, on Mr. Kealoha's motion, which was seconded by Mr. Hong, unanimously authorized the chairman to execute the Board of Water Supply's Consent of Entry documents for drilling the Wailupe Well.

ITEM D-5 PERMISSION TO ENTER INTO A CONTRACT FOR SURVEYING SERVICES FOR JOB NO. 8-HW-49, PIPELINE ALONG KUAKINI HIGHWAY, PHASE II, KONA WATER PROJECT, NORTH KONA, HAWAII

ITEM D-6 PERMISSION TO ENTER INTO A CONTRACT FOR SURVEYING SERVICES FOR JOB NO. 2-HW-16, IMPROVEMENTS TO LALAMILO-PUUKAPU IRRIGATION SYSTEM, LALAMILO-PUUKAPU, HAWAII

ITEM D-7 PERMISSION TO ENTER INTO A CONTRACT FOR SURVEYING SERVICES FOR JOB NO. 10-HL-14, PANAEWA AGRICULTURAL PARK, WAIAKEA, SOUTH HILO, HAWAII

ACTION The Board, on Mr. Higashi's motion and seconded by Mr. Yagi, unanimously approved Items D-5, D-6 and D-7 as submitted.

ITEM D-8 PERMISSION TO ENTER INTO A CONTRACT FOR CONCRETE AND EARTHWORK TEST SERVICES FOR JOB NO. 46-OL-17, SAND ISLAND PARKWAY, INCREMENT II, PHASE I, AND SEWAGE PUMP STATION, SAND ISLAND, OAHU

ACTION Unanimously approved as submitted. (Hong/Yamamoto)

ITEM D-9 NATIONAL WATER RESOURCES ASSOCIATION, 1980 ANNUAL CONFERENCE

ACTION Mr. Hong moved to approve this request, with the possibility of including a board member to attend. Mr. Kealoha seconded and the motion was unanimously carried.

ITEM D-10 SOIL AND WATER CONSERVATION DISTRICT DIRECTORS

ACTION The board, on Mr. Higashi's motion and seconded by Mr. Yamamoto, unanimously appointed and certified the following elected persons for the terms shown to serve as directors of the respective soil and water conservation districts:

Puna SWCD

Alison Miyasaki (appointed) -- term to end June 30, 1983

Kona SWCD

William Paris, Jr. (elected) -- term to end June 30, 1983

ADDED

ITEM D-11 SOIL AND WATER CONSERVATION DISTRICT DIRECTORS

ACTION On Mr. Higashi's motion, which was seconded by Mr. Kealoha, the board unanimously appointed and certified Mr. Donald Shintaku and Mr. Steven Kai to serve as directors of the Kau Soil and Water Conservation Districts, term to end June 30, 1983.

ITEM E-1 FILLING OF POSITION NO. 12975, LIBRARIAN III, OAHU

ACTION Mr. Hong moved, seconded by Mr. Kealoha, and the board unanimously approved the appointment of Ms. Mitsue Stout to Position No. 12975, Librarian III, Oahu, on a limited term basis and not to exceed May 31, 1981.

ITEM E-2 AUTHORIZATION TO EXPLORE THE FEASIBILITY FOR THE ESTABLISHMENT OF A HAWAII STATE PARK FOUNDATION

Mr. Yagi asked whether once this foundation is established they will go before the legislature and ask for money. He said the State of California has state and federal funds. It is not self supporting.

Mr. Yamashiro said in their study they will definitely include a condition that contributions, etc., would totally have to come out from private sector.

Mr. Hong said we can tailor it around the State of California and work on our own without requesting assistance from the state.

Mr. Ono said the Federal Government may assist us. In fact they have already assisted in putting together some of our thoughts, he said. They are very anxious for us to look at this as it relates to Hawaii. They think the potential is there. However, after it gets off the ground, we shouldn't expect this foundation to seek state assistance.

ACTION Mr. Hong said in principle it is an excellent proposal and moved to approve staff's recommendation as submitted. Mr. Kealoha seconded and the motion was unanimously carried.

ITEM E-3 RESUBMITTAL - ACCEPTANCE OF NA PALI COAST MANAGEMENT PLAN

The board, at its meeting on July 11, 1980, deferred action on the acceptance of the Na Pali Management Plan for more time to study the plan.

Mr. Yamashiro recommended that the board accept the Na Pali Coast Management Plan as the basis for the continued development of further, more detailed plans for the management of the resources and public use of the Na Pali Coast. He said as a pilot project in park management planning, the submitted plan will be updated as determined by needs identified in monitoring the program. By June 30, 1982, additional background information as identified in Section II F of the Management Plan will be completed and detailed plans will be developed for the key park units.

Mr. Ono said this is not a "pilot project" and should not be referred to as such. This is a continuing thing.

Mr. Yamamoto asked whether the staff met with the helicopter operators. Mr. Yamashiro said his Kauai staff did. Also a public meeting was held on Kauai where the people were given an opportunity to make comments. At that public meeting the representatives of the helicopter company were at that meeting.

Mr. Yamamoto asked why we are allowing the helicopter operators to operate only seven months out of a year. Mr. Yamashiro said this is to give the zodiac people some opportunity to land during the months when the water is calm. They are not able to land all year around.

Mr. Yamamoto said he had inquiries from the fishermen and hunters who go into Kalalau Valley. If only the helicopters can go in during the winter, how can the fishermen and hunters go in? This is unfair to them, he said. He asked whether a study was made how the fishermen and the hunters can get into that Kalalau area.

Mr. Bill Gorst, staff planner from Division of State Parks, said they need to get more information in this area. They were not able to make a study. They are asking that this study be made now.

Mr. Ono said we have to make it flexible for both modes of transportation. He said staff should work out some kind of a guide with the helicopter and the zodiac people.

ACTION Mr. Yamamoto moved to accept the submitted Na Pali Coast Management Plan as the basis for the continued development of further, more detailed plans for the management of the resources and public use of the Na Pali Coast, which plan is to be updated as determined by the needs identified in monitoring the program. By June 30, 1982, additional background information as identified in Section II F of the Management Plan is to be completed and detailed plan to be developed for the key park units. The motion included an amendment to allow helicopter landings at Kalalau throughout the year. The State Parks Division will provide an equitable arrangement for sharing use of these two modes of commercial access within the overall drop off limit of 15% of the maximum number of campers allowed. Mr. Yagi seconded and the motion was unanimously carried.

ITEM F-59

RESUBMITTAL - HAWAIIAN ELECTRIC CO., INC. REQUEST FOR TEMPORARY
POWERLINE INSTALLATION OVER AND ACROSS ALA WAI CANAL, HONOLULU,
OAHU

Hawaiian Electric submitted a letter dated August 19, 1980 requesting withdrawal of this item from the board agenda.

ACTION

Mr. Kealoha moved to accept Hawaiian Electric's request to withdraw this item, Mr. Higashi seconded, and the motion was unanimously carried.

ITEM F-10

HAWAII ELECTRIC LIGHT CO., INC. APPLICATION FOR LEASE COVERING
SUBSTATION SITE AND EASEMENTS AT LALAMILO, SOUTH KOHALA,
HAWAII

Mr. Higashi was interested to know whether this easement can be used if more power is needed for future uses. Mr. Detor thought we could.

Mr. Kealoha referred to the ranch lands (G. L. No. S-3886 to Palekoki Ranch, Inc.) and asked whether the area includes noxious weeds. He said the lessee is required to clear the whole area before he turns it over to anybody. He also asked who is going to maintain the area. Mr. Detor said the electric company is going to maintain the area that is going to be turned over to them.

Mr. Higashi said the working drawing shows the substation at a position that is not visible from the highway. He said he wants to make sure, and he asked that this be included as a condition, that the substation is set back from the highway, not like the telephone substation on Kauai which is right near the highway. He discussed this matter with the electric company and they have agreed to do it correctly. Mr. Detor said this can be handled under their landscaping and plans provision.

ACTION

The board, having found (1) that HELCO does not have suitable lands of its own in this instance for the electric substation site; and (2) the site for the electric substation to be an economic unit in terms of the intended usage, unanimously approved the submittal as amended above.

