

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

DATE: May 8, 1981  
TIME: 9:00 A. M.  
PLACE: DLNR Board Room  
Kalanimoku Building  
1151 Punchbowl Street  
Honolulu, Hawaii

ROLL  
CALL

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

MEMBERS

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

STAFF

Mr. James Detor  
Mr. Libert Landgraf  
Mr. Robert T. Chuck  
Mr. James Yamashiro  
Mr. Archie Viela  
Mr. Robert Lee  
Mr. Roger Evans  
Mr. Tamotsu Takekawa  
Mrs. Joan K. Moriyama

OTHERS

Dep. A. G. William Tam  
Dep. A. G. Johnson Wong  
Mr. Danny Gale (Item F-15)  
Mr. Howard Pennington (Item H-7)  
Mr. Matthew T. Ihara (Item H-8)  
Mr. Peter Garcia

MINUTES

The minutes of March 27, 1981 were unanimously approved as submitted.  
(Hong/Kealoha)

Mr. Kealoha asked to amend the minutes of April 10, 1981, on page 12 under Item J-1. The first sentence should correctly read, "Mr. Kealoha said the public is still complaining about not having any responsible agent or person for refund."

The minutes of April 10, 1981 were unanimously approved as amended above.  
(Hong/Kealoha)

Added  
Items

Mr. Kealoha moved, seconded by Mr. Hong, and the board unanimously approved to add the following items to the board agenda:

Land Management Division

Item F-23 - Filling of two Land Agent II positions, Honolulu, Oahu

Item F-24 - Chikara Ishihara request for Certificate of Release of Restrictions, Lot 11, Lalamilo Farm Lots, Lalamilo, Waimea, South Kohala, Hawaii

Item F-25 - Yuwato Hirayama request for Certificate of Release of Restrictions, Part A of Lot 1, Lalamilo Farm Lots, Lalamilo, Waimea, South Kohala, Hawaii

In order to accommodate those people in the audience, the board took the agenda in the following order:

ITEM F-14      WAIMANALO COUNCIL OF COMMUNITY ORGANIZATIONS REQUEST FOR  
HOLDOVER TENANCY, G. L. NO. S-4704, WAIMANALO, OAHU

This concerned a general lease held by the Waimanalo Council of Community Organizations covering 23.312 acres in Waimanalo. This was an 18-month lease and expired on April 10, 1981. Mr. Detor said when the organization initially came in they asked for three years, but they were given eighteen months.

The lease is for a project for preventing crime and educating juveniles in agriculture pursuits in Waimanalo. Mr. Detor said Mr. Herbert Yanamura, staff agricultural specialist, visited the site and reported that they are progressing very well.

They have requested a six-month holdover of the lease in order to allow them time to harvest the crops that are on the premises, and to decide whether they are going to apply for a new lease or not.

ACTION      Unanimously approved as submitted. (Kealoha/Hong)

Mr. Kealoha said when the staff comes back to the board after this six-month holdover, that a status report of the Valiants' property be submitted at the same time.

ITEM F-15      PACIFIC SURF & SPORTS APPLICATION FOR R. P. COVERING FORT DERUSSY  
BEACH FOR 1981 PRINDLE 16 CHAMPIONSHIP, HONOLULU, OAHU

This matter was deferred at the last board meeting. This was a request of Pacific Surf & Sports to hold the 1981 Prindle 16 National Championship. The reason for the deferral was to have the staff come back with the rental rate, and also to check with the army to see if they had any objection to the beach in front of their area being utilized.

Staff recommended a rental rate of \$3,230.00 for the eight-day event.

Mr. Detor said the army has indicated no objection to this event taking place, and there is a letter on file from the army. Although they didn't specifically say that they endorse the project, they did say that since the grounds of Fort DeRussy are not being requested, no permit is required.

Mr. Kealoha asked when the staff was going to be able to set the conditions, such as securities and what type of securities they are going to provide.

Mr. Detor said if the board approves this request, staff will go on the site and come up with specific recommendations.

Mr. Hong asked whether the rent is satisfactory to the applicant. Mr. Detor said he informed them what the rental is but he had no reaction from them as far as whether they object to it or not.

ACTION Mr. Kealoha moved for approval and Mr. Yagi seconded.

Mr. Ono asked Mr. Detor whether they know what some of the specific conditions might be.

Mr. Detor said they will restrict the hours of operation, designate the specific areas, and try to get them on the spot with the least amount of interference with the public use of the beach.

Mr. Kealoha said the conditions would have to be clear, and they would have to have their own security and hold the state harmless.

Mr. Detor said they have indicated that they will get their own security.

Mr. Ono said because it is going to tie up the beach for eight days, he wants to be sure that there is no misunderstanding; and to make it clear to the applicant that, assuming there is a violation on the first day, that we are going to cancel the permit. He said there is going to be very stringent control and he expects the applicant to adhere to these conditions that are set forth by the board. He didn't want to make the conditions unreasonable but he did want to make that clear. He further stated that if the board would authorize him, he would not hesitate to cancel the permit if there is any violation during the eight-day period.

Mr. Kealoha suggested that the staff's recommendation be only to approve the area and the rent at \$3,230.00, then come back to the board with specific conditions so that the action of the board will be clearer.

Mr. Higashi had one concern. As he understood it, this is a noncommercial operation. He said he would like to see a performance bond, or some kind of a bond, filed so if there is any commercial activity that they will forfeit the bond.

Mr. Detor said all of our permits require two-month security deposit, with the exception of the residential permits which conform to the Landlord-Tenant Code and require a one-month security deposit.

Mr. Higashi said he was not talking about security deposit.

Mr. Detor suggested that the board approve the recommendations as submitted, subject to specific terms and conditions to be approved by the board before the issuance of the permit.

