

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

**DATE:** FRIDAY, SEPTEMBER 26, 1997  
**TIME:** 9:00 A.M.  
**PLACE:** LIHUE PUBLIC LIBRARY  
CONFERENCE ROOM  
4344 HARDY STREET  
LIHUE, KAUAI, HAWAII

Chairperson Michael D. Wilson 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. Michael D. Wilson  
Mr. Christopher Yuen  
Mr. Colbert Matsumoto

Ms. Lynn McCrory  
Ms. Kathryn Inouye

**STAFF:**

Dean Uchida, Land Division  
Sam Lee, Land Division  
Mike Laureta, Land Division

Eric Onizuka, Aquatic Resources  
John Hino, Boating and Ocean Recreation

**OTHERS:**

Pamela Matsukawa, Attorney General's  
Peter Garcia, Department of Transportation  
Judy Dalton, Sierra Club  
Michael J. Belles  
Tim Bradley

Ernest Lau, Kauai Dept. of Water Supply  
Mel Matsumura, Kauai Dept. of Water Supply  
Michelle Matson  
Max W.J. Graham, Jr., The Orizaba Co.

**Approval of the minutes of March 27, 1997:**

The minutes of the meeting of March 27, 1997 was unanimously approved as submitted (Yuen/Inouye)

**Approval of the minutes of April 11, 1997:**

Page 3, Item D-11, were amended by adding language after paragraph 4 to read:

Member McCrory asked a series of questions of the County Representatives as to what other alternative sites have been explored and the cost associated with these alternatives vs. the proposed site.

Page 6, second paragraph from the bottom should read:

- 4) The variance and and any conditions.....

The minutes of April 11, 1997 was unanimously approved as amended (Yuen/Inouye).

**Approval of the minutes of July 11, 1997:**

The minutes of July 11, 1997 was unanimously approved (Yuen/Inouye).

**Approval of the minutes of August 8, 1997:**

Page 15, Item D-14 was amended to read:

Member McCrory requested that a standard liability....

Page 19, Item D-29 was amended to read:

Because the sublease is for the entire lease area, Member Matsumoto questioned the City's reasoning for holding on to the primary lease. He stated that the City should give up the lease and allow the Key Project.....

The minutes of August 8, 1997 was unanimously approved as amended (Inouye/Yuen).

**Approval of the minutes of August 21, 1997:**

Page 4, Item D-38, Paragraph 1 was amended to read:

... She would like to see amendments to this application in which the annual rental is at the fair market rate,....

Page 4, Item D-38, Paragraph 2, was amended to read:

Member Colbert Matsumoto asked whether the Department of the Attorney General was consulted as to whether or not the reduction in rent given to an organization such as this violates establishment clause in the constitution and Uchida said there was no consultation made with the Attorney General's Office on that issue.

Page 6, Item D-38, Paragraph 5, was amended to read:

Rachael Keolanui said she.....

Page 13, Item D-38, Paragraph 3 and motion, were amended to read:

....,he would like to see Easter Seals acknowledge the fact that the State is providing a significant subsidy with respect to the rental which is a significant savings to the organization.

Motion made to approve. (Inouye/Matsumoto)

Vote: Five in favor, 1 objection (Yuen)

Page 14, Item D-38, Paragraph 4, was amended to read:

Robert Wenkam, Chair of the Conservation.....

The minutes of August 21, 1997 were unanimously approved as amended (Yuen/Matsumoto).

**ITEM D-4: CONSENT TO ASSIGNMENT OF GENERAL LEASE #S-4370, WAIAKEA, SOUTH HILO, HAWAII, TMK: (3) 2-4-8-1**

Dean Uchida stated that the easement provides ingress and egress purposes to the owner's private property which is going to be sold to Mr. Cobb. The staff's recommendation is that the Board consent to assignment of the lease from the Orizaba Company to Mr. Cobb subject to the standard conditions.