ITEM F-16

RESUBMITTAL - CAINE ENTERPRISES (HAWAII) CORP. REQUEST FOR
CONSENT TO ASSIGN GRANT OF EASEMENT NO. S-27016, KAMAOLE,
WAILUKU, MAUI

The Caine Enterprises Corporation holds an easement from the State of Hawaii which provides access to a parcel of land that they own. They intend to develop a condominium project on their land. In connection with that they have requested consent to assign the easement to another entity which is composed of people who own interest in the private parcel. Following that they would like to assign it to a Horizontal Property Regime, pursuant to Chapter 514 of the Hawaii Revised Statutes, for the use and benefit of those persons who purchase condominium units from Hale Ali'i Kanada.

Staff recommended that the (1) request to transfer to this partnership be approved; and (2) the request to transfer to the Horizontal Property Regime be denied. Mr. Detor explained the reason is that he didn't want a situation where we will be dealing with every individual condominium owner in the development.

A representative of the law firm that is handling for the people involved was present and brought in a letter this morning by which they were amending their original request. In order to avoid the staff's concern, their clients proposed instead that Caine Enterprise assign its interest in the easement to American Trust Co. of Hawaii, Inc. as Trustee under a land trust, the beneficial interest under the land trust to be held by the Association of Apartment Owners of the condominium project. Mr. Detor said he has not had the time to digest this request.

Mr. William W. L. Yuen, the attorney for the applicant, said this is a 40 square-foot easement. It is a proposed forty or forty-one unit condominium project. The intent is, in order to satisfy the concerns raised by the staff, to assign the easement to American Trust Co. of Hawaii, Inc. as Trustee, under a land trust. The beneficial interest is to be held by the association of apartment owners, and they would not submit the easement itself to the Horizontal Property Regime. This way it would be one owner and one beneficial owner, and the association will hold it for the benefit of the residents of the condominium.

Mr. Yuen said there are two technical reasons why they are setting it up this way:

1. Title companies have raised concerns about letting associations, which are not corporations, hold property.
2. They have just as much desire as the board of avoiding the transfer to many different entity everytime the apartment is sold.

Mr. Yuen suggested that the board give conditional approval, subject to the language to be worked out by the attorney general's office.

ACTION

The board, on Mr. Yagi's motion and seconded by Mr. Hong, unanimously approved to consent to Caine Enterprises (Hawaii) Corporation's assignment of its interest in the subject grant of easement to American Trust Co. of Hawaii, Inc. as Trustee under a land trust, subject to the language to be worked out by the attorney general's office.

ITEM F-19

STATE DEPARTMENT OF DEFENSE REQUEST FOR TEMPORARY USE OF
PORTION OF FORMER MAUI HIGH SCHOOL PROPERTY, EXECUTIVE ORDER
NO. 2781, HAMAKUAPOKO, MAUI

This was a request from the Hawaii Air National Guard for temporary use of five buildings on the grounds of the former Maui High School facility. The area is under an executive order to the County of Maui. They would like to use the buildings for five years.

Mr. Detor said we cannot lease it direct to the Air National Guard as they are not qualified to hold a lease in their own name.

Mr. Detor said since this submittal was written, they have had a change. They checked with the County of Maui, and they have no objection. They will approve it insofar as the Air National Guard use of the five buildings is concerned. Secondly, the Corps of Engineers, who is entitled to hold the lease, is willing to become the lessee on behalf of the Air National Guard.

Mr. Shimabukuro said the Corps of Engineers is really not involved but they volunteered to be the lessee to help the Department of Defense, Hawaii Air National Guard.

Mr. Ernest Shima, a part-time national guardsman, explained that they intend to use the facility for a communication unit located on Maui. The Air National Guard doesn't have any facilities. This is a brand new outfit. They have been borrowing the facilities from the army, but because the army doesn't have adequate facilities themselves, they had to separate their units into three different areas, and this creates a management problem. If this request is approved by the board, they will be able to consolidate the unit in one area until such time as they get permanent facilities. So this might resolve some of their problems.

Mr. Ono asked Mr. Shima whether they have money to pay rent. He said he would like to see something in the recommendation, or in the motion, making reference to rental payment. Even though there is no rental now, he proposed that this amendment be included.

Mr. Detor said staff is suggesting that a five-year lease be awarded to the U. S. Army Corps of Engineers for use of the Department of Defense (Hawaii Air National Guard) and the rent to be on a gratis basis, subject to the concurrence of the Governor and the County of Hawaii; all renovation plans and specifications to be submitted to the County of Maui prior to commencement of work; standard indemnity and hold harmless clause; other terms and conditions as may be prescribed by the chairman.

Mr. Kealoha suggested that the area be set aside instead to the Air National Guard. Mr. Detor said the problem with an executive order is that you have to go through a subdivision process with the county; and because it would be a withdrawal and re-set aside, they wouldn't be able to use it until after the next session of the legislature because the legislature can veto the withdrawal or set aside.

Mr. Yagi strongly pointed out that if a rental clause is included as a condition, we might as well forget the whole thing because it is going to kill this project.

ACTION

Mr. Yagi moved to approve a 5-year direct lease to the Corps of Engineers for use by the State Department of Defense, Hawaii Air National Guard; rental: gratis; concurrence of the governor and the County of Maui; all renovation and specifications to be submitted to the County of Maui for approval prior to commencement of work; standard indemnity and hold harmless clause; other terms and conditions as may be prescribed by the chairman.

Mr. Yamamoto seconded and the motion was unanimously carried.

CITY AND COUNTY OF HONOLULU REQUEST FOR EXECUTIVE ORDER SETTING ASIDE LAND FOR OLOMANA FIRE STATION, KAWAILOA, KAILUA, KOOLAU-POKO, OAHU

ITEM F-28

ACTION

Unanimously approved as submitted. (Kealoha/Hong)

ITEM F-1

DOCUMENTS FOR CONSIDERATION

HAWAII

Item F-1-a

LAND PATENT

Issuance of a Land Patent in confirmation of Land Commission Award No. 11216 Apana 30 to M. Kekauonohi by application of Title Guaranty of Hawaii,

Inc. on behalf of Kehene Beach, Inc., a Hawaii Corporation, a general partner of Mahukona Properties, a registered limited partnership - at Puuokumau, North Kohala

- Item F-1-b ASSIGNMENT OF LEASE
KAIVA TUIASOSOPO and JOSEPHINE MARTINSON TUIASOSOPO, husband and wife, assignors, to BETTY ANDRUS CAIN, unmarried, assignee - Lot 30, Ocean View Lease Lots, South Hilo - GL No. 3163
- Item F-1-c PURCHASE MONEY MORTGAGE
BETTY ANDRUS CAIN, unmarried, mortgagor, to KAIVA TUIASOSOPO and JOSEPHINE MARTINSON TUIASOSOPO, husband and wife, mortgagee - (same as above)
- Item F-1-d MORTGAGE
THERESA B. LAU, widow, as Mortgagor, to HAWAII PRODUCTION CREDIT ASSOCIATION, Mortgagee - Parcel 5, Government land of Kaohe-3, Hamakua - GL No. S-4471
- Mr. Detor recommended denial of this request because the lessee is delinquent in a year's rental.
- ACTION: Mr. Kealoha moved to deny this request as recommended by Mr. Detor above. Mr. Hong seconded and the motion to deny was unanimously carried.
- Item F-1-e LAND PATENT
Land Patent to be issued in confirmation of Land Commission Award No. 8515-B, Apana 7 to Awardee, KAOANAEHA, by application of THE QUEEN'S MEDICAL CENTER, a Hawaii Corporation - land situate at Kukuihala, Puna
- Item F-1-f ASSIGNMENT OF LEASE
ERNEST M. CABRINHA and ADELAIDE CABRINHA, husband and wife, assignor, to DAVID VICTOR HUGGETT, single, and EILEEN LEE McDANIEL, single, assignee - Lot 36, Ocean View Lease Lots, Waiakea, South Hilo - GL No. 3169
- Item F-1-g PURCHASE MONEY MORTGAGE
DAVID VICTOR HUGGETT, single, EILEEN LEE McDANIEL, single, mortgagor, ERNEST M. CABRINHA and ADELAIDE CABRINHA, husband and wife, mortgagee - Lot 36, Ocean View Lease Lots, Waiakea, South Hilo - GL No. 3169
- MAUI
- Item F-1-h ASSIGNMENT BY WAY OF AGREEMENT OF SALE
MICHAEL J. MCDONALD and MARCIA M. MCDONALD, husband and wife, as tenants by the entirety, Grantees (sellers), and EDITH J. LEE, and PETER EMILE LEE, both unmarried (purchasers) - Kipahulu, Hana (Grant of Easement dated March 17, 1980 covered by Land Office Deed No. S-27090)
- Item F-1-i REVOCABLE PERMITS
EAST MAUI IRRIGATION COMPANY, LIMITED - Government water from land within the Koolau Forest Reserve (Keanae License)
- Item F-1-j ALEXANDER & BALDWIN, INC. - Government land within the easterly portion of the Koolau Forest Reserve (Nahiku License)

Items F-1-i and F-1-j were taken up together.