The applicant, Mr. Danny Gale, said they are prepared to pay the rent of \$3,230.00.

Mr. Hong had serious reservations about the length of time (six to eight days) of tying up the beach. He asked Mr. Gale whether there is any way that the length of time can be shortened.

Mr. Gale said the competition starts on Monday, and from the moment they arrive on the beach till they're off the beach, it takes that amount of time.

Mr. Ono again emphasized and reminded the applicant that it's their responsibility to adhere to the conditions as set forth by the board, and hoped that they are ready to assume that responsibility because the board is taking an action on an unusual request.

On the call of the question the motion was unanimously carried.

ITEM C-1      PERMISSION TO ADVERTISE FOR SOLICITING PROPOSALS TO DISMANTLE A SOON-TO-BE ABANDONED TELEPHONE LINE ON CERTAIN PORTIONS OF STATE-OWNED FOREST RESERVE LANDS ON THE ISLAND OF HAWAII (SUBMITTAL WAS DISTRIBUTED AT BOARD MEETING)

This was a request for permission to advertise for soliciting proposals to dismantle a soon-to-be abandoned telephone line on certain portions of state-owned forest reserve lands on the Big Island.

Mr. Higashi asked whether we can hold Hawaiian Telephone responsible to take them down when they abandon the easement. Once they abandon the easement, it belongs to the state, and if we leave them they are going to rot, Mr. Higashi said. We don't have the manpower and equipment to dismantle those posts.

Mr. Landgraf said yes, they have taken that into consideration. He said if we decide not to accept this option, they would be required to dismantle and remove the posts, including the filling of the holes.

ACTION      Unanimously approved as submitted. (Higashi/Yagi)

Mr. Ono asked, assuming that no proposal is received, and the responsibility goes back to the telephone company, how much time should we allow the telephone company to fill the land.

Mr. Landgraf said it would be approximately six to nine months. He said from his experience in the past he cannot think of any instance where they were required to take them down and stood for more than nine months to a year.

Mr. Kealoha asked what kind of permit was going to be issued. Mr. Landgraf didn't know but said he'll find out.

ITEM D-1      REPEAL OF EXISTING REGULATIONS AND ADOPTION OF ADMINISTRATIVE RULES OF THE DIVISION OF WATER AND LAND DEVELOPMENT

Act 216, SLH 1979, mandated that all state agencies change their rules into a format established by the revisor. Mr. Chuck said they have been involved with Chapters 165, 175, 176, 177 and 183. Public hearings have been held on all four counties on these revisions and staff was prepared to recommend to the board to repeal the existing regulations and adopt the proposed regulations.

Mr. Chuck modified the wording in his recommendation by adding after the word "Board", "repeal the existing regulations and", and after the word "water" add "and geothermal resources."

Mr. Kealoha suggested that "wind" be also included.

ACTION      Unanimously approved as amended above. (Hong/Kealoha)

ITEM D-2      PERMISSION TO ATTEND THE AMERICAN WATER WORKS ASSOCIATION ANNUAL CONFERENCE, ST. LOUIS, MISSOURI, JUNE 6-14, 1981

Mr. Kealoha suggested that the submittal be amended to include a board member to also attend this conference.

Mr. Ono said this would be appropriate since Mr. Chuck is going to receive an award and water is one of our major program areas.

ACTION      Unanimously approved as amended. (Hong/Yamamoto)

ITEM E-1      FILLING OF VACANT PARK CARETAKER II POSITION, EAST KAUAI - WAILUA RIVER, KAUAI PARKS SECTION

ACTION      On Mr. Yamamoto's motion and seconded by Mr. Higashi, the board unanimously approved the appointment of Russell Yamashiro to fill Position No. 17719, Park Caretaker II.

ITEM E-2      REQUEST TO USE HAPUNA BEACH STATE PARK, HAWAII, FOR A ROUGHWATER SWIMMING EVENT

ACTION      Unanimously approved as submitted. (Higashi/Hong)

ITEM E-3      PERMISSION TO ADVERTISE FOR BIDS, RESURFACING OF ROADWAY AND PARKING AT KALALAU LOOKOUT, KOKEE STATE PARK, KAUAI

ACTION      Unanimously approved as submitted. (Yamamoto/Hong)

Mr. Ono asked who is responsible for the roadway at Kokee, DOT or DLNR?

Mr. Yamashiro said it is DLNR's responsibility. DOT is responsible up to a certain point. He said they have been trying to have DOT maintain and take over the entire road at Kokee, but so far they have not been able to do so.

Mr. Ono said when DOT does the repaving it makes more sense to include the upper portion and it is more economical.

Mr. Yamashiro said they will pursue the matter with DOT to have the Division of Highways take over the entire road in Kokee.

ITEM E-4      KEAIWA HEIAU STATE RECREATION AREA, AWARD OF REPAIR AND MAINTENANCE CONTRACT 21-OP-7 - ASPHALT CONCRETE SWALES (SUBMITTAL WAS DISTRIBUTED AT BOARD MEETING)

Staff recommended that the contract for this project be awarded to the apparent low bidder, Brill, Inc. at the bid price of \$27,402.00.

ACTION      Unanimously approved as submitted. (Hong/Yamamoto)

ITEM E-5      IAO VALLEY STATE PARK - AWARD OF REPAIR AND MAINTENANCE CONTRACT 49-MP-7 - SANITARY SYSTEM AND REPAVING PARKING AREA (SUBMITTAL TO BE DISTRIBUTED AT BOARD MEETING)

ACTION      Mr. Yamashiro asked to withdraw Item E-5 since staff is still tabulating the bids, and he would like to present this matter to the board at its next meeting.

The board had no objection to the withdrawal.

