

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

DATE: FRIDAY, SEPTEMBER 11, 1998
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII

Chairperson Michael Wilson called the meeting of the Board of Land and Natural Resources to order at 9:03 A.M. The following were in attendance:

Members:

Michael Wilson
Lynn McCrory

William Kennison
Kathryn Inouye

Colbert Matsumoto
Russell Kokubun

Staff:

Dean Uchida
Michael Buck
Carl Masaki
Peter Garcia

Dave Parsons
Ron Cannarella
Dede Mamiya
Debra Brockman

John Hino
Mike Constantinides
Larry Cobb

Others:

Ken Newfield (D-24)
George Atkins (D-24)
Marilyn Walsh (D-24)
Sally Amantiad (D-24)
Benjamin Kudo (D-24)
M. Horace Allgood (K-10)
Edward Winkler (C-2)
Paul Mancini (J-1)
Robert Garcia (D-16)
Rex Johnson (D-14)
Hollis Crozier (D-18)
John Ushijima (D-19)
Ronald Kurasaki (D-6)

Diane Anderson (D-24)
Roy Uemura (D-24)
Peter Minor (D-24)
Tony Santiago (D-24)
Andrea Beck (C-2)
Ivan Toyama (K-10)
Peter Simmons (C-2)
Freckles Smith (D-15)
Steven Araujo (D-16)
Kim Harris (D-14)
Rodney Kim (D-23)
Darrow Aiona (D-5)

Ken Morikami (D-24)
Pat Lee (D-24)
Lorraine McShane (D-24)
Barbara Bergstenberger (D-24)
Erich Bohne (K-10)
Tamar Chotzen (D-14)
Jim Coons (J-1)
Archie Ikehara (D-15)
Stanley Yasuda (D-16)
Wally Higher (D-14)
Mike Finney (D-5)
Faleagafulu Tuaolo (D-17)

EXECUTIVE SESSION

Unanimously approved to move into executive session under Section 92-4, HRS to consult with Deputy Attorney General pertaining to the lawsuit KIAA et al. v. State of Hawaii et al. (Inouye/Kennison).

Chairperson Wilson resumed the regular meeting of the Board of Land and Natural Resources at 9:25 A.M.

APPROVAL OF MINUTES OF JULY 24, 1998

The minutes of July 24, 1998 was unanimously approved as submitted. (McCrary/Kennison).

D-24 NORTH SHORE NEIGHBORHOOD BOARD REQUEST FOR RECONSIDERATION OF ITEM D-26 FROM THE AUGUST 28, 1998 LAND BOARD AGENDA REGARDING RESUBMITTAL AND REQUEST FOR CLARIFICATION ON THE DIRECT ISSUANCE OF PERPETUAL NON-EXCLUSIVE EASEMENTS TO HAWAIIAN ELECTRIC COMPANY FOR OVERHEAD ELECTRICAL TRANSMISSION PURPOSES FOR 46kV SUBTRANSMISSION LINES AND ISSUANCE OF A TEMPORARY RIGHT-OF-ENTRY FOR A STAGING AREA AT WAIALEE AND PAHIPAHIALUA, PUPUKEA AND PAUMALU, KOOLAULO, OAHU, TMK: 1ST/5-9-06: 26 (PORTION) AND 1ST/5-8-02: 02

Dean Uchida, Administrator of the Land Management Division (LD) briefed the Board on the request for reconsideration and distributed a copy of a letter received from the neighborhood board.

Benjamin Kudo introduced himself representing the Hawaiian Electric Company (HECO). He felt it unusual that the neighborhood board requested the reconsideration as he understood the rules that only the applicant can make a motion for reconsideration and that it should be a written one. Chairperson Michael Wilson explained to Kudo that the neighborhood board was not represented at the August 28, 1998 meeting and it was made clear that they wanted to be before the Land Board to make statements. Under advisement by the Attorney General's Office, the item was placed on the agenda.