Mr. Yagi had a question. He asked whether a CDUA is required for these two submittals.

Mr. Detor said no because these are existing uses that have been in existence for many years prior to the formation of the conservation district. These two are water licenses that have expired and will be replaced by permits. Because the law only allows a water permit to run for one year, and because we are unable to sell new licenses until the Hanapepe water case is settled, which may have bearing on this, Mr. Detor suggested that the present permit be terminated and a new one issued; in the case of the Keanae License, which is presently held by Alexander & Baldwin, that it be turned over to East Maui Irrigation, which is owned by A & B; and in the case of Nahiku License, which is presently held by East Maui Irrigation, that it be turned over to Alexander & Baldwin.

Mr. Kealoha questioned whether this affects the Hanawi Stream. Mr. Detor said as far as he knew this does not affect any existing use.

Mr. Yagi questioned the rental rate and asked the staff how it was determined. Mr. Detor explained that the rates were based on the rates that they were paying under the lease, and they were based on a sliding scale based on the New York price of sugar. He said when we sell the new license we will be coming out with the new rates.

Mr. Ono asked when was the last time the rental rate was reviewed. The rate was reviewed last year in connection with the other rates, but it was changed, Mr. Detor said. However, he said they will take another look at it.

OAHU

Item F-1-k

THIRD MORTGAGE

STEVEN S. SAIKI and JEANNIE N. C. SAIKI, husband and wife, "borrower", HAWAII PRODUCTION CREDIT ASSOCIATION, "PCA" - Lot 9, Waimanalo Agricultural Subdivision - GL No. S-3757

Item F-1-l

ASSIGNMENT

MANUEL S. ANDRADE to LAWRENCE VIDINHA, whose wife is Daisy Vidinha, as his separate property - Tract 2-A, Hanapepe Valley Pasture Land - GL No. S-3676

REVOCABLE PERMITS (Resubmittal)

Item F-1-m

FLORENCE H. YAMANE - portion of Lot 15-A-1, Waimea, Kauai

Item F-1-n

EARL YAMANE - Portion of Lot 15-A-1, Waimea, Kauai

Item F-1-o

EDWIN DELA CRUZ - Portion of Lot 15-A-1, Waimea, Kauai

Item F-1-p

ISAAC HOOKANO - Portion of Lot 15-A-1, Waimea, Kauai

Item F-1-q

H. S. KAWAKAMI STORE, LTD. - Portion of Lot 15-A-1, Waimea, Kauai

Items F-1-m to F-1-q were deferred at the previous meeting. The subject parcel was purchased by the state from the Knudsen Estate back in April of this year. This was in connection with the Waimea recreational pier facility. At that time question arose as to the rents to be charged.

Staff suggested that the monthly rentals be the same as they were paying when the property was privately held for the period until the end of September 30, 1980, and after that different rates based on actual usage.

The situation here is that Florence Yamane rented most of the property and then subrented it out. Mr. Detor said what they are trying to do is go direct to the occupant who are actually using the property and issue the permits to them so no middle man is involved.

Mr. Detor said there is one change he would like to make under Item F-1-o to Dela Cruz. Under monthly rental the rate of \$175.00 from April 12 to September 30, 1980, should be \$150.00. He said \$175.00 is incorrect.

ASSIGNMENTS

Item F-1-r CALVIN K. MURASHIGE, Commissioner, duly appointed by the Fifth Circuit Court, State of Hawaii, and NICHOLAS B. DETTMAN, husband of Judith Dettman, Assignor, to NICHOLAS B. DETTMAN and JUDITH DETTMAN, husband and wife, as Trustees of the Nicholas and Judith Dettman 1978 Trust - access and utility easement at Lawai, Koloa - GL No. S-3992

Item F-1-s MCBRYDE SUGAR COMPANY, LIMITED, Assignors, to SHOICHI NAGAMINE and SHIZUKO NAGAMINE, husband and wife, as joint tenants - Lots 12-A-2 and 13-A, Hanapepe Rice and Kula Lots - GL No. S-3693

Mr. Ono asked the staff what happens after the lease runs out in 1982. Mr. Detor said McBryde has no further interest after 1982.

Mr. Yamamoto asked the staff to be sure that Mr. Nagamine knows about the expiration of the lease in 1982.

Item F-1-t REVOCABLE PERMIT
NORMAN MURAKAMI, dba NORMAN'S CONSTRUCTION - portion of the Nawiliwili Harbor Disposal Area - for storage of construction materials - \$100 monthly rental

Item F-1-u ASSIGNMENT
WAYNE E. ELLIS and HELEN RICE ELLIS, to FRANK SOUZA and EMILY MARTIN SOUZA, husband and wife, as tenants by the entirety - Lots 60 and 63, Kokee Camp Site Lots, Waimea (Kona) - GL No. S-4480

Added
Item F-1-v TRANSFER
ANTONIA FUJIMOTO, whose husband is Robert Rikio Fujimoto, to ROBERT RIKIO FUJIMOTO and ANTONIA FUJIMOTO, husband and wife, as tenants by the entirety - Lot 18, Hanapepe Heights House Lots, Unit 2, Hanapepe, Waimea - SSA No. S-5554

Added
Item F-1-w COLLATERAL AGREEMENT
STATE OF HAWAII, ROBERT RIKIO FUJIMOTO and ANTONIA FUJIMOTO, FIRST HAWAIIAN BANK, and NOBORU MURAOKA - Lot 18, Hanapepe Heights House Lots, Unit 2, Hanapepe, Waimea - SSA No. S-5554

ACTION Mr. Yagi moved to approve Item F-1 as presented, except Item F-1-d which was denied and acted on separately (see page 13). Mr. Yamamoto seconded and the motion was unanimously carried.

ITEM F-2 STAFF RECOMMENDATION FOR PUBLIC HEARING FOR WITHDRAWAL OF FOREST RESERVE LANDS AT OLAA, PUNA AND PANAEWA, SOUTH HILO, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Yagi)

- ITEM F-3 STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION (7/11/80, AGENDA ITEM F-3) AUTHORIZING SALE OF ACCESS AND UTILITY EASEMENT AT KAUMANA, SOUTH HILO, HAWAII
- ACTION Unanimously approved as submitted. (Higashi/Yagi)
- ITEM F-4 STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION (5/23/80, AGENDA ITEM F-2) AUTHORIZING SALE OF AN ABANDONED RAILROAD RIGHT-OF-WAY SEGMENT, WAIAKEA, SOUTH HILO, HAWAII
- ACTION Unanimously approved as submitted. (Higashi/Yagi)
- ITEM F-5 DOT REQUEST FOR RIGHT OF ENTRY FOR ARCHAEOLOGICAL SURVEY, LALAMILO, SOUTH KOHALA, HAWAII
- ACTION Unanimously approved as submitted. (Higashi/Yagi)
- ITEM F-6 JERRY L. HYLTON APPLICATION FOR NON-EXCLUSIVE EASEMENT, PUUANA-HULU HOMESTEADS, NORTH KONA, HAWAII
- ACTION Unanimously approved as submitted. (Higashi/Yagi)
- ITEM F-7 HHA REQUEST TO WITHDRAW PORTION OF LAND FROM E. O. NO. 1941 AND ISSUANCE OF NEW E. O. TO THE COUNTY OF HAWAII FOR PARK PURPOSES, WAIAKEA, SOUTH HILO, HAWAII
- ACTION Mr. Higashi moved to defer this request for further study and check further with HHA and the county. He felt that if HHA doesn't want it, our department should take it back.
- There was no objection by the board to the withdrawal.
- ITEM F-8 UNIVERSITY OF HAWAII REQUEST FOR IMMEDIATE RIGHT OF ENTRY TO AREA AT PIHONUA APPROVED FOR DIRECT LEASE TO THE UNIVERSITY OF HAWAII, PIHONUA, SOUTH HILO, HAWAII
- ACTION Unanimously approved as submitted. (Higashi/Yagi)
- ITEM F-9 JAMES W. GLOVER, LTD. REQUEST FOR HOLDOVER TENANCY, GENERAL LEASE NO. 3574, WAIAKEA, SOUTH HILO, HAWAII
- ACTION Unanimously approved as submitted. (Higashi/Yagi)
- (See page 10 for Item F-10.)
- ITEM F-11 DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAII, REQUEST FOR E. O. SETTING ASIDE LAND AND EASEMENTS AT LALAMILO, SOUTH KOHALA, HAWAII
- ACTION Unanimously approved as submitted. (Higashi/Kealoha)
- ITEM F-12 STAFF RECOMMENDATION FOR IMPLEMENTATION OF DEVELOPMENT OF THE INDUSTRIAL PARK AUTHORIZED BY HCR NO. 124, 1980 SESSION, NORTH KONA, HAWAII
- This was a recommendation for implementation of HCR No. 124, which was adopted this past session. This resolution allows the establishment of an