ITEM F-1      DOCUMENTS FOR CONSIDERATION

HAWAII

Item F-1-a      REVOCABLE PERMITS

JAMES WILLIAM MCCULLY - Portion of the Old Boarding School Lot, Ponahawai, South Hilo - for diversified agriculture - \$102.00 per month

Mr. Detor asked to amend the recommendation by adding the cancellation of Revocable Permit Nos. 5011 and 5012. The recommendation should, therefore, read, "That the board authorize the cancellation of Revocable Permit Nos. 5011 and 5012, and the issuance of a revocable permit to the applicant."

Item F-1-b      MARGARET KAPUNI GRACE DANCEL - Lot 17, portion of Papa Homesteads, Papa 1st, South Kona - for residential - diversified agriculture purpose - monthly rental to be determined by staff appraiser

This land was previously under a Right of Purchase Lease to the applicant and was cancelled some years ago.

Mr. Kealoha asked why this was not ready to go on a new lease. Mr. Detor explained there was some question, which was referred to the Attorney General's Office, whether the cancellation was in fact legal or not. This has been cleared. Mr. Detor said if she is interested in a lease, we can put it up for lease. However, it must be offered at public auction.

In going back to the permits, especially to those permits used for agricultural purposes, Mr. Ono said we have been inserting percentages of the gross on agricultural leases; whereas, permittees who stay on the land for years and years don't have that condition in their permits. He said this is not fair and asked the staff to look into that.

Mr. Detor said they can take a look at that.

OAHU

Item F-1-c      REVOCABLE PERMIT

CURTIS IAUKEA - covering space on Waikiki Beach, Honolulu

Mr. Detor said this item should not have been on the agenda and asked to withdraw it. Accordingly, this item was withdrawn.

Item F-1-d      HIDEO NAITO - Government land situate at Nimitz Highway, between Smith and Maunakea Street, Honolulu - for business purposes - \$1,195.00 per month

There was a brief discussion on what happens if a permittee dies. Does it get tied up in the estate? Do the heirs continue with the permit? Mr. Detor said no, this is only a month-to-month permit.

Mr. Kealoha said no matter what the staff says, it gets tied up in court. He said couple of the permits at Sand Island are tied up in the estate now.

Mr. Hong said until the permit is cancelled, the interest in the property is owned by the heirs.

Mr. Kealoha asked the staff to look into this area and suggested that a condition be inserted in the permit so that the land does not get tied up in the estate.

Item F-1-e COMMISSIONER'S ASSIGNMENT OF LEASE  
WILLIAM C. H. CHUNG, commissioner/assignor to IKAZAKI, DEVENS, LO, YOUTH & NAKANO, a general partnership, assignees - Lot 19, Shafter Flats Industrial Development, Unit I, Moanalua, Honolulu - GL No. S-4126

Item F-1-f MORTGAGE  
IKAZAKI, DEVENS, LO, YOUTH & NAKANO, Mortgagor, to CREDIT FUNDING, INC., Mortgagee - Lot 19, Shafter Flats Industrial Development, Unit I, Moanalua, Honolulu - GL No. S-4126

ACTION Item F-1 was unanimously approved as presented and amended above, on Mr. Kealoha's motion, which was seconded by Mr. Hong.

ITEM F-2 COUNTY OF HAWAII APPLICATION FOR DRAINAGE EASEMENT, PIIHONUA, SOUTH HILO, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM F-3 STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION AUTHORIZING SALE OF A ROAD EASEMENT AT OOMA 2ND, NORTH KONA, HAWAII

This was a request for an easement which was approved by the board some years ago. The easement was to provide access from the main road to the private property. Mr. Detor said we can sell it directly under the present law.

Mr. Higashi asked whether we are required to give them an easement. Mr. Detor said no. Mr. Higashi further asked what effect this easement would have on the land. He said the area may be zoned "resort" and there maybe encumbrances by the Airports Division, which would take away the value of the land.

Mr. Detor thought there would be some effect. But as far as access to the property, without an access, certainly the property isn't worth much, Mr. Detor said, so there would be some kind of an enhancement value. He said the appraiser would take this into consideration in establishing the value.

Mr. Higashi asked the staff to so instruct the appraiser to analyze the parcel as discussed above.

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM F-4 COUNTY OF HAWAII REQUEST FOR CONVEYANCE OF GOVERNMENT REMNANT AT KALAOA 5TH, NORTH KONA, HAWAII

At the March 13, 1981 meeting, the board approved the sale of the subject area to the abutting owner. The county is interested in the subject parcel for road widening. Staff recommended that the parcel be turned over to the county. Staff further recommended that the board rescind its previous commitment and to authorize the conveyance to the county.

Mr. Kealoha asked whether there is an existing building there. Mr. Detor thought there is a store and the subject area is being used for parking.

Mr. Higashi asked whether Mr. Hiroshi Matsuyama, the adjoining land owner, knows about the county's request. Mr. Detor said the Hawaii Land Agent, Glenn Taguchi, has been in touch with him.

ACTION Mr. Higashi said he would like to look into this further and asked for deferral. There was no objection by the board.

ITEM F-5 COUNTY OF HAWAII REQUEST FOR CONVEYANCE OF GOVERNMENT REMNANT OF PAHOEHOE 2ND, NORTH KONA, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Yamamoto)

ITEM F-6 HAROLD F. RICE, JR. APPLICATION TO LEASE REMNANT RIGHT OF WAY, PARCELS 3A AND R-1, KOHALA MOUNTAIN ROAD PROJECT NO. S-0250 (1), KOHALA, HAWAII

Mr. Higashi asked that the recommendation be amended requiring the lessee to be a full-time rancher. He said he didn't want to see a part-time, week-end farmer.

ACTION Mr. Higashi moved, seconded by Mr. Kealoha, and the board unanimously approved this request as amended above.