Member Chris Yuen questioned the submittal that reads, "This lease does not meet any of the criterias for section 171-36 (5), HRS". Uchida said the staff applied the normal criteria for assignment of a lease, although the easement was given a general lease number. He said the criteria for an assignment does not apply in this situation.

**Unanimously approved as submitted. (Yuen/Inouye)**

**ITEM D-10: CONSERVATION DISTRICT USE PERMIT APPLICATION (KA-2870)  
FOR A SINGLE FAMILY DWELLING ON A 0.34-ACRE KULEANA  
PARCEL IN WAIOLI VALLEY AT HANAIEI, KAUAI, TMK: 5-5-08: 06**

Uchida stated that the applicants Max and Karen Graham are proposing to construct a residence on the ridge line. The application involves an access road, an easement, a catchment system and electricity. He said the property is a kuleana lot that is land-locked. Part of the problem with this application is that this area has an ongoing problem with access to other kuleana properties in the area. This application was sent to different agencies for comments and all of them have no major objections. The community was consulted because of the concern of visibility on a ridge line. The applicants met with the Hanalei Community Association in January 1997 and have located the house in an area that is not visible from any point along the highway. The applicant will be painting the house to match the existing vegetation. The community association does not have any objections to the proposal.

Uchida said staff's recommendation is that the Board approve the construction of the single family residence and the access, subject to terms and conditions.

Max Graham introduced himself and said he has no objections to the conditions.

Member Colbert Matsumoto questioned if the State has any long-term plans to protect the State owned properties surrounding this parcel. Uchida stated that this area has been given as an addition to the Forestry Reserve and didn't think there were any plans besides whatever the Division of Forestry and Wildlife (DOFAW) wants to do. The final condition is that the applicants work out the access alignment with DOFAW.

Chair Michael Wilson asked about the nature of the marsh land owned by the State and the fact that these Hawaiian Ducks, the Hawaiian Moorhen and Hawaiian Coot, the Hawaiian Stilt and the endangered Hawaiian Bats in the area, but there is mention about the vulnerability to dogs. He said this stands out to him because on Mokulua Island, an island off the coast of Lanikai, the Shearwater Birds and the endangered Dark-rumped Petrel transit between the mountainous areas and the sea during their summer to fall nesting season. He said there was a dog there that did an amazing amount of destruction in a very short time, tearing up the nests of the Shearwater Birds.

Member Yuen said one of Tom Tefler's comments was that outdoor lighting should be indirect and large bright floodlights should be avoided, especially where there is a lateral or an upward glare. To alleviate the problem, lights should be shielded downward or indirect lighting be used. Graham said that was one of the concerns raised by the community association and that he would have no problem with that being a condition.

**Motion to approve with amendments on the lighting as per Tom Teflers' recommendation. (McCrorry/Yuen).**

Uchida clarified that the application will include the lighting condition and to work out a condition about pet dogs with DOFAW.

**Vote: All in favor.**

**ITEM B-1: REQUEST FOR APPROVAL TO ENTER INTO AN AGREEMENT WITH THE BERNICE P. BISHOP MUSEUM**

Eric Onizuka said this resubmittal is a request to enter into agreement with the Bishop Museum. The research to be conducted will evaluate the existing impact on marine and brackish water fisheries communities of introduced alien species. The cost is \$75,000 in private funds, \$160,282 in Federal Funds, and no State General Funds will be used.

The staff's recommendation is that the Board authorize the Chairperson to negotiate and, subject to approvals, execute the subject Agreement with Bernice P. Bishop Museum.

Member Kathy Inouye suggested that since this was discussed and deferred at a previous board meeting pending discussion with the Chamber of Commerce Maritime Museum, that the staff do a preface and only discuss the item at hand.

Onizuka clarified that Captain Ripple of the Coast Guard is on the Maritime Committee and on the Department's alien species committee. He said a proposal was given to the committee and that the Chairperson looked at it favorably. Onizuka said Randy Honebrink is putting together a news release.