industrial park in the North Kona area, particularly the Kealakehe Tract where the rubbish dump is located, and enables going ahead with the provisions of Section 171-60, Hawaii Revised Statutes, which permits the board, with the prior approval of the Governor, and the authorization of the legislature (which this concurrent resolution gave), to (1) lease public lands to a private developer, or (2) enter into a private development agreement with a private developer for development and subdivision of such public lands as a leasehold project for industrial or other uses.

Mr. Detor recommended that the board authorize the chairman to commission a study to determine the feasibility of the development of an industrial park on state lands in North Kona, and if such study establishes that such development is in fact feasible, recommend to the Governor that such development be approved.

Mr. Detor explained the state cannot do this because we don't have the funds, and we need appropriation from the legislature. The legislature instead, by its action, adopted HCR 124 and authorized this department to develop the land with private funds.

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM F-13 HONOKAA SUGAR COMPANY REQUEST FOR AMENDMENT OF PREVIOUS BOARD SUBMITTAL (3/28/80, AGENDA ITEM F-6) AUTHORIZING SALE OF DITCH RIGHT-OF-WAY EASEMENT, HONOKAA, HAMAKUA, HAWAII

ACTION Mr. Higashi moved to approve this request, Mr. Yagi seconded and the motion was carried. (Mr. Hong was excused from voting on this matter.)

ITEM F-14 THE MCCARTHY COMPANY APPLICATION FOR ROAD EASEMENT, KIHEI, MAUI

Mr. Yagi said he would like to see this matter deferred for further study since they have problems with the county, as far as the road is concerned.

ACTION There was no objection by the board to the deferral.

ITEM F-15 MAUI ELECTRIC COMPANY, LTD. AND HAWAIIAN TELEPHONE COMPANY APPLICATION FOR TRANSMISSION LINE ANCHOR EASEMENT, AT HANA, MAUI

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

(See pages 10 and 11 for Item F-16.)

ITEM F-17 HANA DISTRICT POHAKU CORP. REQUEST FOR PERMISSION TO CONSTRUCT IMPROVEMENTS ON LAND ENCUMBERED BY REVOCABLE PERMIT NO. S-5606, HANA, MAUI

ITEM F-18 MAUI ELECTRIC CO., LTD. AND HAWAIIAN TELEPHONE CO. REQUEST FOR AMENDMENT OF PREVIOUS BOARD ACTION (10/28/77, AGENDA ITEM F-9) AUTHORIZING GRANT OF POWERLINE EASEMENT AT MAKAWAO, MAUI

(See pages 11 and 12 for Item F-19.)

- ITEM F-20 RESUBMITTAL - CHARLES PANKOW, JR. APPLICATION FOR ACCESS AND UTILITY EASEMENT, KIHEI, KULA, MAUI
-
- ITEM F-21 STAFF RECOMMENDATION FOR ACCEPTANCE OF EASEMENT FROM HALEAKALA DAIRY, INC. OVER AND ACROSS LAND AT PULEHUNUI, KULA, MAUI
-
- ITEM F-22 LLOYD REDO APPLICATION TO LEASE LOTS 28-A, 31, 31-A, 33 AND 35 OF THE WAILUA HOMESTEADS, KOOLAU, HANA, MAUI
-
- ACTION Items F-17, 18, 20, 21 and 22 were unanimously approved as submitted. (Yagi/Yamamoto)
- ITEM F-23 KITV REQUEST FOR APPROVAL TO INSTALL MICROWAVE ANTENNA AT KOLE-KOLE HILL, PAPAANUI, MAKAWAO, MAUI
-
- ACTION Mr. Yagi said he had some question where a CDUA processing would be necessary in this case and asked for deferral for further information. There was no objection by the board to the withdrawal.
- ITEM F-24 COUNTY OF MAUI REQUEST FOR CANCELLATION OF EXECUTIVE ORDER NO. 640, KAPUALEI-PUAHALA, MOLOKAI
-
- ACTION Unanimously approved with deed No. corrected to read "Deed No. 5107." (Yagi/Kealoha)
- ITEM F-25 STAFF RECOMMENDATION TO AMEND PREVIOUS BOARD ACTION (6/13/80, AGENDA ITEM F-1-c) AUTHORIZING ISSUANCE OF R. P. TO GEORGE PEABODY, COVERING THE UALAPUE FISHPOND, UALAPUE, MOLOKAI
-
- The applicant had filed a CDUA which was approved by the board. When he was informed by letter that the CDUA was approved, he interpreted that to mean that he had the right to go in and use the area. The Land Management Division did not know about it. The applicant has requested amendment to the June 13, 1980 board action on the basis of the misunderstanding and the fact that his experiment project is not earning income.
- ACTION Mr. Yagi moved to deny this request. Mr. Hong seconded and the motion to deny was unanimously carried.
- ITEM F-26 STAFF RECOMMENDATION FOR CANCELLATION OF R. P. NO. S-5260 COVERING LOTS 512 AND 514 (BUILDINGS 7 AND 8) SAND ISLAND, OAHU
-
- ITEM F-27 STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION (6/27/80, AGENDA ITEM F-19) APPROVING DIRECT LEASE OF LUALUALEI SEWER PUMP STATION SITE TO CITY AND COUNTY OF HONOLULU, LUALUALEI, WAIANAE, OAHU
-
- (See page 12 for Item F-28.)
- ITEM F-29 SAFETY SYSTEMS OF HAWAII, INC., ET AL, APPLICATIONS FOR REVOCABLE PERMITS COVERING STATE LAND ON SAND ISLAND, HONOLULU, OAHU
-
- ITEM F-30 DOT REQUEST FOR APPROVAL OF RENEWAL OF LEASE FROM U. S. ARMY COVERING OPEN STORAGE AREA ADJACENT TO PIERS 39 AND 40, HONOLULU, OAHU
-

ITEM F-31 CITY & COUNTY OF HONOLULU REQUEST FOR CONVEYANCE OF LAND
REQUIRED FOR TURNAROUND PURPOSES, HONOLULU, OAHU

ACTION Items F-26, F-27, F-29, F-30 and F-31 were unanimously approved as submitted. (Kealoha/Hong)

ITEM F-32 STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION
(4/27/79, AGENDA ITEM F-17) AUTHORIZING SALE OF REMNANT AT WAI-
NIHA, KAUAI

ITEM F-33 HHA APPLICATION TO PURCHASE TEACHERS' COTTAGE SITE, HANAMAULU
SCHOOL LOT, HANAMAULU, LIHUE, KAUAI

ITEM F-34 ISLAND HOLIDAYS, LTD. APPLICATION FOR LANDSCAPING AND PATIO
EASEMENT, WAILUA, KAUAI

ACTION Items F-32, F-33 and F-34 were unanimously approved as submitted.
(Yamamoto/Yagi)

The chairman announced that the board planned to take a lunch break at 12:30 P. M. There were several people in the audience who had matters on the agenda. So with the board's permission, the chairman deviated again from its regular agenda and took up the following items next:

ITEM H-10 CDUA FOR SINGLE FAMILY DWELLING USE AT NIU VALLEY, HONOLULU,
OAHU (DANNY T. GRAHAM)

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM H-6 CDUA FOR SUBDIVISION USE AT KANEOHE, OAHU (TERRI STREHL ON BE-
HALF OF PHILIP CASCAVILLA)

This was a request for a subdivision in the general subzone, involving some 56 acres at Kaneohe.

