

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

DATE: THURSDAY, MARCH 25, 1993  
TIME: 8:30 A.M.  
PLACE: COUNTY COUNCIL CHAMBERS  
75 AUPUNI STREET  
HILO, HAWAII 96720

**ROLL  
CALL**

Chairman Keith Ahue called the meeting of the Board of Land and Natural Resources to order at 8:30 a.m. The following were in attendance:

**MEMBERS:** Mr. John Arisumi  
Mr. Herbert Apaka  
Mr. Christopher Yuen  
Mr. William Paty  
Mr. Keith Ahue

**ABSENT & EXCUSED:** Ms. Sharon Himeno

**STAFF:** Mr. W. Mason Young  
Mr. Manabu Tagomori  
Mr. Edward Henry  
Ms. Charlene Enoki  
Ms. Dorothy Chun

**OTHERS:** Mr. Johnson Wong, Esq., Deputy Attorney  
General  
Mr. Peter Garcia, Department of Transportation  
Mr. Paul Cathcart, Mr. Robert Chuck (Item H-1)  
Mr. Norman Hong (Item H-2)  
Ms. Patricia Tummons (Item H-2)  
Mr. Dennis Lombardi, Mr. Mel Ortiz, Mrs. Ann  
Keenan, Ms. Deborah Ward, Ms. Patricia  
Tummons (Item H-3)

**MINUTES** The minutes of February 26, 1993 were approved as submitted.  
(Apaka/Arisumi)

**ADDED** Upon motion by Mr. Arisumi and second by Mr. Apaka, the following  
were added to the agenda:

Item F-9 Amendment to Withdrawal of State Land from Governor's  
Executive Order No. 3206; Issuance of Governor's  
Executive Order to County of Maui, Department of Public  
Works, for Maintenance Baseyard Site Use and Immediate

Guard light. They did obtain a minor SMA permit for the relocation of the light.

**ACTION**

Mr. Arisumi moved for approval of the extension for the completion date to be November 9, 1996 and amended that a copy of the SMA permit be submitted as part of the application. Seconded by Mr. Apaka motion carried unanimously.

**AFTER-THE-FACT AMENDMENT REQUEST FOR CDUA HA-1711  
FOR LANDSCAPING AND ADDITION TO A SINGLE FAMILY  
RESIDENCE, KIHOLE BAY, NORTH KONA, HAWAII, TAX MAP KEY  
7-1-02:6 & 8; APPLICANT: ANN KEENAN; AGENT: DENNIS  
LOMBARDI (CASE & LYNCH)**

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**ITEM H-3**

Mr. Henry informed the Board that he had just received a telephone call from the Office of Hawaiian Affairs (OHA) requesting that the Board defer this item to the end of the agenda so that they could prepare comments on this board submittal. The phone message says that their testimony would be ready in another hour.

Counsel was consulted on whether this was a normal procedure. Deputy Attorney General Wong said that they could have contacted the chairperson to make the request.

It was suggested that Mr. Henry make his presentation and the board would not take action until testimony was received from OHA.

Mr. Henry proceeded to make the presentation of Item H-3 beginning by going over the background, description of area, proposed use, comments, analysis and violations.

Mr. Henry said he received comments yesterday from the Division of Historic Preservation. Their brief comments were based on past understanding of the situation. They comment that Luahinewai Pond is important as a historic site and is a legendary significance to the Hawaiian community and families that once inhabited and continue to visit the area. They ask that the board approve the application with conditions that the applicant prepare and implement a management plan for Luahinewai Pond and the immediate surrounding area. The management plan must address the following concerns:

1. A planting program should effectively screen all structures from the pond, the shoreline and surrounding areas. These plants should blend with the landscape and should include as many indigenous plant taxa as possible.

2. The illegally grubbed and graded area surrounding the pond should be restored as much as possible to recreate the original appearance of the surrounding landscape.

3. The integrity of the pond and its water should be maintained. This should include long term monitoring to assure that the waters are not being polluted by the illegally installed waste water treatment system or run-off from the residence area. Water levels should also be monitored to assure that the withdrawal of water for domestic use does not substantially diminish water levels in the pond.

4. We have been told that because vegetation was cleared from the seaward edge of the pond, high seas recently deposited sand and rock in the pond. Measures should be taken to clear the pond of this debris and to re-establish appropriate vegetation that will reduce the chances of this happening in the future.