**Unanimously approved as submitted. (Matsumoto/Inouye).**

**ITEM B-2: REQUEST FOR APPROVAL TO ENTER INTO AN AGREEMENT WITH THE COOPERATIVE FISHERY RESEARCH UNIT**

Onizuka said this submittal, withdrawn at the August 8, 1997 meeting, is a request for an agreement with the Hawaii Cooperative Fishery Unit. This is a cooperative State-Federal program established at the University of Hawaii to assist the State in basic fisheries research and provide training for future fisheries professionals. This project focuses on a critical issue pertaining to restoration of Hawaii's bottomfishery. The project proposal has been provided for review and comment to members of the Department's Bottomfish Task Force. The project will interact with concurrent work on bottomfish underway at the Hawaii Institute of Marine Biology. The cost is \$60,540 in General and Special Funds, and \$36,323 in Federal Funds.

The staff's recommendation is that the Board authorize the Chairperson to negotiate and, subject to necessary approvals, execute the subject Agreement with the Hawaii Cooperative Fishery Research Unit.

There was discussion about consultation with the Fisherman's Advisory panel. Onizuka said the fishermen were notified and that there were some indication of support from several of the fishermen and that a few would have provided testimony if the meeting were held in Honolulu.

**Unanimously approved as submitted. (Matsumoto/Inouye).**

**ITEM B-3: REQUEST FOR APPROVAL TO ENTER INTO AGREEMENTS WITH THE UNIVERSITY OF HAWAII SEA GRANT COLLEGE PROGRAM FOR TWO STUDIES UNDER THE MAIN HAWAIIAN ISLANDS MARINE RESOURCES INVESTIGATION TO EVALUATE INPUT AND UPTAKE OF HEAVY METALS DERIVED FROM NON-POINT SOURCE POLLUTION IN THE WATERSHEDS OF KANEOHE BAY AND THE ALA WAI (WAIKIKI), OAHU**

Onizuka briefed the Board on the request for approval to enter into agreement with the University of Hawaii Sea Grant College Program. He said these studies would be conducted under the Main Hawaiian Islands Marine Resources Investigation, a project of the Division of Aquatic Resources (DAR) designed to integrate ecosystems concerns with coastal fisheries and habitat management and restoration throughout Hawaii. The two studies are an example of how joint planning with the scientific community can yield information vital to resource management and environmental quality control at reduced cost to the State of Hawaii. The cost is \$50,000 from the General Fund and a Federal contribution of \$55,423 toward research to improve management and protection of the inshore coral reef ecosystems.

The staff's recommendation is that the Board authorize the Chairperson to negotiate and execute the agreements, subject to the Governor's approval to enter into agreement.

Onizuka said Kimberly [Lowe] contacted the Kaneohe Bay Regional Task Force, the Ala Wai Yacht Club and the Waikiki Aquarium and all are favorable to the implementation of the project. Bruce Carlson is also supportive because his area of Waikiki may be affected by the discharge from the Ala Wai Canal.

Member Matsumoto asked how long the study period was and when the results would be generated. Onizuka said it is a one year study.

Chair Wilson suggested that Kimberly Lowe give a presentation to the neighborhood boards, the Hawaii Visitor Convention Bureau, the Chamber of Commerce to apprise them of what is taking place.

There was discussion about pollution monitoring along the waterways. Member Matsumoto suggested that there be coordination between the two agencies as opposed to engaging in separate investigations. Chair Wilson agreed with Member Matsumoto because he said the Manoa Stream feeds into the Ala Wai Canal. Member Inouye also suggested monitoring of the Clean Water Act and the National Pollutant Discharge Elimination System (NPDES) requirements.