Mr. Evans said several questions came up. The Land Management Division, for instance, wanted to know what is meant by view preservation, and whether the view can be preserved without a subdivision.

The primary purpose of this is to preserve the view. Staff didn't really see the need at this time for a subdivision.

Staff pointed out to the board when the application first came in they were rather confused as to exactly what the applicant wanted. So staff talked to the applicant himself for clarification. Mr. Evans said the nearest as he can clarify, the surrounding property owners want to buy this piece of the 56-acre parcel and in turn consolidate the properties to preserve the view. He was also informed by the applicant that there is no intention to build a single family residence. On the basis, staff processed the application.

As a part of the processing, staff received a letter from the agent requesting a single family house on this property. Mr. Evans said staff began to have concerns. Considering all of the input received, staff recommended at this time that the application be denied on the basis that (1) the proposed use is inconsistent with the objectives of the subzone; and (2) that a more definite plan and information are needed for the added request for a conditional single-family residential use.

ACTION Mr. Kealoha moved to deny as recommended by staff. Mr. Hong seconded and the motion was unanimously carried.

Ms. Terri Strehl, the agent for the applicant, briefly addressed the board.

For clarification purposes, Mr. Ono said we need some follow-up work to clear some of the confusion that was discussed above.

ITEM F-35 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LAND (TMK 4-3-04:12) AT KAPAA, KAWAIHAU, KAUAI

ITEM F-36 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LAND (TMK 4-5-15:17, 19, 20, AND 30) WITHIN THE KAPAA RICE AND KULA LOTS, KAPAA, KAWAIHAU, KAUAI

ITEM F-37 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LOTS B AND C, REVISED, OF THE WAILUA RICE AND KULA LOTS, WAILUA, KAUAI

ITEM F-38 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LAND (TMK 4-1-02:20 AND 22) WITHIN THE WAILUA RICE AND KULA LOTS, WAILUA, KAUAI

ITEM F-39 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LAND (TMK 4-1-09:17) AT WAILUA, KAWAIHAU, KAUAI

ITEM F-40 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LAND (TMK 3-9-05:19 AND 20) AT WAILUA, KAUAI

ITEM F-41 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LOT 24 OF THE WAILUA RICE AND KULA LOTS, WAILUA, KAUAI

ITEM F-42 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LAND (TMK 4-5-15:10, 28, AND PORTION OF 37) AT KAPAA, KAUAI

Mr. Kealoha thought these requests to be out of the ordinary. He said usually we cancel the permit first and then go out to public auction. Here we are going to auction first before we cancel the permit.

Mr. Detor said normally the notice of sale contains a provision that if the present permittee is the successful bidder, the lease starts on the date of the auction sale. If other than the present permittee is the successful bidder, the lease commences sixty days later. Mr. Detor further explained that when the board approves this, the permittees will be informed of the board's action so they will have several months' notice before the auction sale.

Mr. Yamamoto expressed his concern that if these parcels are put up for public auction that the local people will not have a chance against the mainland people, and it will create a hardship on them.

ACTION Mr. Yamamoto moved to deny staff's recommendation on Items F-35 to F-42, inclusive. Mr. Higashi seconded the motion. On the call of the question, the motion died with a 4-2 vote.

Mr. Hong moved to approve Items F-35 to Item F-42 inclusive. Mr. Kealoha seconded.

Mr. Yagi asked the staff whether their recommendation is because of the auditor's report. Mr. Detor said partially, yes. More importantly, however, he said the statutes require that permits are supposed to be of short duration. Secondly, he said part of our program, in reply to the legislative auditor, is to convert permits to leases over a period of time, and they are making every effort to move in this direction. Mr. Detor said they have instructed all of their land agents to send in their recommendations to convert long-standing permits to leases, and they are all doing it.

On the call of the question, the motion was carried. Mr. Yamamoto and Mr. Higashi voted no.

ITEM F-43 TERMINATION OF R. P. NO. S-5112 AND ISSUANCE OF NEW PERMIT TO BURT GONSALVES COVERING LAND AT HIKIULA GULCH, HANAPEPE, KAUAI

ACTION Unanimously approved as submitted. (Yamamoto/Higashi)

ITEM F-44 STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LAND (TMK 4-6-03: 4 AND 10) IN THE KAPAA HOMESTEADS, 1ST SERIES, KAPAA, KAUAI

ACTION Unanimously approved as submitted. (Yamamoto/Yagi)

ITEM F-45 COUNTY OF KAUAI REQUEST FOR CONVEYANCE OF LAND REQUIRED FOR ROADWAY PURPOSES, WAILUA, KAUAI

ACTION Approved as submitted. (Yagi/Hong)

Mr. Yamamoto was excused from voting.

ITEM F-46 WAY OF SALVATION CHURCH REQUEST FOR ISSUANCE OF R. P. COVERING LOT 17, BLOCK J, OF THE KAPAA TOWN LOTS, KAPAA, KAUAI

This was a request from the Way of Salvation Church for revocation of a previous board action and issuance of a permit. The board in August of 1978, acting upon an application by the Way of Salvation Church, authorized the direct issuance of a lease to the church covering Lot 17, on which the church itself is situated and which they have been occupying for many years under a permit; and Lot 18, which the church has been using for parking. As part of that action, the board authorized cancelling the permit which they held on Lot 17 and paying \$25.00 rent.

When the appraisal came in to set the rental rate for the lease, it came in at \$1950.00 a year. When the church learned about this, they made an application to purchase the two lots instead of leasing them. When they were told that the law does not allow the state to sell it, they asked that the lease commitment be rescinded and that a revocable permit covering only Lot 17 be issued.

Mr. Detor said staff figured out the rental rate of \$81.25. The church felt that this was too much. So now they would like to go back to the original permit, covering only Lot 17. Considering the fact that they have been at this location for nearly thirty years, by way of settling this, staff suggested that we give them a permit covering Lot 17, but to charge them \$40 a month rather than the original \$25.00, retroactive to September 1, 1978, which was the date that the old permit was cancelled.

ACTION Mr. Yamamoto moved to approve the request as recommended by staff.

Mr. Kealoha said he was personally opposed to this. He was not against the church but he said if the board took this action, it would be inconsistent with the objectives of this board. He suggested that we look for alternatives if we want to take care this church, but not on a permit basis.

Mr. Detor said he would like to have them covered for now anyway with a permit since they have been occupying the land all this time. However, he said staff can take another look at this.

Mr. Yamamoto retracted his earlier motion and suggested that this matter be deferred instead. There was no objection by the board.

(The board recessed at 12:30 P. M. for lunch and reconvened at 1:10 P. M.)

- ITEM F-47 DSSH REQUEST FOR APPROVAL OF RENEWAL OF SUBLEASE COVERING DWELLING AT 1124 UKANA STREET, ALIAMANU, HONOLULU, OAHU
- ACTION Unanimously approved as submitted. (Kealoha/Hong)
- ITEM F-48 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOMS 501, 503, 506, 507, 508 AND 509 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-49 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOM 504 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-50 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOM 801 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-51 DLIR REQUEST FOR ACQUISITION OF LEASE COVERING OFFICE SPACE AT 94-230 LEOKANE STREET, WAIPAAHU, OAHU
- ITEM F-52 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOMS 511, 513 AND 517 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-53 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOM 411 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-54 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOM 412 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-55 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOMS 601, 603, 605 AND 607 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-56 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOMS 512, 514, 516 AND 518 OF THE BETHEL-PAUAAHI BUILDING, HONOLULU, OAHU
- ITEM F-57 DLIR REQUEST FOR ACQUISITION OF LEASE COVERING SUITE 400 OF THE QUEEN EMMA BUILDING, HONOLULU, OAHU
- ACTION Items F-48 to F-57, inclusive, were unanimously approved as submitted. (Kealoha/Yamamoto)
- ITEM F-58 PUC REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING OFFICE SPACE IN THE OLD GARDEN ISLAND MOTORS BUILDING, LIHUE, KAUAI
- ACTION Unanimously approved as submitted. (Yamamoto/Hong)

(See page 10 for Item F-59.)