5. Public access be allowed and interpretive signs be prepared to explain the significance of the pond. If public access cannot be required or encouraged, we ask that the management plan require interpretive signs be prepared and placed at the edge of the property in an appropriate place where those using the public beach or trails can be made aware of the pond's significance from a distance.

6. The management plan must demonstrate that the applicant has sought and incorporated the opinions of Hawaiian families that once lived in this area.

7. The management plan must be reviewed and accepted by the Historic Preservation Division before any of the actions proposed take place.

Regarding the violations, staff is recommending that the board find the applicant in violation and impose a \$500.00 fine for each of the five violations listed. He amended the submittal to add, "Failure on the part of the applicant to comply with the section A. Violation within 60 days after the board's decision, the matter shall be turned over to the Attorney General for disposition to include all administrative costs."

Regarding the Land Use, staff was recommending that the board approve the existing, unauthorized improvements, after-the-fact, and approve the proposed additional improvement (arbor) and landscaping subject to the following 15 conditions. Relating to the condition requested by the Division of Historic Preservation, staff also believes a planting program and a management plan for Luahinewai Pond should be included as a condition. He also identified Condition No. 4, that prior to the approval of any of the plans by the department, a formal clearance

from the Department of Health (DOH), stating that the applicant has made all the requirements for wastewater treatment, etc. shall be submitted for the record.

Mr Dennis Lombardi, agent for the applicant informed the board that they have gone to the Department of Health (DOH), and the inspection of the wastewater system occurred on March 12, 1993. He understands that they are to submit a plan of the existing system that was installed for the department's review and will be complying with every request they have.

Mr. Mel Ortiz, representative of the Keenan's then explained that the present system is a 5-chamber aerobic system manufactured by Jet Incorporated. He said that he was on the property in 1989 and 1990 when it was being completed. He added that the owners on their own, consistent with the request of the State Historic Council, have continually and periodically monitored the water of Luahinewai Pond. They used Brewer's Inc. in Hilo to test the waters and to check levels every three months. The treated water as proposed in the initial plans was sufficient to take care of the irrigation of landscaping and that's what the DOH wanted them to do.

More discussion followed on the wastewater system and use of the pond water.

Mr. Yuen asked, "The permit itself doesn't say anything what the water source would be for the house and when the application came in, was this part of the application that says the water source was going to be from the pond?"

Mr. Henry said that he did not have that specific information as he didn't have the original submittal, but that was something he could obtain.

Mr. Yuen asked if construction plans were approved that included the water supply coming from the pond.

Mr. Henry did not know.

Mr. Ortiz said that the plans that were approved and upon which this construction took place, while not detailed, indicates a sump in the deeper layer of Luahinewai Pond. He produced a copy of the plans.

Mr. Henry then produced a copy of an October 8, 1986 memo from the Division of Water and Land Development to Mr. Evans of the Planning Office commenting on a plan review for a non-conforming single-family dwelling. The letter states that DOWALD has no objection to the building plans as presented, however they recommended that the applicant fully utilize appropriate erosion and sediment control measures during

construction to prevent degradation of the adjacent anchialline pond. They noted applicant's intent to dig a fifteen inch, five foot deep brackish water well as shown on sheet 15. A well drilling permit from DLNR will be required. The applicant should submit the well drilling applications, Section E of the department's master application, to the department for review and approval.

Mr. Ortiz mentioned that the revised plans on this property occurred in 1988. The original plan approved by the Board was a massive five bedroom, six bath structure. They voluntarily downscaled the property and submitted new plans which they thought were approved. He said that those plans were approved in 1989.

Mr. Yuen expressed concern about drawing water from the pond as opposed to the possibility of drawing water from a shallow well located adjacent to the pond and that's the basis of his questioning if there were a permit to draw water from the pond.

It was determined that the set of plans was approved April 18, 1989 by Mr. Evans, Administrator of the Office of Conservation and Environmental Affairs. There was no detail to show how water was to be supplied in the approved plans aside from the sump shown on the edge of the pond.

More discussion followed regarding use of water from the pond, where its been drawn from, household use, types of pipes, quantity being used daily, etc. Also discussed was the grading done and whether there would be future grading.