ITEM F-7 ANTONE MENDES APPLICATION FOR ACCESS AND UTILITY EASEMENT, AHUALOA, HAMAKUA, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM F-8 ROBERT DE REGO APPLICATION TO PURCHASE ABANDONED ROAD REMNANT AT KAAPAHU, HAMAKUA, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM F-9 RESUBMITTAL - W. A. LAVALLEE REQUEST FOR REVIEW OF VALUE ESTABLISHED FOR ABANDONED RAILROAD RIGHT OF WAY RUNNING ACROSS LOT 721, WAIAKEA HOMESTEADS, 2ND SERIES, WAIAKEA, SOUTH HILO, HAWAII

This matter was deferred for sixty days since there was a question about the price on the subject railroad right of way.

ACTION Mr. Higashi moved to approve this submittal at the \$46,150.00 appraisal figure, Mr. Hong seconded and the motion was unanimously carried.

ITEM F-10 DOT REQUEST FOR E. O. SETTING ASIDE LAND REQUIRED FOR HIGHWAY PURPOSES, KAAPALI, LAHAINA, MAUI

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

ITEM F-11 MAUI TRUCK ROADEO ORGANIZATION & KIHEI JAYCEES REQUEST FOR RIGHT OF ENTRY TO PORTION OF OLD PUUNENE AIRPORT, WAILUKU, MAUI

ACTION Unanimously approved as submitted. (Yagi/Kealoha)

ITEM F-12 STAFF RECOMMENDATION FOR CONFIRMATION OF UNRECORDED EASEMENT OVER AND ACROSS STATE LAND AT WAIAKOA, MAKAWAO, MAUI

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)



ITEM F-13 HERBERT MATSUBA APPLICATION TO PURCHASE HIGHWAY REMNANT,  
PARCEL 48-A OF INTERSTATE HIGHWAY FAP NO. I-H1-1(2), HONOLULU,  
OAHU

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ACTION Unanimously approved as submitted. (Kealoha/Hong)

(See pages 2 to 4 for Items F-14 and F-15.)

ITEM F-16 WALLACE HIRAOKA APPLICATION TO PURCHASE HIGHWAY REMNANT  
PARCEL R-1 OF THE INTERSTATE HIGHWAY FAP NO. I-HI-1(93), HONO-  
LULU, OAHU

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Mr. Kealoha and Mr. Hong wanted to know the exact location of the subject remnant. They said Palama Settlement is interested in obtaining additional land surrounding their property and questioned whether the parcel adjoins Palama Settlement.

ACTION Mr. Kealoha asked for deferral until the staff can get a more clearer map showing the exact location of the subject remnant. The board had no objection to deferring this matter until the next board meeting.

ITEM F-17 STAFF RECOMMENDATION FOR ADOPTION OF REFORMATTED LAND MANAGE-  
MENT DIVISION RULES AND REGULATIONS

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This request was to repeal the old rules of Land Management and the adoption of new ones, pursuant to the change in the law. Mr. Detor said four public hearings were held, however, no one showed up at any of the four hearings.

ACTION Unanimously approved as presented. (Kealoha/Hong)

Mr. Ono asked what were the significant changes, if any.

Mr. Detor said they are increasing the document fees. Unfortunately, he said, they are restricted by law in the amount that they can raise. They are still no way near what the downtown people charge for documents. The staff initially went to the board, and the board approved raising the document fees at least to what the downtown people charge. Subsequently, staff was informed that they couldn't do that. The law restricted it to only a 50% raise.

ITEM F-18 DOH REQUEST FOR ACQUISITION OF SUBLEASE COVERING SUITE 210 IN  
THE POLYNESIAN BUILDING, HONOLULU, OAHU

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ITEM F-19 DSSH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING OFFICE  
SPACE IN THE ALA MALAMA BUILDING, KAUNAKAKAI, MOLOKAI

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ITEM F-20 DAGS REQUEST FOR APPROVAL OF AMENDMENT OF LEASE FROM U. S.  
POSTAL SERVICE COVERING SPACE IN THE OLD FEDERAL BUILDING,  
HONOLULU, OAHU

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ITEM F-21 RENEWAL OF LEASE OF OFFICE SPACE FOR DSSH FROM KAHILI DEVELOP-  
MENT CO., INC., KAPAA, KAUAI

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ACTION Items F-18 to F-21 were unanimously approved as submitted. (Kealoha/Hong)

ITEM F-22 DESTINATIONS DEVELOPMENT CORP. REQUEST FOR RECISSION OF PREVIOUS BOARD ACTION AUTHORIZING TERMINATION OF GENERAL LEASE NO. S-4140, WAILUA, KAUAI

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This dealt with the Destinations Development Corporation's lease on Kauai. According to Mr. Detor, we have received a cashier's check in the amount of \$76,990.44, which pays up the back rent. They are now asking the board that the lease be reinstated and the previous board action be cancelled.

Staff recommended that the board's previous action be cancelled, subject to a number of conditions, as follows:

1. That they come in with a statement of revenue by May 15 for calendar year 1980 together with a cashier's check for additional rent due, if any.
2. Also remit by May 15 a cashier's check in the amount of \$1,336.50, which sum represents payment for water charges owing the department on said general lease.
3. Remit by May 15 a cashier's check in the amount of \$5,593.90, which sum represents payment for real property taxes owing the Department of Taxation on said general lease.
4. Submit by May 15 the management plan promised by Mr. Boyd Saderup.

In addition, staff has checked with the Labor Department and found that they are delinquent in the prepaid medical coverage which is required by law. So staff asked that this be brought up to date. Further, that the workmen's compensation policy, which expired on February 15, be renewed.