Ken Newfield introduced himself as the Chair of the North Shore Neighborhood Board. He said one of the issues is that the pole location is within 20 feet of the only trail that's available to North Shore residents. He felt it incumbent on HECO's part to disclose the location of the poles and lines. Newfield said HECO never disclosed that the lines were going through the forest reserve or in close proximity to the trail. He said he saw the survey stakes while walking the

trail. He felt that a site visit is critical before granting the permit. Newfield asked that the Board reconsider and wait before granting the easement. It was clarified that the North Shore Neighborhood Board did not know about Newfield sending the letter to the Land Board. Newfield stated that the Chair does have the authority to send letters on behalf of the Board.

Diane Anderson introduced herself as the President of the Neighborhood Outdoor Circle. She said they are concerned about the impact and requested that the community be given the opportunity to fully understand the impact. Anderson explained the diagram of the photos. She said HECO should present a visual simulation of where the poles are going to be located.

George Atkins introduced himself as the Director of Haleiwa Main Street. He said one of their primary on-going projects is to bury utility lines and poles throughout the community to improve and restore the view plains. Atkins said the Haleiwa view plain is the most important single asset and if the pole is located on the view plain, it will be destroyed forever. He said since the Haleiwa Main Street have been in good faith negotiations with HECO, they feel they have been "blind sided" as they have never mentioned to them what was going to take place. Atkins testified in concurrence to Ken Newfield's testimony.

Member Kathryn Inouye clarified that the action that was taken only referred to the easement that is on State property and not within the Haleiwa Business District.

Roy Uemura introduced himself as a representative of HECO. He clarified that HECO has met with Joe Lasser and Roy Wasser of Haleiwa Main Street and explained their plans and conducted field trips also. Uemura's understanding of these representatives were that they were quite pleased with what was presented to them.

Pat Lee introduced himself as a consultant to HECO and attested to being at those meetings that Uemura referred to. He felt that it was made very clear that the permits that HECO sought were the right-of-entry and grant of easements. Lee testified that the permits that HECO seeks does not impact Haleiwa physically.

Member Lynn McCrory asked for clarification of the route of the poles as one of the options that were presented at earlier community meetings. Uemura concurred that the neighborhood board's opposition was the poles along Kamehameha Highway in the Haleiwa area and that it was presented to the community.

Marilyn Walsh testified in favor of the neighborhood board's request. She was unaware of the lines going through the hiking trails and said the poles should be underground.

Peter Minor testified in opposition to the neighborhood board's request. He is opposed to the underground lines as it is too expensive.

Lorraine McShane testified in opposition to the neighborhood board's request. Her main concern was people relying on life machines to keep them alive and the dependability of the

electrical power.

Sally Amitiad testified in opposition to the neighborhood board's request and concurred with McShane's testimony.

Barbara Bergstenberger testified that she is not against the project but would like to see the beauty of the island preserved and to see the community work together.

Ken Morikami representing HECO clarified with regards to the issue of non-communication with the community and organizations. He presented a list of public information meetings that were held from 1992 to 1996. Morikami said at the June 25, 1996 meeting, a presentation was made to the North Shore Neighborhood Board showing the alignment of the poles.

There was discussion regarding the cost of the delays. Uemura said in interest alone, HECO has spent \$900,000.00 and each month it costs them \$25,000.00 plus, compounded. There was also discussion with regards to the placement of poles in the trails. Uemura said pole placements were adjusted when it was brought to HECO's attention.

Morikami said HECO receives complaints about their service in that area and has received claims for damaged goods because of low voltage conditions. He said HECO is trying to correct the reliability of the service at a reasonable cost.

Chairperson Wilson said Representative Alex Santiago requested that the Land Board reconsider the matter so that the neighborhood board could meet with HECO before the Land Board made a decision.

There was discussion with regards to the Conservation District Use Application (CDUA) in April 1996. Uemura explained that there were routing changes that were approved by the Land Board, which were to reduce the number of lines going through the Conservation District. Murakami said the realignment was submitted to DLNR and was approved and concurred to be consistent with the CDUA in November 1997.

Tony Santiago testified that the lines runs through the Girl's Scout Camp and said the impact on the view plain is substantial.

A short break was taken and the meeting was reconvened by Chairperson Wilson.