Responding to the division of Historic Preservation's comments, Mr. Ortiz said that the Keenan's are fully in agreement in cooperating with their recommendations. If they are asked to plant naupaka or other native plantings in certain areas, the Keenans are more than willing to do that.

Mr. Yuen said that the concern he has on the boundaries on the property was because before he became a land board member, he was approached by some people he trusted who complained that they had been chased off the public beach at Luahinewai by representatives of the owners, by their security guard there. This happened in the mid to late 1980's. These are people that had come on the beach legally from the public trail or they came in by boat. This he feels should not happen.

Mr. Lombardi said that he totally agreed with the conditions of signage on the property to clearly show the boundaries of the property and identify the pond. He said he didn't know who chased those people off the beach and it couldn't have been the Keenans as their house was not completed till 1990. The security guard they had is no longer with them.

Discussion followed on signage. Chairperson Ahue pointed out that the signs referred to in the Historic Preservation document refers to interpretive signs to indicate the significance of the pond itself as opposed to trespassing signs. Mr. Lombardi said they would work with the department on the signs.

Ms. Pat Tummons said that she too has received complaints about this in the last 3-4 years, people have been calling her and saying that lateral shoreline access had been denied them by agents of the owners at Luahinewai Pond.

She was disturbed by the DOH approval for the wastewater system. She claims that the wastewater systems are supposed to be designed based on the number of bedrooms in the house. She was also concerned regarding the approval of signage on the property.

Ms. Deborah Ward, Conservation Chair for the Sierra Club, Mokuloa Group said that she was representing the people who love Luahinewai and its surroundings but could not be here today. She began by saying that this area was extremely important culturally and historically as well as recreationally for the people of this island. She shared an article written by Keoni Nunes in which he describes the history of this area. She said that seeing the changes in this area has been distressing to a lot of people.

Ms. Ward referred to the after-the-fact CDUA. She said that they were concerned with the wastewater disposal not being utilized as it was proposed in the permit. At this point it's not being used for landscaping. The water being drawn is not being drawn in the way it was originally stated. The shoreline certification needs to be resolved before any further action is taken. She feels there is a need for recertification of the shoreline in the area before the permit is approved.

Ms. Ward voiced another concern regarding a driveway which she says has been placed alongside the edge of the high area to the lower area and she claims that it is unsightly and really different from the original viewplane. She said it looks like a driveway. It doesn't look like a gentle grade or something that looks natural on the edge of the cliff that had been there before. It looks like a graded driveway with gravel. She said that it was appalling to see that and she claims she did not see that discussed very well in the application or the comments.

Ms. Ward said another point she wanted to raise was the existence of the pond snail that was reported in 1971 by the U.S. Fish and Wildlife Service. It was ignored and not discussed in the E. A. that was submitted by the applicant. She felt it was important to be discussed.

She was very disturbed by the applicant returning to the board asking permission that they were originally not allowed to do. She said, "All that is being proposed for this flaunting of your decisions is a \$2500.00 fine. I think there is precedence. Recently you imposed a fine upon Boyce Brown and Doug Bonar in the Hanalei situation of \$1.5 million dollars and \$11 million dollars. This is not \$2500 a day or \$500 per violation, this is an enormous amount of money and if you were to do that same kind of, if you were to impose the fines of \$500 per violation at \$2500 a day for 365 days for two years that would amount to \$1.8 million dollars. If you were to impose a fine like that, we could actually use that money to condemn the land and acquire the land around the pond. I think it's the solution that would appeal most to a large number of people for whom that, that building and the subsequent grading and the desecration of that area are so offensive, that's the only solution that would be acceptable to many people. I feel that I'm not speaking well to the subject as many other people could but since I'm the person here that can represent them, I'd like to call for a Contested Case."

Mr. Ortiz asked to respond to the comments by Ms. Tummons and Ms. Ward. He wanted them to know that Mrs. Keenan is also a member of the Sierra Club and an activist consistent with preservation of properties. He felt that they were probably on the same side. The Keenans understand what is needed to be proper stewards of this property. He again referred to the original plans of 1986 saying that the applicant has placed the structure on property that is consistent with the environment that blends in. He said that unfortunately they do not use the waste water for landscaping because they recognize that in order to get landscaping they must seek the board's approval. He then referred the article that Ms. Ward had presented to the board. He said that last year the State Parks Division contacted the Keenans in making the property, Luahinewai and the property available for a re-enactment of this historic occasion. The response was an overwhelming "yes, please, we would enjoy doing that." He said that he was disturbed by the article saying that since the 21st century "Luahinewai has been fenced in with no public access." He said that he has been on the property since 1989 and has never seen it fenced in.