Attached to the board submittal were a letter dated April 24, 1981 from Mr. Norito Kawakami, attorney, transmitting the check, a letter from Mr. Boyd Saderup, and the Power of Attorney from Destinations Development Corporation authorizing Mr. Saderup to act on their behalf. Also attached to the board submittal was a letter from the chairman sent to the corporation on April 22, 1981.

Mr. Higashi asked what would happen to the \$76,990.44 check that was submitted to us if the board denies their request to reconsider. He said that is the rent that they owe us.

Mr. Detor said he posed that question to Deputy Attorney General Johnson Wong. Mr. Wong said Mr. Saderup is not the lessee and he has the right to put those conditions. If the lessee itself is making the payment that would be a different matter.

Mr. Hong said at this point we have no lessee. The board cancelled the lease.

Mr. Detor said that is correct. However, the actual cancellation document has not been drafted. Also, the premises have not been posted by the land agent which is required by law.

Mr. Ono questioned whether staff anticipate any other delinquency showing up, such as federal tax delinquency, etc. Mr. Detor said as far as the government was concerned, they have not been able to check that.

Mr. Ono said he would like a clarification for the record from Mr. Norito Kawakami. He said on a previous occasion, Mr. Saderup has indicated to the board that Mr. Kawakami no longer represented him or his client.

Mr. Kawakami was not aware of that. He said if Mr. Saderup made that statement, that statement has not been made to him. He said he is the attorney, and he is the one being hired. Whether he is still his attorney has to come from Mr. Saderup, he said.

Mr. Saderup said, as he stated at that meeting, Mr. Kawakami had a conflict, and that he hoped to be able to work it out between the last two meetings.

Mr. Ono said Mr. Saderup has not communicated back to the board whether he had worked it out. So Mr. Saderup's latest position still holds, as far as his relationship with Mr. Kawakami was concerned.

Mr. Saderup said Mr. Kawakami is representing them.

Mr. Kawakami received the board's permission to ask Mr. Saderup, so that the record would be clear, whether he represents him in whatever capacity that he has before this board. Mr. Saderup said that is correct.

Mr. Kawakami said when we are talking about delinquent charges on water, taxes, etc., we are talking about items which were not initially stated as a cause for the cancellation. As he understood it, the initial statement was purely that of rent. Nevertheless, the matter of taxes is covered on page 4 of the lease document under covenants and agreements. So he said this is an all inclusive thing. He said he would rather avoid that at this point.

He said Mr. Saderup basically represents a group who wants to come in and take over. For the purposes of these people who are putting up the money, it is to their interest and the interest of Destinations Development, as well as this board, that all of these things be researched so we know what the total amount is.

Mr. Ono felt that Mr. Kawakami's clients have some responsibility to determine that before coming to this board. Mr. Kawakami agreed that his client has some responsibility, but not entirely.

Mr. Kawakami said he would like very much to have this whole matter continued for one month and let them research all of these things. He said he was asking for one month because he is going on a vacation and Mr. Saderup is going to the hospital for a minor operation.

Mr. Higashi said before he can vote on this request he would like to have clarification on Mr. Kawakami's April 24 letter. He asked what was meant by "advanced" on paragraph two of that letter. Does that mean that he is looking for a refund later?

Mr. Kawakami said only if the lease is not renewed.

Mr. Higashi said then they are presuming that the lease is still valid.

Mr. Kawakami said the question on the validity of the lease becomes a little complicated. They have had notification of termination of the lease. However, because this is a government lease, and the board is bound by regulations as to the procedure for officially doing it, he said this is a shady area. He said he wouldn't say at this point that this has been taken care of or not.

Mr. Higashi said but in effect the \$76,990.44 is owing the state in back rental.

Mr. Kawakami said the money is owed by Destinations Development Corporation and not by this group.

Mr. Higashi pointed out that under the Power of Attorney granted to Mr. Saderup, he is acting on behalf of the lessee.

Mr. Kawakami said only within the certain area of having this renewed. Because Mr. Saderup, in effect, as a person is representing not only the people who made the funds available, but also through this agency relationship, there is an element of confusion here which could be better cleared if someone else were the agent for Destinations Development.

Mr. Hong said the discussion brings up a good point. Throughout all of these proceedings, not once did a representative of Destinations Development appeared before the board.

Mr. Detor said it was his understanding that Mr. Elwynn S. Hewlett, who is the head of Destinations Development Corporation, was on Kauai the last time when the board took this matter up, and he did not appear at that meeting.

Mr. Detor said if the board should reinstate the lease and keep the \$76,990.44 check, and if there are further violations, they will serve another notice of default. He said once that lease is reinstated, we have the \$76,990.44.

Mr. Ono said Mr. Saderup mentioned, in one of his previous appearances before the board, that he is uncovering more obligations than what was originally thought to be. He asked why he didn't uncover some of those things that Mr. Detor's staff has uncovered.

Mr. Saderup said the CPA has not given him the complete financial package.

Mr. Ono further stated that at the earlier meeting Mr. Saderup talked about credibility and how important it was to preserve the credibility that he had. He didn't think some of the actions, or the lack of it, helped his position any.

Mr. Saderup acknowledged that. He said the biggest problem with that fiasco on Kauai, where someone responded in his name that he is going to do something, was he was not on the island at that time. He said he tried to be on the level with this board on every issue.

Mr. Ono asked how come the check did not show up at 4:30 P. M. as he promised. He said Mr. Saderup made this commitment to the board and nothing happened. This was not the first time, he said.

Mr. Saderup said he doesn't write the check. He said the individual who was arranging the check backed away because of certain conditions.

Mr. Ono said he should have qualified that statement if he couldn't produce the check.

Mr. Ono asked whom the lease was made out to. Mr. Detor said it is made out to Destinations Development Corporation. Mr. Ono further asked who is Kauai Paradise Pacifica, Inc.