**Motion to approve. (Inouye/Matsumoto).**

**Vote: all in favor.**

**ITEM C-1: REQUEST APPROVAL OF BEST MANAGEMENT PRACTICES (BMP's)  
FOR FORESTRY**

**Motion to defer Item C-1. (Yuen/Matsumoto)**

**Vote: all in favor.**

**ITEM D-9: CONSERVATION DISTRICT USE APPLICATION (KA-2859) FOR  
COMPLETION AND OPERATION OF KAPAA HOMESTEADS WELL NO.  
2, TMK: 4-6-01: 1 (PORTION)**

Dean Uchida said this CDUA involves the Kealia Forest Reserve, about 8,000 square feet in the Resource subzone. This is a follow up on a CDUA that was approved in 1988 for the Makaleha Exploratory Well II. The well name has since been changed to the Kapaa Homesteads Well II. The application before the Board is for the development of this well site for production. The well is intended to support the water system in the Wailua and Kapaa area to provide reliable service in the area. The County anticipates growth demand in this major growing area in Kauai. Uchida said the application was circulated for comments to the divisions and the Commission of Water Resource Management. He said there were no negative comments on this proposal. He clarified that this application also involves a subdivision to create the well site which would then be set aside to the County of Kauai for their use and management. Although this is in an identified land use in a resource subzone, no public hearing is required. The previously approved CDUA for the earlier phase of this project included documentation of compliance relating to the Special Management Area (SMA) and an Environmental Assessment (EA) that was completed in December, 1996.

The staff's recommendation is that the Board approve the County of Kauai Department of Water's Conservation District Use Application to complete and operate the Kapaa Homesteads Well No. 2 in the Kealia Forest Reserve subject to terms and conditions.

Member Lynn McCrory asked Ernest Lau, Manager and Chief Engineer for the Department of Water, County of Kauai and Mel Matsumura, Division Chief of the Engineering, Design and Construction Division, what the mitigation measures were for the over pumping situation. Matsumura said in 1990 when the State originally drilled the well for the Department, there were pumping recommendations. One of the recommendations was that it be limited to a 500 gpm pump and that it be set at a certain elevation, and to have another well. He clarified that the pump cannot pump in addition to the 1000 gpm, it should be either or. Matsumura said the design encompasses all of the requirements, fluoride levels to be monitored and to also be equipped with oil level recorders. Lau said they are aware of the concerns expressed regarding sea water intrusions and are trying to operate the wells on a sustainable long term basis.

There was discussion about a sustainable yield for the aquifer. Matsumura said when both wells were drilled, there was not enough information gathered to study the sustainability of that well. Lau said they were not aware of chloride problems in the Makaleha Well.

**Unanimously approved as submitted. (McCrory/Yuen).**

**ITEM D-1: GRANT OF PERPETUAL NON-EXCLUSIVE ACCESS AND UTILITY EASEMENT AFFECTING A PORTION OF STATE OWNED LANDS AND WATERS, PORTION OF LAWAI HOMESTEADS, KOLOA, KAUAI, TMK: 2-5-2: POR. 17**

Uchida said Item D-1 involves State lands in the Lawai Homesteads. The applicant is Tim Bradley who is purchasing the property from the Harper Family. The access easement has been in existence since the 1930s. Uchida said the staff's recommendation is that the Board authorize the issuance of the easement subject to terms and conditions.

There was brief discussion about the easement that crosses the Lawai Stream. Bradley said there is a concrete/slab bridge which is approximately 60 years old and is used by the Harper family only. Bradley assumes that he would be responsible for the maintenance of the bridge.

**Unanimously approved as submitted. (Inouye/Matsumoto).**



**ITEM D-14: O. THRONAS, INC. REQUEST FOR LAND LICENSE TO REMOVE SAND - KAWAIELE WILDBIRD REFUSE PHASE II, MANA**

Uchida withdrew Item D-14.