Mr. Henry informed the Board that he had just received a fax from the Kona Hawaiian Civic Club offering testimony regarding this issue. In their testimony they expressed great concern regarding the historic site of Luahinewai Pond not only to the Hawaiians in West Hawaii but to all Hawaiians.

Mr. Yuen asked if there were any testimony in opposition to the original house being constructed. Mr. Henry said that he could not answer that as he was not present at that time and did not have the original permit before him.

Ms. Tummons said that there was no public hearing ever on this because it was a single family residence in the resource subzone. She recalled that there were some comments from agencies that did point out some of the natural problems of the pond.

Chairperson Ahue was informed that testimony had not been received from OHA as yet.

Mr. Yuen then asked, "Does the request for a contested case mean that we cannot proceed to make a decision?"

Mr. Henry deferred that question to the attorney general. There's been a request for a contested case hearing, there's been a request for deferral by the Office of Hawaiian Affairs, the 180-day period allows staff to defer the action and from his position as acting administrator he said that he would like to come back to the board and revisit this case.

**EXECUTIVE SESSION** Mr. Yuen moved that the board go into executive session. Motion was seconded by Mr. Arisumi and carried.  
11:00am-11:25am

Chairperson Ahue called the regular meeting back to order.

Mr. Yuen said that the board had conferred with counsel on this issue and it has also been brought to their attention that there is a written request for a contested case hearing submitted by Mr. Christopher Roehrig on behalf of an organization, namely E Mau Na Ala Hele which was received this morning. (Faxed to the Hawaii County Office Building.) Under the past practice of the board and under its rules, when there is a request for a contested case hearing, the person making the request has 10 days in which to submit a written request form. That form would then be evaluated by the Attorney General's Office to determine whether the applicant has standing. In the past the board had not required people to make the full showing of standing at the meeting here. After the Attorney General has evaluated it, it would come to the board for a decision as to whether or not a contested case hearing will be granted to the applicant.

**MOTION** Mr. Yuen made a motion to defer this item in light of the request for a contested case hearing.

Mr. Yuen then suggested that in the meantime that staff should try and get together with the people who requested the contested case hearing and see if there is some way that the concerns can be met without going through a contested case hearing procedure. He said that he has a feeling that the applicants really want to be sensitive to the concerns of the local community about this place. It is unfortunate that all this is popping up the day of decision making. He would encourage the



applicants to meet with the staff of OCEA and with the people requesting the contested case hearing to see if there is some way short of going through the hearing that these concerns can be dealt with.

Regarding the Historic Preservation Division's request for a cultural management plan, he felt that this would mean some kind of sketch as to how the historical context of the site itself is going to be respected. He feels that this is a vehicle through which applicant and the State and the interested private parties can achieve this goal. If there can be some agreement in working toward a plan like that, it seems to him that they can get through what is on the table as far as the after-the-fact permitting, the fines, etc.

Another comment by Mr. Yuen was that he did not think that the violations are such that would justify the board to impose a fine that would be equivalent to the value of the property. For the record, the fine of \$11+ million dollars on the Brown property that was recommended by staff has never been acted upon by the board.

**ACTION** Seconded by Mr. Paty, motion carried.

**ITEM D-1** PERMISSION TO HIRE ELECTRICAL DESIGNER FOR PROJECTS, HURRICANE INIKI DAMAGE SURVEY REPORTS (DSR) ON BOAT ON BOAT HARBORS ON KAUAI

**ACTION** Unanimously approved as submitted. (Apaka/Arisumi)

**ITEM D-2** PERMISSION TO HIRE AN ENGINEER FOR DRAINAGE IMPROVEMENTS ALONG KAMEHAMEHA HIGHWAY, KAAAWA, OAHU

Mr. Arisumi made a correction under recommendation should be changed to Chairperson.