Mr. Kawakami said Destinations Development Corporation has changed its name to Kauai Paradise Pacifica, Inc. This was done through the State

Regulatory Agencies but somehow the notice of the change of name was not transmitted to DLNR or to anybody else.

Mr. Higashi asked Mr. Saderup, as an agent holding the Power of Attorney, whether the stockholders are all the same. Mr. Saderup said they are all the same.

ACTION Mr. Yamamoto moved and Mr. Yagi seconded that the board approve the following:

- A. Rescind the chairman's certified letter of April 22, 1981 to Messrs. Elwynn S. Hewlett and Boyd C. Saderup which cancelled General Lease No. S-4140, subject to the following:
1. The board accepting the check dated April 24, 1981 in the amount of \$76,990.44 to satisfy the default served Destinations Development Corporation under General Lease No. S-4140 by certified letter dated December 1, 1980.
  2. Destinations Development Corporation, Kauai Paradise Pacifica and/or Mr. Boyd C. Saderup submitting by June 15, 1981 the statement of revenue for calendar year year 1980, together with a cashier's check for additional rental due, if any.
  3. Destinations Development Corporation, Kauai Paradise Pacifica and/or Mr. Boyd C. Saderup remitting by June 15, 1981 a cashier's check in the amount of \$1,336.50, which sum represents payment for water charges owing the department on said general lease.
  4. Destinations Development Corporation, Kauai Paradise Pacifica and/or Mr. Boyd C. Saderup remitting by June 15, 1981 a cashier's check in the amount of \$5,593.90, which sum represents payment for real property taxes owing the Department of Taxation on said general lease.
  5. Destinations Development Corporation, Kauai Paradise Pacifica and/or Mr. Boyd C. Saderup submitting by June 15, 1981 the management plan promised by Mr. Boyd C. Saderup.
  6. Destinations Development Corporation, Kauai Paradise Pacifica and/or Mr. Boyd C. Saderup posting with the State Department of Labor and Industrial Relations by June 15, 1981 satisfactory prepaid health care coverage and workmen's compensation policy.
- B. In the event Destinations Development Corporation, Kauai Paradise Pacifica and/or Mr. Boyd C. Saderup fails to comply with any of the conditions stated above, authorize the following:
1. Cancellation of G. L. No. S-4140 as of April 11, 1980.
  2. All improvements existing or constructed upon the lease premises, including all plants and flora, to become the property of the State of Hawaii.
  3. Retention of the \$76,990.44 cashier's check, together with all sums heretofore paid under G. L. No. S-4140 as liquidated damages.
  4. Termination of all rights and obligations of the lessee under G. L. No. S-4140, effective as of April 11, 1980.

5. Demand the payment of \$17,376.00 from Messrs. Elwynn S. Hewlett, Jr. and Boyd C. Saderup, who are "sureties" under the Surety Bond dated September 24, 1973 and between Destinations Development Corporation and said gentlemen, which serves as security in lieu of the performance bond requirement.
  6. Request the State Attorney General to collect all monies due the State of Hawaii under G. L. No. S-4140.
- C. Authorize the chairman to take whatever actions or to impose such other terms and conditions to carry out the intent of the board's actions.

On the call of the question, the motion passed with Mr. Hong and Mr. Ono voting no.

ADDED  
ITEM F-23 FILLING OF TWO LAND AGENT II POSITIONS, HONOLULU, OAHU

ACTION On Mr. Kealoha's motion and seconded by Mr. Yagi, the board unanimously approved the appointments of Mr. Louis Quemuel as Land Agent II, Position No. 13177 (Central Office) and Sojin Serikaku to Land Agent II, Position No. 27722 (Oahu District).

ADDED  
ITEM F-24 CHIKARA ISHIHARA REQUEST FOR CERTIFICATE OF RELEASE OF RESTRICTIONS, LOT 11, LALAMILO FARM LOTS, LALAMILO, WAIMEA, SOUTH KOHALA, HAWAII

ADDED  
ITEM F-25 YUWATO HIRAYAMA REQUEST FOR CERTIFICATE OF RELEASE OF RESTRICTIONS, PART A OF LOT 1, LALAMILO FARM LOTS, LALAMILO, WAIMEA, SOUTH KOHALA, HAWAII

ACTION Added Items F-24 and F-25 were unanimously approved as submitted. (Kealoha/Yamamoto)

ITEM G-1 FILLING OF CLERK II, POSITION NO. 159

ACTION Mr. Yagi moved to approve the appointment of Shirlene S. L. Miyashiro to fill Clerk II Position No. 159 effective May 16, 1981.

ITEM H-1 REPEAL OF EXISTING RULES AND ADOPTION OF NEW RULES OF THE NATURAL AREA RESERVES SYSTEM

ACTION Unanimously approved as submitted. (Kealoha/Yamamoto)

ITEM H-2 CDUA FOR CONSOLIDATION AND RESUBDIVISION USE AT KUKUAU 1ST, SOUTH HILO, HAWAII (MESSRS. IVAN M. LUI-KWAN, ET AL)

This was a request for consolidation and subdivision of private lands on the Big Island. It is in the resource subzone. Mr. Evans said there is access to this property. The purpose of this application is to sever undivided interests among three people. Considering the comments that came in and since there were substantially no objections, staff recommended approval.

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM H-3 CDUA FOR MAKAHA EXPLORATORY WELL III USE AT WAIANAE, OAHU (C&C BOARD OF WATER SUPPLY)

This was a City and County Board of Water Supply's request for an exploratory

well in Waianae. The current use of the land is vacant and it is in a resource subzone. Staff recommended approval.