**ITEM D-3: REGO REQUEST FOR LAND LICENSE TO REMOVE SAND - KAWAIELE WILDBIRD REFUSE PHASE II, MANA, KAUAI**

Uchida said this request is to remove 25,000 cubic yards of sand to assist in Phase II of the construction of the Wildbird Refuse, Mana, Kauai. He amended the royalty rate "to be determined" due to the questionable numbers that were used by the staff appraiser, subject to approval by the Chairperson and to amend recommendation "B", the amount of sand removal from 50,000 to 25,000.

Uchida said staff recommendation is that the Board approve the issuance of the land license subject to terms and conditions.

Member Yuen inquired about the selection procedure for the contractor. Sam Lee said there are more potential licenses available than there are applicants. He explained that there are between six and ten potential sites available and only one active applicant. Lee said letters were sent to most of the island contractors and construction firms that have done this type of work in the past and Rego was the only applicant.

There was discussion about whether or not the royalty rate was mentioned in the letter as Member Yuen was concerned about quoting a rate and then dropping it down to another rate. He said another letter should be sent out to announce the lowered price in order to be fair.

There was a short discussion about how it was determined what the actual amount of sand removal was. Lee explained that the site is pre-measured and is delineated on the ground and has been done successfully in the past.

It was clarified that the cost of the sand removal shall not be borne by the State but that the contractor pays for the extraction of the sand. The contractor must leave the site in a condition that is required by DOFAW.

Member Matsumoto asked about the quality of the sand. Lee said the sand quality is excellent to poor. Discussion took place regarding the market value of the sand on Kauai and Oahu. Member Matsumoto felt that an Oahu contractor might find it worthwhile to extract the sand and ship it back to Oahu. He felt that it should be made available to other contractors besides the Kauai contractors. His concerns were to make sure that the Board is fair and because this contractor [Rego Company] has been connected with some improprieties that are known, that there would be some monitoring to make sure that

Rego is not going to be taking out more than 25,000 cubic yards of sand.

There was discussion about using the sand as replacement for beach erosion and Lee said there are other State lands in the same vicinity that are not earmarked for wildlife refuge. He said they are currently part of the Kekaha Sugar lease.

Member Yuen said he is looking at some kind of assessment for beach replenishment and whether there will be a shortage of sand. He said the other point of selling the sand for the creation of the habitat which is being done for free. Chair Wilson said that the Land Division is putting together an entire program for beach management in State beaches in conjunction with the Counties. He said a presentation should be made to interested groups and the legislators about the idea to stop the loss of beaches and the need for more beach nourishment in the future.

Chair Wilson said there are plans to ask the legislature to clarify the illegal encroachment on State lands by building seawalls on State lands. In past sessions, the legislatures did not want to make it clear that the State has the power to make the landowners who illegally build seawalls on State land pay for the walls because they are concerned about the private property rights of the private landowner. He said the Department has been going out into the communities to let them know what is happening since it is the community's interest that is at stake.

**Motion to move as amended with the royalty rate to be determined by the staff appraiser and subject to approval by the Chairperson. (McCrary/Yuen).**

Member Matsumoto opposed the motion saying that he preferred to have some of the questions be addressed before the Board took any action on this item. He had some concerns regarding the manner in which this license is being structured and the rate that is being proposed. Member Matsumoto thought that the statute would require the Board to make the determination as to whether or not it's an appropriate rate as opposed to delegating it. Member Inouye concurred with Member Matsumoto.

**Member McCrary rescinded her first motion and changed it to a recommendation for deferral. (McCrary/Matsumoto).**

**Member Yuen withdrew his motion to second.**

**Vote: all in favor.**

**Unanimously approved to withdraw Item D-14. (Matsumoto/McCrary).**

Member Yuen felt that this is a good project and wanted to see the matter brought back on the agenda. He clarified that this deferral is not meant to be a permanent deferral.