ADDED
ITEM F-60 LEASE OF OFFICE SPACE FOR THE DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS, HILO, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Hong)

ADDED
ITEM H-12 FILLING OF POSITION NO. 11447, FORESTER IV, HAWAII DISTRICT

ACTION The board, on Mr. Kealoha's motion and seconded by Mr. Higashi, unani-
mously approved the appointment of Nelson M. Kunitake to fill Position No.
11447, Forester IV, Hawaii District.

ITEM I-1 APPOINTMENT OF LICENSE AGENT

ACTION Pay 'N Save Corporation was unanimously appointed as a license agent to
sell hunting and fishing license on the motion of Mr. Kealoha, seconded by
Mr. Yagi.

ITEM I-2 FILLING OF POSITION NO. 31874, CLERK-TYPIST II, OAHU BRANCH

ITEM I-3 FILLING OF POSITION NO. 31876, CLERK-TYPIST II, MAUI BRANCH, MOLOKAI SECTION

ITEM I-4 FILLING OF POSITION NO. 31875, CLERK-TYPIST II, MAUI BRANCH

ACTION The board, on Mr. Kealoha's motion, seconded by Mr. Yagi, unanimously
approved the appointments of Ms. Beverly Maekawa as Clerk-Typist II for
Oahu, Ms. Katherine Berard as Clerk-Typist II for Molokai Section, and Mrs.
June Higa as Clerk-Typist II on Maui, as recommended under Items I-2 to
I-4, respectively.

ITEM H-1 CDUA FOR COMMERCIAL RESTAURANT USE AT LAHAINA, MAUI (B. MARTIN LUNA, ATTORNEY, ON BEHALF OF THE HAVEN RESTAURANT)

ACTION Unanimously approved staff's recommendation as submitted. (Yagi/Kealoha)

ITEM H-2 CDUA FOR SINGLE FAMILY DWELLING USE AT EWA, OAHU (PETER MORSE)

ACTION Unanimously approved as submitted. (Kealoha/Yamamoto)

ITEM H-3 CDUA FOR SINGLE FAMILY DWELLING USE AT WAIAKAHIULA, PUNA, HAWAII (M/M DONALD & MABEL VALLANCE)

Mr. Higashi asked why we are requiring a shoreline certification. It was his feeling that if it is close to 20 feet, the County Planning Department should impose the shoreline certification. If it is 40 feet from the shoreline, there is no reason the applicant needs to certify the shoreline. He didn't feel we should impose a \$300 expense when that area is nowhere close to the shoreline. This is a county's jurisdiction, and the county should be handling it.

Mr. Evans said we are requiring this because of the concerns expressed by the Hawaii County.

ACTION Mr. Higashi moved to approve staff's recommendation with Condition No. 7 deleted. Mr. Yamamoto seconded and the motion was unanimously carried.

- ITEM H-4 CDUA FOR EXISTING PORTION KITCHEN AREA RENOVATION AND REPAIR AT OPIHIKAO BEACH, PUNA, HAWAII (DAVID E. MILOTTA ON BEHALF OF HAWAII CONFERENCE FOUNDATION)
- ACTION Unanimously approved staff's recommendation as submitted. (Higashi/Kealoha)
- ITEM H-5 CDUA FOR SINGLE FAMILY DWELLING RENOVATION AT OLOWALU, LAHAINA, MAUI (BILL STAFFORD ON BEHALF OF TIMOTHY H. GOLD)
- ACTION Unanimously approved staff's recommendation as submitted. (Yagi/Kealoha)
- (See pages 19 and 20 for Item H-6.)
- ITEM H-7 REQUEST FOR PUBLIC HEARING ON APPLICATION FOR USE OF LAND WITHIN THE PROTECTION SUBZONE OF THE CONSERVATION DISTRICT AND FOR COMMERCIAL LAND USE (HAWAII BOUND)
- ACTION Unanimously approved as submitted. (Higashi/Kealoha)
- ITEM H-8 CDUA FOR THE CONSTRUCTION OF A CHLORINATOR BUILDING AT MANOA, HONOLULU, OAHU (KAZU HAYASHIDA)
- ACTION Unanimously approved as submitted. (Kealoha/Yamamoto)
- ITEM H-9 CDUA FOR NONCONFORMING SINGLE FAMILY DWELLING USE AT HAENA HUI, HAENA, KAUAI (BLAIR BALLARD ON BEHALF OF DR. SIMON ZEMEL)
- Mr. Yamamoto asked Mr. Evans whether he is working on the policy for the Haena area.
- Mr. Evans said he has been working on it, and tentatively he is scheduled to come up with recommendations at the second meeting in September.
- ACTION Unanimously approved staff's recommendation as submitted. (Yamamoto/Hong)
- (See page 19 for Item H-10, pages 2 to 6 for Item H-11 and page 23 for Added Item H-12.)
- ITEM J-1 IN-BOND (DUTY-FREE) CONCESSION (PROPOSAL A), HONOLULU INTERNATIONAL AIRPORT, OAHU
- ITEM J-2 IN-BOND (DUTY-FREE) CONCESSION (PROPOSAL B), HONOLULU INTERNATIONAL AIRPORT, OAHU

Items J-1 and J-2 were related so they were taken up together.

The Department of Transportation proposed to grant an In-Bond (Duty Free) Concessions for a term of seven years, commencing on January 1, 1981 and ending on December 31, 1987, at the Honolulu International Airport, involving those spaces and areas listed in the submittal.

Mr. Garcia explained that "the Lessee shall also have the right from time to time to hire and take such additional space in the Terminal Building from the Lessor for concession purposes as the Lessor in its sole discretion may make available therefor, upon such terms and conditions as shall be mutually agreed upon."

The successful bidder of Proposal A shall be ineligible to bid for Proposal B.

The upset minimum annual guarantee rental for the first year shall be \$10,000,000, and the minimum annual guarantee for each thereafter shall not be more than 25% increase over the previous year. The successful bidder shall pay to the state 20% of the concessionaire's gross receipts or the minimum annual guarantee, whichever is greater.

The present In-Bond (Duty-Free) Concession will expire on December 31, 1980.

Mr. Kealoha questioned the annual rental and asked whether they will be paying this \$10,000,000.

Mr. Garcia said that is the minimum upset rental per year that they can bid on, or 20% of the concessionaire's gross receipts, whichever is greater. For the one-year period ending June 30, 1979, the Airports Division collected approximately \$30,000,000.

Mr. Hong said he asked Dr. Shimada, DOT Deputy, for a memo when this matter about DOT's contemplation of splitting up the concessions in Proposals A and B was originally brought up to the board. He wanted to know the DOT's position as to why they were splitting the concession into two proposals, rather than continuing under one, and the legal reasons why they were doing that. He was not prepared to vote on this today until he receives this memo.

Mr. Higashi asked about the outlets outside of the airport proper and wanted to know whether the sale is consummated at the point of departure or, is it consummated at Waikiki. Mr. Garcia said the sale is consummated at the point of departure, and whatever sale that is made at Waikiki would count towards the total sales.

Mr. Garcia said one of the problems that exists is that the U. S. Customs will not provide any more custom agents for other retail outlets. However, there is a possibility that "dummy" stores can be set up. He explained "dummy" stores as where items are displayed, however, the purchaser cannot touch the items. They would have to order it blindly and the departing passenger would pick it up at the airport.

Mr. Ono asked how many outlets can a successful bidder open, assuming that they can get customs people to come up with additional personnel. He asked whether there is a limit. Does the present proposal permit unlimited opening of outlets throughout the state regardless of what the qualified personnel is available or not? He said this is one of the concerns of the existing setup.

Mr. Garcia wasn't sure what was stated in the specifications.

Mr. Kealoha said, as stated by Mr. Hong earlier, DOT is asking the board to approve something that the board does not really have enough information to act on it today. He asked how do you qualify what is to be sold in the duty-free shops and what types of goods are sold at the duty-free shops. He also wanted to know how it affects the local manufacturers of local commodity. How does the Federal Government decide which ones have duty and which ones don't.