Member Russell Kokubun stated that he is precluded from raising a motion since he voted against the original motion at the previous meeting. He had concerns, however, about the community involvement but felt that the upcoming meeting in October should help clarify some of the issues.

Chairperson Wilson stated even if it meant another delay to HECO, he preferred that the community and the other groups have an opportunity to meet with HECO.

Member Inouye said she will not move for reconsideration as she believed the granting of the easement is an administrative process. She said the minor changes of the alignment were done to accommodate some of the discussions between the various groups. Member Inouye noted the action before the Board involves only that portion of the line that falls within State property. She said many of the people who testified today asked for reconsideration and brought up issues that did not involve State property. In reference to several comments made regarding placing lines underground, Member Inouye said at some point there has to be some balance between preserving what is considered pristine and providing for all practical purposes, health and safety issues. She said the reality is dealing with providing electrical service to an existing community. Member Inouye felt in terms of process, the applicant has gone above and beyond what is expected and said at some point the process has to end. She felt a bad precedence would be set in light of the fact that no new information was presented for the Board to reconsider. Member McCrory concurred with Member Inouye.

Chairperson Wilson said since there is no motion to reconsider, the previous action of the Board stands.

**D-16 SET ASIDE TO THE DIVISION OF FORESTRY AND WILDLIFE AT
PUUANAHULU AND PUUWAAWAA, HAWAII, TMKs: (3) 7-1**

Uchida requested deferral of Item D-16.

Stanley Yasuda testified in favor of the deferral.

Robert Garcia representing Mikio Kato and Steven DeLuz distributed a hand out to the Board members. He testified in favor of cattle grazing and invited the Board members to a site visit.

Item was unanimously deferred. (Kokubun/Kennison).

**D-15 AMENDMENT TO GENERAL LEASE NO. S-5194 ISSUED THRU DIRECT
NEGOTIATION TO SMITH'S MOTOR BOAT SERVICE, INC., WAILUA
MARINA STATE PARK AT WAILUA, LIHUE, KAUAI, HAWAII, TMK: 3-9-04:
3 & 10**

Uchida briefed the Board saying that a reopening in 1993 occurred and the rent rate was set by an independent appraiser. The staff recommendation is that the Board, find that the fair market rent for the 5 year reopening period of October 15, 1993 to October 14, 1998 to be a minimum of \$3,000.00 or 8% of the gross <\$250,000.00 and 9% of the gross> \$250,000.00 whichever is greater and 2) Amend condition B., on page 2 of General Lease No. S-5194 to read as follows: "That the rent shall include the appropriate mooring fees, and other related fees for the use of the Wailua Marina in accordance with Chapter 200, HRS".

Member Colbert Matsumoto asked whether the lessee was in agreement with the amendment to recommendation 2 and said if they are not in agreement, how would it unilaterally be amended. Uchida said it cannot be done without an agreement.

There was discussion with regards to the fair market rental letter dated April 1996. Uchida said the rental rate was made on a lower base rate with the understanding that the lessee would pay the 2% commercial mooring separately. He said the lessee is willing to pay the residential mooring rate in addition to the lower percentage rate, that they did not want to be charged the commercial mooring rate.

Archie Ikehara introduced himself representing Smith's Motor Boat. He said the rent for the reopening period from 1993 to 1998 had been agreed to on April 29, 1996 without a copy of the appraisal. Ikehara said Smith's Motor Boat does not agree to Land Management's attempt to change the agreed upon rent, that it is improper. He said a proposal submitted to the Department for the settlement to be a minimum of \$3,000.00 per month or 7% of the \$250,000.00 and 8% above \$250,000.00 whichever is greater. Ikehara believes that Smith's Motor Boat paying rent at the old rate, results in a credit of \$112,000.00. He noted that the next reopening is due shortly but that they had not yet received the appraisal. Ikehara said if an agreement cannot be reached, Smith's will go back to the April 1996 agreement and pay the mooring charges at the regular or standard rate.

Freckles Smith felt that they have been more than accommodating to resolve the issue. He noted that the specific use of the marina has changed in the contract.

There was discussion regarding the credit due Smith's Motor Boat because they paid the higher rent rate for the five year period. Smith's position is that they would pay the standard or recreational mooring charges.