**ACTION** Unanimously approved as amended. (Paty/Arisumi)

**ITEM F-1** DOCUMENTS FOR BOARD CONSIDERATION:

Item F-1-a Assignment of Non-Exclusive Easement No. S-5211, Portion of Seawall Along the Southern side of Kamoia Point, Kaunakakai, North Kona, Hawaii, Tax Map Key 7-7-04:seaward of 3

Item F-1-b Assignment of General Lease No. S-5036, Lot 75, Kokee Camp Site Lots, Waimea, Kauai, Tax Map Key 1-4-04:69

**Item F-1-c Assignment of General Lease No. S-4276, Lot 22, Hanapepe Business Lots, Hanapepe, Waimea (Kona), Kauai, Tax Map Key 1-8-08:40**

Mr. Apaka voiced his concern of the requirement of insurance and the present problem that the whole state is experiencing with the availability of insurance especially on the island of Kauai. He suggested that Mr. Young get back to the board on any kind of proposal regarding the insurance issue.

Mr. Young suggested that should the board wish to approve the items on the consent calendar, a condition could be added that should the assignee not be able to provide the liability and fire insurance as required, the board may want to null and void the consent that was granted.

During the discussions it was agreed that there would not be an easy solution to the insurance issue. It was also agreed to defer Items F-1-c and F-1-d.

**Item F-1-d Assignment of General Lease No. S-5041, lot 86, Kokee Camp Site lots, Waimea (Kona), Kauai, Tax Map Key 1-4-04:59**

**Item F-1-e Issuance of Revocable Permit to Kinko Allen, et al, Portion Waianae Japanese Cemetery Lot, Waianae, Oahu, Tax Map Key 8-5-01:2**

Mr. Yuen questioned the amount of fee being charged. Mr. Young explained the situation.

It was suggested by the Board that the fee be amended to \$15.00.

**Item F-1-f Cancellation of Revocable Permit No. S-6746 and Issuance of Revocable Permit to Mr. Bud Gibson, Government Land at Waimanalo, Koolaupoko, Oahu, Tax Map Key 4-1-13:23**

**ACTION** Mr. Apaka moved that Items F-1-a, F-1-b, F-1-e as amended and F-1-f be approved; and that Items F-1-c and F-1-d be deferred. Seconded by Mr. Arisumi, motion carried.

**ITEM F-2 COUNTY OF HAWAII REQUEST FOR RIGHT-OF-ENTRY ONTO GOVERNMENT LAND SITUATE AT WAIMEA, SOUTH KOHALA, HAWAII, TAX MAP KEY 6-5-01:POR. 20**

**ACTION** Unanimously approved as submitted. (Yuen/Paty)

**STAFF RECOMMENDATION FOR AUTHORIZATION TO WRITE-OFF UNCOLLECTIBLE ACCOUNT, GENERAL LEASE NO. S-4550 TO MARY E. HARRIS, TRACT 1, EAST HONOMAELE, KAWELA AND KAELEKU GOVERNMENT TRACTS, HANA, MAUI, HAWAII, TAX MAP KEY 1-3-03:17**

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**ITEM F-3**

**ACTION** Unanimously approved as submitted. (Arisumi/Apaka)

**AMENDMENT TO PRIOR BOARD ACTION OF DECEMBER 18, 1992 (AGENDA ITEM F-13) RELATIVE TO THE LEASE AT PUBLIC AUCTION OF GOVERNMENT LAND AT WAIMANALO, KOOLAUPOKO, OAHU, TAX MAP KEYS 4-1-08:11 AND 4-1-23:65**

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**ITEM F-4**

**ACTION** Unanimously approved as submitted. (Paty/Arisumi)

**WITHDRAWAL AND SET ASIDE OF LANDS FROM GOVERNOR'S EXECUTIVE ORDER NO. 2636 (KEEHI LAGOON HARBOR PURPOSES) AND THE KEEHI INDUSTRIAL PARK FOR ROAD ALIGNMENT IN THE PIER 60 AND KEEHI INDUSTRIAL PARK DEVELOPMENTS AT KALIHI-KAI, OAHU**

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**ITEM F-5**

**ACTION** Unanimously approved as amended. (Paty/Apaka)

**REQUEST BOARD APPROVAL TO WRITE-OFF UNCOLLECTIBLE ACCOUNT, GENERAL LEASE NO. S-5166 TO GKK SPECIALITIES, INC., WAIMANALO, KOOLAUPOKO, OAHU, TAX MAP KEY 4-1-18:40**

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**ITEM F-6**

**ACTION** Unanimously approved as submitted. (Apaka/Arisumi)

**KONKOKYO CHURCH REQUESTS DIRECT LEASE FOR CHURCH AND ALLIED PURPOSES, HANAPEPE, KAUAI, TAX MAP KEY 1-9-12:13**

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**ITEM F-7**

Amended on page 3, Condition 1, the church feels they may not have the ability to do the alterations with necessary expenditure for drainage plan. Change to "that the lessee is aware that the property is subject to flooding and may at its own cost and expense develop and implement its own drainage plan to prevent flooding of the subject property."