Mr. Garcia said it's the type of goods that do not have federal tax on it, and the local commodity would not be sold in the duty-free shops.

Mr. Ono asked how many outlets are they permitted to have. What happens if there is a limit imposed on the number of outlets that DOT can authorize?

Mr. Jack Suwa, DOT Deputy, said this is controlled by DOT permit for use of the ramp. You have to get ramp access, he said. The reason they came up with Proposals A and B is because of the space limitation. He said space was the controlling factor to convince the anti-trust people that this is all they can handle at the airport.

Mr. Kealoha asked whether it would hurt the sales of other businesses with this type of an outlet if you permit them to put a retail outlet in Waikiki. It would be unfair to others. Mr. Suwa said not necessarily so because they are selling only custom-bonded merchandise.

Mr. Ono asked whether it would be possible to have a "dummy" shop on one part of the floor, and the other part just a general retailing shop. Mr. Suwa said if the board's concern is to limit it to one operation, they can provide that in their stipulation and agreement.

Mr. Kealoha said the concern is not whether we want to limit it or not. The concern is whether it is going to affect or hurt other businesses with this type of an outlet.

Mr. Ono said he does have some concern about possible proliferation of these "dummy" stores and duty-free outlets where you have customs agents.

Mr. Suwa said the policy of the customs is not to allow any more outside of the airport.

Mr. Ono asked Mr. Suwa whether it would slow down the process if the board imposed a condition saying that all "dummy" stores and outlets outside of the airport would be subject to approval by the Land Board.

Mr. Suwa thought there would be no problem because they have until September 4 to make any changes.

Mr. Watson said the lease document itself is about ready. He thought there would be a problem to the particular condition which the chairman mentioned. He didn't recall anything about outlets in the lease document. He said if the board wishes to impose the condition they can say that there shall be no outlet. This would have to be addressed one way or the other in the lease document. It cannot be open ended as suggested by Mr. Ono.

Mr. Kealoha asked who is eligible to bid. Is it open to American citizens only? Does it exclude any foreigners? Mr. Suwa said it would have to be a corporation registered to do business in the State of Hawaii.

Mr. Ono asked what is the basic difference between Items J-1 and J-2. Mr. Suwa said the difference is in the rental, and the reason for this is because of the location. The rental is higher where the foot traffic is heavier.

Mr. Ono asked what volume of business is handled through the Waikiki outlet as compared to the main shop. Mr. Suwa said right now about 80% is at Waikiki.

Mr. Ono said the foot traffic then at the airport shouldn't be the main distinguishing factor, as far as rental is concerned, because where you are going to have the outlet is more significant than the foot traffic at the airport.

Mr. Suwa said they would have to get some determining minimum because anything above that is controlled by the 20% figure.

Mr. Ono said assuming only one custom is going to be staffed, is he going to be placed at A or B? Mr. Suwa said it isn't guaranteed. At the present time Duty Free is the only one who has a permit. If they lose, then nobody has the permit to operate at Waikiki.

Mr. Ono said if Duty Free is the successful bidder, they have a tremendous advantage over the others. He asked whether that was taken into consideration. Mr. Garcia agreed that they do have the advantage over the others. He said all potential bidders are aware of the present situation.

Mr. Ono said if that is the case, Duty Free can bid much higher than the competitor because they have a back-up area. Mr. Suwa said that is a chance they have to take because customs may cancel the permit.

Mr. Hong explained to Mr. Suwa that earlier he mentioned to Mr. Garcia that at the briefing given to the board on Kauai about the possibility of splitting the present concession, he asked for a memorandum outlining the department's position and the reason why they were doing it and the legal justification. He hasn't received it yet. He understood that it would be submitted to the board prior to the submission of the matter to the board. He said we should have that for the record.

Mr. Yagi asked whether the attorney general would go before the Justice Department to try to justify it if there is any suit.

Mr. Watson said on the whole bidding process as far as the attorney general's office is concerned, they feel comfortable that there is no anti-trust violation and that they are working within the law.

Mr. Kealoha suggested approving this pending the final details of the proposals (A and B) to be accepted by the chairman, who will be acting on behalf of the board, and before September 4, come back and work out the details with the board.

Mr. Ono said at the briefing a statement was made that the board will be held liable, not only in their official capacity but also as individuals. Mr. Watson said that was an improper statement. The board may be liable only in their official capacity as board members.

ACTION Mr. Kealoha moved, seconded by Mr. Yagi, and the board unanimously voted to approve Items J-1 and J-2, and at the same time delegated to the chairman to review all of the terms and conditions of the proposal for final approval by the board.

ITEM J-3 SHOE-SHINE CONCESSION, HONOLULU INTERNATIONAL AIRPORT, OAHU

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

LEASE - CONCESSION, INSTALLATION, AND OPERATION OF 12 COIN-OPERATED TV CHAIRS, LIHUE AIRPORT, KAUAI (HAWAII INTERNATIONAL RESEARCH CORPORATION)

ITEM J-4

ACTION Unanimously approved as submitted. (Yamamoto/Higashi)

At one of its earlier board meetings, the board deferred the submittal on the coin-operated blood pressure machine at the airport. As a follow up to this, Mr. Ono said he had received some correspondence. The Health Department said they will not certify the machine, that they have a separate program that they would like to tie in with their health counseling program. The Department of Agriculture, Weights & Measures, said they will certify, and DOT said it's okay with them. Since the board had deferred it earlier, Mr. Ono asked for the board's direction. The board was in unanimous agreement and directed Department of Transportation to put that package together and to resubmit this request to the board.

ADDENDUM NO. 1 TO LEASE NO. DOT-A-79-9, GENERAL LYMAN FIELD, HILO, HAWAII (FEDERAL AVIATION ADMINISTRATION)

ITEM J-5

ACTION Unanimously approved as submitted. (Higashi/Yagi)

RIGHT-OF-ENTRY, RUNWAY 4R, HONOLULU INTERNATIONAL AIRPORT, OAHU (FEDERAL AVIATION ADMINISTRATION)

ITEM J-6

CONSENT TO RENTAL AGREEMENT, SPACE NO. 121, BUILDING 207, HONOLULU INTERNATIONAL AIRPORT, OAHU (PERFORMANCE PLUS, INC; SUBLESSEE, AVIATION CONSULTANTS, INC. DBA FEDERAL AVIONICS)

ITEM J-7

ACTION Items J-6 and J-7 were unanimously approved as submitted. (Kealoha/Higashi)

CONSENT TO RENTAL AGREEMENT, BUILDING 207, HONOLULU INTERNATIONAL AIRPORT, OAHU (PERFORMANCE PLUS, INC.; SUBLESSEE, AIR MOLOKAI, INC.)

ITEM J-8

ACTION Unanimously approved as submitted. (Kealoha/Hong)

APPLICATION FOR ISSUANCE OF SPACE PERMITS, AIRPORTS DIVISION

ITEM J-9

Mr. Kealoha asked why Arrow Enterprises is being recommended here as a new permittee when we have requests from others for this space. He asked how DOT entertains existing permittees' request for additional space. Mr. Garcia said this space was available.

Mr. Kealoha said there is still an existing permit in this area which was not officially cancelled by the board.

ACTION Mr. Kealoha moved to deny issuance of Permit No. 3464 to Arrow Enterprise (Hawaii), Inc. and to approve the issuance of a Permit No. 3459 to World Airways. Mr. Hong seconded and the motion was unanimously carried.

(Mr. Yagi and Mr. Yamamoto were excused and left the meeting at 2:40 P. M.)