**ITEM C-2: REQUEST FOR APPROVAL OF DLNR RADIO SYSTEM MAINTENANCE CONTRACT WITH PACIFIC SERVICE TECHNOLOGIES**

Onizuka said this is a request to negotiate a maintenance contract for the DLNR radio system with Pacific Service Technologies. The contract will be expanded to include all equipment and will result in savings of \$19,722 per year. The staff's recommendation is that the Board authorize the Chairperson to negotiate a maintenance contract with Pacific Service Technologies subject to terms and conditions. Onizuka clarified that this is a sole source contract and is approved by the State Procurement Officer.

**Unanimously approved as submitted. (Matsumoto/Inouye).**

**ITEM D-2: AMEND REVOCABLE PERMIT TO BE ISSUED TO PUUWAAWAA RANCH, INC. AT NORTH KONA, HAWAII, TMK: (3) 7-1-1-4**

Uchida said in April 1997, the Board approved an issuance of revocable permit to Puuwaawaa Ranch. He said the area should have excluded the area which was formerly leased to Volcanite, Ltd. for quarry operation. Uchida said the 100 acre piece that is under permit to Puuwaawaa Ranch will be withdrawn from the permitted area. The Staff's recommendation is that the Board amend the Land Board Action of April 11, 1997 by deleting 100 acres from the revocable permit under terms and conditions.

**Unanimously approved as submitted. (Yuen/McCrory)**

**ITEM D-5: DIRECT SALE OF A PERPETUAL, NON-EXCLUSIVE EASEMENT TO HAWAII ELECTRIC LIGHT CO., INC. FOR ANCHOR PURPOSES AT WAIAKEA, HAWAII, TMK: (3) 2-4-41 PORTION OF 69**

Uchida said this involves an area that is under Governor's Executive Order to the County of Hawaii which involves 61 square feet. The application was made in January 1978, but the request was never processed. The staff's recommendation is to authorize the direct sale of the easement under terms and conditions.

**Unanimously approved as submitted. (Yuen/McCrory).**

**ITEM D-6: APPROVAL OF AWARD OF CONSTRUCTION CONTRACT - JOB NO. 40-OB-15 - REPLACE LOADING DOCK AT BOAT RAMP, HALEIWA, OAHU, HAWAII**

Uchida said the lower bidder is Dillingham Construction Pacific Ltd. with a bid of \$59,800. The staff's recommendation is that the Board authorize the Chairperson to sign the necessary documents pertaining to the project.

**Unanimously approved as submitted. (Inouye/Matsumoto).**

**ITEM D-7: REQUEST AUTHORIZATION TO QUITCLAIM ANY STATE INTEREST IN A PORTION OF NAPUANANI ROAD TO THE CITY AND COUNTY OF HONOLULU, DEPARTMENT OF PUBLIC WORKS, AIEA HOMESTEADS, AIEA, EWA, OAHU, TMK: 1ST/9-9-06**

Uchida said this involves a parcel of land in dispute under Chapter 264 of the Highways Act between the County and the State. He said this area provides access to a number of lots that are privately owned. The City and County has requested conveyance of the roadway to them to resolve the disputed ownership. The staff's recommendation is that the Board authorize the quitclaim of any State interest in the subject parcel under terms and conditions and the issuance of an immediate construction right-of-entry to the City and County of Honolulu subject to terms and conditions.

**Unanimously approved as submitted. (Inouye/Matsumoto).**

**ITEM D-8: DIRECT SALE OF A PERPETUAL, NON-EXCLUSIVE ACCESS AND UTILITY EASEMENT AND AN IMMEDIATE RIGHT OF ENTRY FOR SITE CONTROL PURPOSES, OVER, UNDER, ACROSS AND ON GOVERNMENT LANDS IDENTIFIED BY TMK: (2) 2-9-03: POR. 20, SITUATE AT HONOPOU-HOOLAWA, HAMAKUALOA, MAKAWAO, MAUI**

Uchida said the applicants are Larry Cosby and Judith Miller. He said the area, encumbered by revocable permit issued to Lafayette Young for pasture use, is an existing road that provides access to the applicant's property. The staff's recommendation is that the Board authorize the direct sale under terms and conditions and immediate right-of-entry subject to terms and conditions.