Condition 4. Liability insurance coverage of \$3 million dollars in total aggregate. This is quite high so it was suggested that the \$3 million be reduced to \$1 million. They say they personally have the \$1 million coverage for the church and that should present no problems.

**ACTION** Unanimously approved as amended. (Apaka/Arisumi)

**STAFF REQUEST FOR AUTHORIZATION TO WRITE-OFF  
UNCOLLECTIBLE ACCOUNT, GENERAL LEASE NO. S-4568 TO  
PARKER PURDY, GOVERNMENT LAND AT WAKIU, HANA, MAUI,  
TAX MAP KEY 1-3-04:12**

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**ITEM F-8**

See page for action.

**AMENDMENT TO WITHDRAWAL OF STATE LAND FROM  
GOVERNOR'S EXECUTIVE ORDER NO. 3206; ISSUANCE OF  
GOVERNOR'S EXECUTIVE ORDER TO COUNTY OF MAUI,  
DEPARTMENT OF PUBLIC WORKS, FOR MAINTENANCE  
BASEYARD SITE USE AND IMMEDIATE RIGHT-OF-ENTRY AT TAX  
MAP KEY 4-4-01:POR. 104, HONOKOWAI, LAHAINA, MAUI**

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**ADDED  
ITEM F-9**

**ACTION** Unanimously approved as submitted. (Arisumi/Apaka)

**AMENDMENT TO PRIOR BOARD ACTION OF SEPTEMBER 22, 1978  
RELATIVE TO AUTHORIZATION TO SELL AT PUBLIC AUCTION LOT  
62, WAHIKULI HOUSE LOTS SUBDIVISION, 5TH SERIES, SITUATE  
AT WAHIKULI, LAHAINA, MAUI, HAWAII, TAX MAP KEY:  
2ND DIV./4-5-28:45**

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**ADDED  
ITEM F-10**

**ACTION** Unanimously approved as submitted. (Arisumi/Apaka)

**ITEM H-1** See page 3 for Action.

**ITEM H-2** See page 4 for Action.

**ITEM H-3** See page 11 for Action.

**ISSUANCE OF REVOCABLE PERMIT, ALA WAI BOAT HARBOR,  
OAHU FOR SITE OF HEADQUARTER FOR THE TRANSPACIFIC  
YACHT RACE AND THE ROYAL HAWAIIAN OCEAN RACING SERIES  
(HONOLULU COMMITTEE TRANSPACIFIC YACHT RACE)**

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**ITEM J-1**

**ACTION** Unanimously approved as submitted. (Apaka/Arisumi)

**ISSUANCE OF REVOCABLE PERMIT, ALA WAI BOAT HARBOR,  
OAHU FOR STORAGE OF EQUIPMENT CONTAINER USED BY  
CLIPPER CUP AND TRANSPAC RACES (ROYAL HAWAIIAN  
OCEAN RACING CLUB)**

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**ITEM J-2**

**ACTION** Unanimously approved as submitted. (Paty/Apaka)

**ITEM J-3**      **ISSUANCE OF REVOCABLE PERMIT, LAHAINA HARBOR, LAHAINA, MAUI FOR TICKET BOOTH SITE (ISLANDER INDUSTRIES, INC.)**

**ACTION**      Unanimously approved as submitted. (Apaka/Paty)

**ITEM J-4**      **ISSUANCE OF REVOCABLE PERMIT, LAHAINA HARBOR, LAHAINA, MAUI FOR TICKET BOOTH SITE (GARY STRITCHFIELD)**

**ACTION**      Unanimously approved as submitted. (Apaka/Arisumi)

**ITEM J-5**      **ISSUANCE OF REVOCABLE PERMIT, LAHAINA HARBOR, LAHAINA, MAUI FOR TICKET BOOTH SITE (DAVID L. WILLIAMS)**