Mr. Ono asked if the exploration proves successful whether the Board of Water Supply will conduct a full EIS. Mr. Evans said that is correct.

ACTION Unanimously approved as submitted. (Kealoha/Yagi)

ITEM H-4 CDUA FOR AFTER-THE-FACT SINGLE FAMILY RESIDENTIAL USE AT HOOKENA BEACH, SOUTH KONA, HAWAII (DAVID BASQUE)

Mr. Higashi asked to defer this matter as he wants to make a personal on-site visit.

ACTION The board had no objection to deferring this matter until the June meeting as requested by Mr. Higashi.

ITEM H-5 CDUA FOR SINGLE FAMILY RESIDENTIAL USE AT HAENA, KAUAI (M/M BRIAN KENNELLY)

ITEM H-9 CDUA FOR SINGLE FAMILY RESIDENTIAL USE AT HAENA, KAUAI (ROGER HARRIS PLANNING ON BEHALF OF HARLAN DE GROODT)

Mr. Evans asked the board to take up Items H-5 and H-9 together since both involved the same general location. He said the board recently established a new policy as it related to Haena lands. That policy basically suggested that under certain circumstances, even though a lot was within the limited subzone, because there was a court action that provided for petition without land board approval, that the land board would, nevertheless, consider that petition as valid, and under certain specified conditions allow a residence to be built.

Mr. Evans said these two applications are the first two that the staff has had an opportunity to bring to the board based on the new policy.

Mr. Evans pointed out particularly to Conditions 8 and 9 which the staff felt were very important. Condition No. 8 - no further subdivision of the lot to be allowed; and Condition No. 9 - the applicant shall place this approval in a recordable form and have this recorded as a part of the deed instrument, and a copy of the required Waiver and Indemnity Agreement duly executed and returned to DLNR prior to the approval of the construction plans.

ACTION Items H-5 and H-9 were unanimously approved as submitted. (Hong/Yagi)

ITEM H-6 CDUA FOR CONDITIONAL SINGLE FAMILY RESIDENTIAL USE AT KEAUHOU, KAU, HAWAII (DAN ECKLAND)

ACTION Unanimously approved as submitted. (Higashi/Yagi)

ITEM H-7 CDUA FOR OTEC-1 RESEARCH USE AT OPEN OCEAN LOCATION IN HAWAIIAN WATERS (U. S. DEPARTMENT OF ENERGY)

This was a request by Marine Affairs Coordinator's Office, on behalf of the United States Department of Energy.

The proposed use is for OTEC-1 or Ocean Thermal Energy Conversion.

The subject area is an ocean area located approximately 22.94 statute miles from Kawaihae and approximately 13.07 statute miles from Makolea Point. The depth at the site location is 765 fathoms, which is 4,950 feet.

Mr. Ono asked how the Marine Affairs Coordinator's Office got involved in this application and the processing of the application.

Mr. Evans said our first involvement with them was when there was some discussion on the concept of the project and the position was that the state does have the responsibility; and being in the conservation district, they decided to apply on behalf of the Federal Government.

Mr. Ono said this is an unusual request. The United States Department of Energy has not taken an active part in applying, and this application was submitted by the Marine Affairs Coordinator's Office on behalf of the U. S. Department of Energy. One of the basic reasons for this unique approach was that the State of Hawaii felt that it needs to protect its interest not only for this particular instance, but whatever may come up in future years. This may look like an innocent request, he said, but it has a far reaching effect.

ACTION Unanimously approved as submitted. (Hong/Kealoha)

ITEM H-8 CDUA FOR CONSOLIDATION AND RESUBDIVISION USE AT KUA BAY, KUKIO, MAKALAWENA, NORTH KONA, HAWAII (MARK VAN PERNIS, ATTORNEY ON BEHALF OF PHILLIP GRAY, PETER SMITH, IRVING LONDON & MANINIOWALI CORPORATION)

Mr. Evans received a telephone call yesterday from the attorney representing the applicant, who informed him that the staff was in error and that he did not agree with the staff's statements in the application that related to nonconforming use.

Staff's position was if a consolidation and resubdivision occurred, then as of the date of the board approval, it would create new lots, as such the nonconforming use clause would no longer be in effect. Mr. Evans said he pointed out to the attorney that generally the purpose of nonconforming use is to bring all nonconforming uses into conformance over a period of time.

Mr. Evans said the attorney has requested postponement of this action as he felt that postponement will allow him an opportunity to further research the law.

Mr. Ono asked Mr. Evans whether the question posed by the attorney was referred to the Attorney General's Office for interpretation. Mr. Evans said no. However, they have asked the Attorney General's Office for advice in the area of subdivision within the conservation district, and they have been informed in writing that if a subdivision was to be allowed, the board has the authority to allow a subdivision.

Mr. Kealoha asked Mr. Evans whether under the conservation district, it is permitted to consolidate and resubdivide. Mr. Evans said it is a conditional land use.

Mr. Matthew Ihara, attorney, said their Kailua-Kona office is processing this matter. He requested postponement until the next meeting so they can review all of the materials.



Mr. Higashi informed Mr. Ihara that it might be wise to get legal access to their property before reconsolidating and resubdividing. He said once they address the access problem, he will be happy to consider the reconsolidation and resubdivision request. The access problem would affect state land since state land surrounds this property.

Mr. Higashi suggested that he advise his client to withdraw this application first and settle the access problem.

Mr. Ihara thought this to be a good recommendation and said he will so recommend to his clients at the Kailua-Kona Office.

ACTION The board had no objection to deferring this item until the next meeting.

Mr. Ono cautioned Mr. Ihara that the current application has an expiration date of July 19 so if these questions are still not cleared up, and if they don't withdraw the original application, this application is going to be disapproved.

(See page 15 for Item H-9.)