**Unanimously approved as submitted. (Matsumoto/Yuen).**

**ITEM D-11: REQUEST FOR ISSUANCE OF A REVOCABLE PERMIT BY JEFFREY AND DONNA ALEXANDER FOR PASTURE PURPOSES ON GOVERNMENT LANDS, IDENTIFIED BY TMK: 2-3-08: 27, PORTION OF KULA, MAKAWAO, MAUI**

Uchida said the applicants are Jeffrey and Donna Alexander for an unencumbered, gully lot. He said the staff's recommendation is that the Board find the pasture use under terms and conditions.

There was discussion about overgrazing and the existing erosion conditions and the mitigation of it. The cost to restore vegetation if overgrazing occurs, will be more substantial than the monthly rental cost at approximately \$13.00 per month. Member Yuen suggested deferring the item until the land agent could address the question.

**Unanimously approved to defer Item D-11. (Matsumoto/Inouye).**

Chair Wilson suggested that the Land Division look into the issues of revocable permits in conservation districts and get the Board some feedback.

**ITEM D-12: AFTER-THE-FACT REQUEST FOR NON-EXCLUSIVE EASEMENTS FOR GAS AND PETROLEUM PRODUCTS TRANSMISSION PIPELINES, AND AMENDMENT TO PRIOR BOARD ACTION OF SEPTEMBER 14, 1973 (AGENDA ITEM F-20), PUBLIC AUCTION SALE - NON-EXCLUSIVE EASEMENT, AIEA, EWA, OAHU, TMKS: 9-9-03: POR. 35; 9-9-04: POR. 3 AND 24; 9-9-12: POR. 5, 46 AND 47**

Uchida said the applicants are Gasco, Inc. and BHP Petroleum Americas Refining Inc., Hawaii. He said the Board authorized the sale of these easements in 1973 to Hawaii Independent Refineries and the pipelines were put into two areas, one approved by the Board. BHP is being sold to Citizens Utility Company and wants to clean up outstanding issues. Uchida said when the action was taken in 1973, Gasco should have been included as an applicant because they are the owners of the gas pipeline. Staff's recommendation is that the Board find the subject area to be an economic unit in terms of intended use, authorize the issuance of after-the-fact non-exclusive easements under and across the government land under terms and conditions and to add Gasco as a co-applicant.

Member Matsumoto was concerned about splitting the title to the easements to two different entities. He asked whether it was so that Gasco, Inc. is able to sell an easement to Citizens Utility Company and retain the other.

**Unanimously approved to defer item. (Matsumoto/Inouye).**

**ITEM D-13: RESUBMITTAL: CONSENT TO SUBLEASE AGREEMENT BETWEEN THE CITY AND COUNTY OF HONOLULU, A MUNICIPAL CORPORATION AS SUB-LESSOR AND THE KUALOA-HEEIA ECUMENICAL YOUTH (KEY) PROJECT AS SUB-LESSEE, GENERAL LEASE NO. S-4611, SITUATE AT WAIHEE, KOOLAUPOKO, OAHU, TMK: 1ST/4-7-12: 17**

Uchida said this item was deferred by the Board in August 1997, with the Board wanting to know why the State needed to go through the City and County of Honolulu on a lease and sublease the entire facility to the Key Project. Uchida said because of the funding, the City is tied to the Federal Community Development Block Grant and that these funds could not be expended unless the land was under the control of the City. The staff's recommendation is that the Board consent to the sublease agreement under terms and conditions.

Unanimously approved as submitted. (Inouye/Matsumoto).