**ACTION**      Unanimously approved as submitted. (Apaka/Paty)

**ITEM K-1**      **ISSUANCE OF REVOCABLE PERMIT, MAKAI END OF PIERS 2 AND 3, HILO, HAWAII (SUISAN COMPANY, LTD.)**

**ACTION**      Unanimously approved as submitted. (Yuen/Apaka)

**ITEM K-2**      **CONSENT TO ASSIGNMENT OF LEASE NO. DOT-A-84-38, MOLOKAI AIRPORT, MOLOKAI (TROPICAL RENT A CAR SYSTEMS, INC. - AUTO RENTAL COMPANY, LTD.)**

**ACTION**      Unanimously approved as submitted. (Yuen/Apaka)

**ITEM K-3**      **CONSENT TO SUBLEASE, HONOLULU INTERNATIONAL AIRPORT, OAHU, SUNDRIES AND TOYS CONCESSION (MJR CORPORATION - KJN CORPORATION)**

**ACTION**      Unanimously approved as submitted. (Paty/Arisumi)

**ITEM K-4**      **AMENDMENT NO. 1 TO LEASE NO. DOT-A-84-48, HONOLULU INTERNATIONAL AIRPORT, OAHU (PACIFIC AEROSPACE MUSEUM)**

**ACTION**      Unanimously approved as submitted. (Paty/Yuen)

**ITEM K-5**      **APPLICATION FOR ISSUANCE OF REVOCABLE PERMITS 4915, 4991 AND 5000, AIRPORTS DIVISION, HNL, ITO**

**ACTION**      Unanimously approved as submitted. (Paty/Yuen)

**ITEM K-6**      CONSENT TO SUBLEASE, HONOLULU INTERNATIONAL AIRPORT,  
OAHU, JEWELRY AND SHELLS CONCESSION (MJR CORPORATION  
- KJN CORPORATION)

**ACTION**      Unanimously approved as submitted. (Paty/Apaka)

**ITEM K-7**      RESUBMITTAL OF REVOCABLE PERMITS 4913, 4917 AND 4960,  
AIRPORTS DIVISION, HONOLULU INTERNATIONAL  
AIRPORT, OAHU

**ACTION**      Unanimously approved as submitted. (Paty/Apaka)

**OLD BUSINESS:**

ITEM F-11 (MARCH 12, 1993 MEETING)

Mr. Young apprised the Board that at the last meeting they would all recall except Chairperson Ahue that about three hours were spent on the revocable permits in Item F-11. At that time the Board had requested staff to provide at the next scheduled meeting a summary of what was agreed to. The Board was to go over the summary of what was agreed to and if there were no changes, they were to be included in the next Board minutes. Mr. Young wanted to share with the Board at this time what they had approved with respect to the permits and make any revisions deemed necessary should the board not concur.

Mr. Arisumi had a question regarding the identified R. P.'s on the island of Maui. There were a few additional R. P.'s that he would like staff to look at that were in ag land that went up from \$13.00 to \$533.00 on Molokai. He asked if they were going to take all ag land and convert or only the numbers listed in the submittal.

Mr. Young clarified that they will be looking at all the leases but that these were the ones on Maui that were identified for staff by Mr. Arisumi.

Mr. Arisumi requested that staff look at the following leases also: 5801, 5867, 5899, 6618, 6620 and 6750 and use staff's methodology. Staff to review the permittee's financial and gross statement and to consider using the income approach to arrive at the monthly rent.

Mr. Young informed Kauai Board Member that earlier this week someone from the McCoy staff had called him to say that two permits on Kauai had been missed.

Mr. Young clarified for Mr. Yuen that this was not an agenda item but because of the lengthy discussions and changes in the rents this summary was to be brought back to the board and finalized for the board.

\*The Board approved an increase in the rental rates as recommended in the schedule lists of revocable permits for all permits issued up to October 1, 1992, except for those monthly rental rates that were revised by the Board, subject to the following conditions:

1. The rental increases shall be effective June 1, 1993.
2. The rental increases shall be implemented over a 3-year period at a rate of 33% per year, subject to the proviso that at the end of each year the 33% will be increased if the market rent for said year is greater; provided, further, that if the market rent remains status quo for the effective year, rent will be only increased by 33%.
3. Staff to provide to the Board at its March 25, 1993 meeting for informational purposes, a summary list of those revocable permits whose rents were revised.