ITEM H-10 CDUA FOR SINGLE FAMILY RESIDENTIAL USE AT WAIKAHIULA, PUNA, HAWAII (M/M ROBERT L. BURGESON)

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM H-11 CDUA FOR DESIGNATION OF TWELVE NATURAL AREA RESERVE ON THE ISLANDS OF OAHU, KAUAI, AND HAWAII (DLNR/NATURAL AREA RESERVES SYSTEM)

Staff recommended changes to the submittal by deleting Condition No. 5, and also the following parcels from the submittal which were listed on page 8: Hono O Na Pali on Kauai; and Puu O Umi and Kipahoe, both on Hawaii.

ACTION Unanimously approved as amended above. (Kealoha/Hong)

Mr. Ono asked Mr. Detor to process the executive orders as soon as possible. On the pending areas, he asked Mr. Bob Lee to get together with the rest of the group to clear up the questionable areas.

ITEM H-12 FILLING OF POSITION NO. 9912, ACCOUNT CLERK II, ADMINISTRATIVE SERVICES OFFICE

ACTION Mr. Pedro Galla, Jr. was unanimously appointed to the Account Clerk II Position No. 9912, on Mr. Hong's motion and seconded by Mr. Yamamoto.

ITEM H-13 APPROVAL TO AUDIT U. S. DEPARTMENT OF AGRICULTURE USDA FOREST SERVICE GRANT PROGRAM

ACTION Unanimously approved as submitted. (Yagi/Hong)

ITEM J-1 FLORIST CONCESSION, GENERAL LYMAN FIELD, HILO, HAWAII

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM J-2 AIRPORT DIRECT TELEPHONE LINE ADVERTISING SERVICE CONCESSION, HONOLULU INTERNATIONAL AIRPORT, OAHU

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM J-3 PUBLIC AUCTION OF LAND, LAGOON DRIVE SUBDIVISION, HONOLULU  
INTERNATIONAL AIRPORT, OAHU

Mr. Ono questioned the sentence under the remarks section which read:  
"The above properties were originally under lease to Hawaiian Scenic Tours,  
Ltd. who recently gave it up since they could not use it."

Mr. Garcia said the Hawaiian Scenic Tours has gone out of business.

Mr. Ono said before leasing any property, the DOT come to the board for  
approval. However, when they cancel it they don't come back to the board,  
so the board doesn't know about it. He asked Mr. Garcia to look into this  
area whether such cancellation shouldn't legally come to the board. He said  
the board should at least be informed what they are contemplating because  
the board is charged with acquisition and disposition of lands.

ACTION Unanimously approved as submitted. (Kealoha/Hong)

ITEM J-4 MODIFICATION NO. 1 TO LEASE NO. DOT-A-80-23, HONOLULU INTERNATIONAL  
AIRPORT, OAHU (RUSTY'S FLORIST, INC.)

ACTION Unanimously approved as submitted. (Hong/Yamamoto)

ITEM J-5 AMENDMENT NO. 2 TO LEASE NO. A-65-2, KAHULUI AIRPORT, MAUI (U. S.  
FEDERAL AVIATION ADMINISTRATION)

ACTION Unanimously approved as submitted. (Yagi/Kealoha)

ITEM J-6 RENEWAL OF REVOCABLE PERMITS, CONFORMING USE, AIRPORTS  
DIVISION

ACTION Unanimously approved as submitted. (Yagi/Kealoha)

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Mr. Ono said a question was raised at a previous meeting on the aircraft  
parking.

Mr. Garcia reported that they made a survey of the airports to determine what  
percentage of residents were occupying the spaces. They found out that  
99% of the spaces for aircraft parking were being used by residents.

ITEM J-7 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, HALEIWA BOAT  
HARBOR, HALEIWA, OAHU (ALFRED L. OGA)

ACTION Unanimously approved as submitted. (Hong/Yamamoto)

ITEM J-8 ISSUANCE OF REVOCABLE PERMIT NO. HY-81-678, HIGHWAYS DIVISION,  
CLOSED OFF ON-RAMP ADJACENT TO KALIHI UNION CHURCH AND FIRST  
HAWAIIAN BANK, OAHU (STATE IMMIGRANT SERVICES CENTER)

ACTION Unanimously approved as submitted. (Kealoha/Yamamoto)

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Mr. Garcia informed the board that they will be coming to the board at its  
next meeting with a request for an assignment of lease between Honolulu

Fueling Facilities Corporation (HFFC) and Texaco. He said HFFC, which provides the fueling services for all of the airlines at the airport, is proposing to purchase all of the equipment from Texaco so that they can incorporate this into their system.

Mr. Garcia said if the board wants more information as to what HFFC is doing, they are willing to meet with the board on an informal basis and answer any question which the board may have.

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Mr. Ono said before Mr. Kealoha leaves the board he would like to get a definite answer whether this board has any kind of authority on the question of rental at the stadium.

Mr. Detor said the land on which the stadium is located has not yet been set aside to the Stadium Authority. Part of the land, he said, was conveyed by the United States so there are federal restrictions as to use.

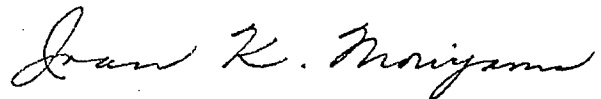
Mr. Ono said if the board is responsible we should start looking into it.

Next Meeting

The next meeting is scheduled for May 29, in Honolulu.

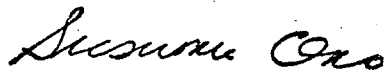
ADJOURNMENT: There was no further business and the meeting adjourned at 12:25 P. M.

Respectfully submitted,



JOAN K. MORIYAMA  
Secretary

APPROVED



SUSUMU ONO  
Chairman

jk