**ITEM J-1: REQUEST FOR APPROVAL OF REVOCABLE PERMIT FOR DIAMOND PARKING COMPANY FOR USE OF LEASED LANDS SITUATED AT THE MAALAEA BOAT HARBOR FOR THE CONSTRUCTION, MANAGEMENT AND MAINTENANCE OF A PARKING FACILITY, ISLAND OF MAUI**

John Hino said the applicant is Diamond Parking Company in the Maalaea Boat Harbor for the construction, management and maintenance of a parking facility. In September 1994, the State entered into a 30-year lease with Don Williams. Presently, there is nothing on the property and there are parties who are interested in the property. The State currently pays an 8.5% capitalization rate on the appraised value of the land. Hino said he is looking for ways to offset the cost of paying the lessor and is anxious to develop this property because in two years, the option to buy will expire. He explained that every two years, the rent is renegotiated at the "cap" rate of the appraised value and that the next one would probably be at 9%.

There was discussion about whether the land had any worth to the State. Member Yuen said although the land is appraised at 2.3 million, it cannot be sold for that amount. Hino felt that it would be worth much more money in the future because of Ocean Center in the adjacent property. Chair Wilson said with the proposed expansion of Maalaea Harbor, there are possibilities for developing some of the land around the harbor and this parcel. He asked that Chuck Penque of BOR and the Land Division conduct a briefing for the Board to address some of the boating concerns and land management issues. Chair Wilson asked that this item be deferred. Members Matsumoto and Yuen concurred with the Chair.

Unanimously approved to defer Item J-1. (Matsumoto/Inouye).

**ITEM K-1: REQUEST TO RESCIND PRIOR APPROVAL TO SELL A PORTION OF LAND AT UALENA STREET NEAR THE HONOLULU INTERNATIONAL AIRPORT, OAHU, TO GET HAWAIIAN TELEPHONE**

Peter Garcia introduced himself as the representative of the Department of Transportation (DOT). He said previously the Board authorized DOT to dispose of approximately 15,000 sq. ft. of land plus additional 2,517 sq. ft. for a central office at Ualena Street. Since then, the Department has found a need for the property and the sale of the property is not in the best interest of DOT. The Department requests that the Board rescind the previous Board approval.

**Unanimously approved as submitted. (Matsumoto/Yuen).**

**ITEM K-2 AMENDMENT NO. 18 TO LEASE NO. A-62-13, HONOLULU INTERNATIONAL AIRPORT, OAHU (CANADIAN AIRLINES)**

Garcia said the lessee is Canadian Airlines International, Ltd. at the Honolulu International Airport. He said this involves an area of 605 sq. ft. with an increased monthly rental of \$2,168 effective July 1, 1997. He said DOT is agreeable to lease the space to the lessee and the staff's recommendation is that the Board approve the amendment to the lease.

**Unanimously approved as submitted. (Matsumoto/McCrory).**

**ITEM K-3: REPORT ON REVOCABLE PERMITS ISSUED OR RENEWED BY THE DEPARTMENT OF TRANSPORTATION FOR CONSISTENT USES**

Garcia stated that this submittal is a report that does not require Board action.

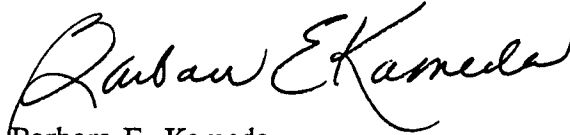
**ITEM K-4: LEASE, HONOLULU INTERNATIONAL AIRPORT, OAHU (DAVID L. TURK)**

Garcia said this is a lease to David L. Turk for 8,050 sq. ft. of hangar facilities at Honolulu International Airport for 20 years. The staff's recommendation is that the Board approve the lease.

**Unanimously approved as submitted. (Matsumoto/Inouye).**

NOTE: All tapes of the meeting are filed in the Chairperson's office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested persons present.

Transcribed by:



Barbara E. Kameda

Approved for submittal:



---

MICHAEL D. WILSON  
Chairperson  
Board of Land & Natural Resources