Revocable Permits revised by the Board:

Island of Maui:

1. R.P. Nos. S-5104, S-5117, S-5343, S-5377, S-5405, S-5585, S-5775, S-5815, S-5835, S-5898, S-5900, S-5977, S-6614, S-6646, S-6733, S-6749, S-6749 for landscape and maintenance purposes, the monthly rental shall remain the same and, staff is directed in processing these permits for long-term lease via public auction or negotiation.
2. For those agricultural permits to be converted to long-term lease, pursuant to Act 237, SLH '88, namely,

<u>R.P. No.</u>	<u>Revised Rental</u>
S-4939 J. Lind	\$703.00
S-5174 P. Frelinghuysen	44.00
S-5231 J. Young	98.00
S-5606 H. D. Pohaku	746.00
S-5981 L. Redo	171.00
S-6400 E. Tedeschi	171.00

The monthly rental to be based on land assessment value multiplied by a reasonable market rate of return (3-1/2%) less a 25% discount divided by 12 months, subject to the proviso that the revised monthly rent shall not be less than the existing rental.

3. For Revocable Permits Nos. S-5230, S-6528 and S-6637, the

monthly rental to be based on land assessment value less 80% discount multiplied by a reasonable market rate of return (5%) divided by 12 months, subject to the proviso that the revised monthly rent shall not be less than the existing rentals as follows:

<u>R.P. No.</u>	<u>Existing Rent</u>	<u>Revised Rent</u>
S-6637 N. Investment	\$ 238.00	\$ 310.00
S-5230 R. Harriman	309.00	1911.00
S-6528 Y. Pacific	1020.00	653.00

4. For Revocable Permit Nos. S-5548 to E. Liu and S-6196 to S. Hau, the monthly rental shall be \$500.00.

5. For the following permits:

<u>R. P. NO.</u>	<u>Revised Rental</u>
S-5801 J. Kadowaki	\$ 42.00
S-5899 L. Yokote	21.00
S-6618 S. Von Schuetze	42.00
S-6620 L. Lau	62.00
S-6750 R. Hertz	125.00

The monthly rent to be determined via income approach.

6. For Revocable Permit No. S-5867 to Wilson Keahi, the Land Board requested to review the permittee's financial and gross statement and to consider the income approach to arrive at monthly rent. Staff to report back its findings.

Island of Oahu:

1. The monthly rental for the following revocable permits shall be 25% of the "recommended monthly rental" as follows:

<u>R.P. No.</u>	<u>Recommended Monthly Rent x 25% =</u>	<u>Revised Monthly Rent</u>
S-0170 Auwaiolimu Mission	\$ 397.00	\$ 99.00
S-3954 Amer. Legion	1464.00	366.00
S-5870 Waimanalo Teen	227.00	57.00
S-6735 Waimanalo Health Center	73.00	18.00




2. For Revocable Permit Nos. S-6392 to the Honolulu Polo Club, S-6818 to Honolulu Community Action Program/Nanakuli Headstart Program, S-6600 to Luluku Banana Growers Coop., the monthly rental shall be \$345.00, \$93.00 and \$217.00, respectively.

Island of Kauai:


1. Revocable Permit Nos. S-4647, S-5152, S-5274, S-5725, S-6024, S-6234, S-6250, S-6452, S-6811 for landscape, home garden, maintenance and/or parking purposes, the monthly rent shall remain the same, and staff is directed in processing these permits for long-term lease via public auction or negotiation.
2. For Revocable Permit Nos. S-4816 to Maurio Madrid and S-6810 to Kauai Independent daycare Services, Inc., approve the continuation for another year. Staff has reviewed the permits and recommend the monthly rental to remain the same.
3. For Revocable Permit Nos. S-6247 to Harold Cabbab, correct the monthly rent to \$185.00. Kauai County Assessor erred, land assessment should be \$74,000.

**ADJOURNMENT** There being no further business, the meeting adjourned at 12:20 p.m.

Respectfully submitted,

  
Dorothy Chun  
Secretary

APPROVED:

  
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KEITH W. AHUE, CHAIRPERSON