REVISION OF RENTAL RENEWAL OF SPACE PERMITS, AIRPORTS DIVISION

ITEM J-10

ACTION Unanimously approved as submitted. (Kealoha/Hong)

- ITEM J-11 RENEWAL OF SPACE PERMITS, CONFORMING USE, AIRPORTS DIVISION
- ACTION Unanimously approved as submitted. (Hong/Kealoha)
- (Item J-12 was withdrawn as it was identical with Item J-11.)
- ITEM J-13 ISSUANCE OF A DIRECT LEASE, HARBORS DIVISION, HILO HARBOR, HAWAII (U. S. DEPARTMENT OF TRANSPORTATION, U. S. COAST GUARD)
- ACTION Unanimously approved as submitted. (Higashi/Kealoha)
- ITEM J-14 AMENDMENT TO LICENSE NO. 47, HARBORS DIVISION, NAWILIWILI HARBOR, KAUAI (SHELL OIL COMPANY)
- Mr. Kealoha asked what happens to that portion of the pipe when it is abandoned or no longer required by the oil companies.
- Mr. Garcia said they cannot leave it open. They are required to clean the pipes.
- ACTION Unanimously approved as submitted. (Higashi/Kealoha)
- Mr. Ono said he would like to see Mr. Kealoha's request to be included as a part of the follow-up action. He said it should be standard for all cancellation of pipeline easements or the abandonment of a portion of the pipeline easement. Mr. Garcia said this is standard.
- ITEM J-15 CONSTRUCTION RIGHT OF ENTRY, HARBORS DIVISION, NAWILIWILI HARBOR, KAUAI (CITIZENS UTILITIES COMPANY)
- ACTION Unanimously approved as submitted. (Kealoha/Hong)
- ITEM J-16 ISSUANCE OF REVOCABLE PERMITS, HARBORS DIVISION, OAHU
- ACTION Unanimously approved as submitted. (Kealoha/Hong)
- ITEM J-17 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, KALIHI-KAI, HONOLULU, OAHU (ALEX JAKUBENKO)
- ACTION Unanimously approved as submitted. (Kealoha/Hong)
- ITEM J-18 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, KAWAIHAE HARBOR, KAWAIHAE, HAWAII (HAPU'U FARMS, INC.)
- ACTION Mr. Higashi said this is inconsistent use and moved to deny this request. Mr. Kealoha seconded and the motion to deny was unanimously carried.
- ITEM J-19 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, SAND ISLAND, OAHU (MATSON TERMINALS, INC.)
- ITEM J-20 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, PIER 8 BUILDING, HONOLULU HARBOR, OAHU (HOWARD T. KANESHIRO, DBA PIER 8 RESTAURANT)
- ACTION Items J-19 and J-20 were unanimously approved as submitted. (Kealoha/Hong)
- ITEM J-21 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, NAWILIWILI HARBOR, KAUAI (DAYE CALVERT, DBA KAUAI LUAU)
- ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM J-22 CONTINUANCE OF REVOCABLE PERMITS, HARBORS DIVISION

Mr. Hong informed the board that he could not vote on Permit No. H-79-783 because of a possible conflict.

Mr. Higashi questioned several of the permits listed here (particularly Matson Terminals, McCabe Hamilton & Renny, and Hilo Transportation and Terminal). He said these are permits of long standing and asked why they were not being put up for lease. Mr. Garcia said they have been working with the attorney general's office and several questions have come up about the improvements. Mr. Suwa said they will look into these questionable areas.

ACTION Mr. Kealoha moved, seconded by Mr. Higashi, and the board unanimously voted to approve the continuation of the permits as submitted, with the exception of Permit No. H-79-783, which was deferred. Mr. Hong did not vote on this permit. Mr. Yagi and Mr. Yamamoto had left the meeting and there was no quorum to vote on this permit.

ITEM J-23 REQUEST FOR APPROVAL OF ISSUANCE OF REVOCABLE PERMIT NO. HY-80-670, OAHU (LEO CECCHETTO, INC.)

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM J-24 REQUEST FOR APPROVAL OF ISSUANCE OF REVOCABLE PERMIT NO. HY-80-671, OAHU (COMMUNITY SERVICE STATION)

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM J-25 AIRPORT CONCESSIONS AT THE HONOLULU INTERNATIONAL AIRPORT, OAHU FLORIST; PACKAGED FOODS; GIFT AND APPAREL; JEWELRY AND SHELL; SUNDRIES; CAMERA AND HARDWOODS

Mr. Garcia mentioned that Item 4 (jewelry and shell) and Item 5 (sundries, cameras and hardwood), will be awarded to only certified minority business enterprises. This is in compliance with the recent federal regulation regarding minority business enterprises.

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM J-26 APPLICATION FOR ISSUANCE OF SPACE PERMITS, AIRPORTS DIVISION

Mr. Kealoha questioned Permit No. 3469 to Edwin P. Auld Airport Courier Service of Hawaii and said the previous permit was not cancelled. Mr. Garcia said the previous one was cancelled for nonpayment of rent. Mr. Kealoha said DOT may have cancelled the permit but the Land Board did not cancel it, so legally there are two tenants. Mr. Suwa assured the board that this matter will be taken up with the attorney general's office.

ACTION Mr. Kealoha moved to approve the issuance of space permits as presented with the exception of Permit No. 3469 to Edwin P. Auld Airport Courier Service of Hawaii, which was deferred. Mr. Hong seconded and the motion was unanimously carried.

ITEM J-27 APPLICATION FOR ISSUANCE OF SPACE PERMIT NO. 3472, KAHULUI AIRPORT, MAUI (GRACE BROTHERS, LTD.)

ACTION Unanimously approved as submitted. (Hong/Kealoha)

ITEM J-28

REVISION OF RENTAL RENEWAL OF SPACE PERMITS, AIRPORTS DIVISION

ACTION

Unanimously approved as submitted. (Higashi/Hong)

ITEM Z-1

REPORT OF AUCTION SALE

Mr. Detor gave the results of the public auction sale of Lot 102 of the Aiea Town Tract, containing 4,457 square feet, which was sold on July 22, 1980, at the upset price of \$65,000 to Patricia K. H. Mau.

- - -

Mr. James Stone with the law firm of Fujiyama, Duffy and Fujiyama, who represent Duty Free Shoppers, asked to say a few words in connection with Items J-1 and J-2 on the duty-free concessions which were taken up earlier (see pages 24 to 27).

After listening to the discussions, he understood the board's concerns. He said the concerns that were raised here have been raised previously with DOT, Attorney General's Office and other individuals. There have been very intensive ongoing discussions the past week or so regarding many of the concerns. In fact, yesterday two of the interested bidders met with representatives of the Attorney General's office for about three hours. They went through the proposed lease, page by page, he said. Both bidders agreed on the various points that they thought needed to be clarified or changed.

Mr. Stone particularly noted that none of the representatives who were at that meeting were present today. In view of these meetings and discussions that are going on, and with the board raising various concerns and problems, Mr. Stone said the board members are at a slight disadvantage.

As far as the off-airport shop is concerned, in terms of who gets it and how many allowed, etc., Mr. Stone said that also was a serious topic of discussion among both bidders, as well as DOT and other representatives. There were some legal questions that were raised at that time. Everyone present recognized and understood them.

He said the board should be careful in their deliberations on the matter and asked the board to discuss this matter with the Attorney General's Office, Bob Miller of the Anti-Trust Division of the A. G.'s Office, DOT and others before making its final determination.

For the record, Mr. Stone said they have turned their legal memo to the Attorney General's Office regarding some of the legal problems and concerns. It was his understanding that one of the other bidders will also be submitting a legal memorandum. This is a very complex matter and poses a number of problems, he said.

Mr. Ono asked whether there is another meeting scheduled.

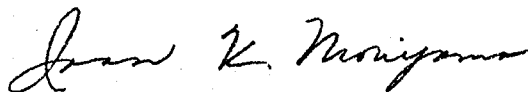
Mr. Stone said DOT has scheduled a meeting for August 29 at 10 A. M. at the airport. He wondered where the board stood and what effect these things may have in the other decisions that are being made and are still pending.

Mr. Ono asked Mr. Suwa to have this board fully apprised of what has been happening since the last time the board was briefed on Kauai. He said he wasn't aware of the multitude of concerns and questions that were brought up today.

Mr. Ono made a brief comment on Piers 39 and 40 which the board acted on earlier under Item F-30. He said this ties in to the earlier discussion on the Air National Guard/Federal Government use of state property on Maui. He said at one time Piers 39 and 40 were territorial lands and the military built the facilities on the site without permission. Eventually this matter was cleared up. Now we are paying rent to the Federal Government. Mr. Ono questioned whether we should pay anything at all on the improvements. He informed the board that he will pursue this matter.

ADJOURNMENT: There was no further business and the meeting was adjourned at 3:15 P. M.

Respectfully submitted,



JOAN K. MORIYAMA
Secretary

APPROVED



SUSUMU ONO
Chairman

jkm