There was discussion regarding the wording of the lease. Dave Parsons said the original lease referred to a floating mooring rate established while the Division of Boating and Ocean Recreation (DOBOR) was under the Department of Transportation (DOT). In the meantime, there was a new charge for commercial passenger vessels but there were no terms in the lease to automatically include the fee increases so the original lease was at that particular rate. Parsons said DOBOR has been billing Smith's but that Smith's have been paying the regular rate.

Unanimously approved with amendments: 1) Find that the fair market rent for the 5 year reopening period of October 15, 1993 to October 14, 1998 to be a minimum of \$3,000.00 or [8] 7% of the gross {\$250,000.00 and [9] 8% of the gross} \$250,001.00, whichever is greater, inclusive of applicable mooring charges, 2) That based on the fair market rent established in amendment 1, appropriate credit and debit adjustments be made to the account of GL S-5194. (Matsumoto/McCrory).

J-1 REQUEST FOR AMENDMENT OF SPECIFIC PROVISION OF BOATING LEASE NO. B-93-02 FOR TRILOGY CORPORATION FOR USE OF GOVERNMENT LANDS SITUATED AT THE MANALE SMALL BOAT HARBOR, ISLAND OF LANAI

John Hino briefed the Board. He said staff recommendation is that the Board approve the amendments to the lease, subject to terms and conditions.

There was discussion regarding the water service and electricity which the State should have provided, tied in with the Lanai Company. At present there is a 2 inch water line which does not comply with the fire code. Parsons said after 2 years the lease was authorized and issued, there was a concurrent resolution of the Legislature requesting that a lease be issued to the Lanai Company for the development of a mooring facility with the understanding that as a benefit to the public, the Lanai Company would bring in the utilities and provide additional moorings within the harbor at State rates for local residents. Member Matsumoto asked why DOBOR entered into a lease with that requirement which the State was not prepared to satisfy. Parsons said when the lease was issued, it was envisioned to be a simple open air covered pavilion for transit use. Member Matsumoto could not understand why the State felt responsible to provide outside improvements to the extent necessary to satisfy the additional requirement. He said if an entirely different type of structure was contemplated when the lease was entered into, why should the State be responsible for providing utilities for an entirely different type of structure. Hino said it is a general lease and therefore not stated in the lease. Water is provided but not adequate to the type of structure presently there.

Paul Mancini and Jim Coons introduced themselves representing the Trilogy Corporation. Mancini said Coons cannot obtain the necessary financing with the term of the lease and that is the reason they asked the staff to consider extending the term of the lease to allow Trilogy Corporation to make up the lost revenue from the past 5 years. He asked the Board's consideration in the extending of the lease as there are significant benefits to the community.

Coons talked about the various uses of his facilities at no charge to them. He stated that he went to various organizations to find out what their needs were and tried to accommodate them. Coons said it took the Maui County Building Department a year to give the Trilogy Corporation a building permit. He said his main use is serving a barbecue lunch and that he employs 40 people.

There was discussion regarding fire insurance. Coons said he is not allowed to have a building loan without fire insurance and that he has no choice but to obtain fire insurance at a very high rate in order to qualify for the loan.

Coons when asked whether he saw the memo dated September 12, 1998 that was submitted to the Land Board by the Members of the Lanai Harbor Advisory Committee said he heard about it but had not seen it. Coons believes that part of their cost overrun was attributed to trying to please the Lanai Harbor Advisory Committee. He said the Lanai Harbor Advisory Committee

does not fairly represent the community at large.

Member William Kennison made a motion to approve staff recommendation with the deletion of provision 4 with regards to the insurance provision. There was no second to the motion.

Motion made to defer consideration of this item until there is an opportunity to balance the respective interests as the applicant has legitimate concerns and that the proposal as presented to the Board does not constitute it to be reasonable. Time frame to be 30 days. (Matsumoto/McCrory).

Vote: 3 approved, 1 opposed (Kennison).

A lunch break was taken and the meeting was reconvened.

C-2 REQUEST FOR APPROVAL OF THE WAIAKEA TIMBER MANAGEMENT AREA PLAN AS REQUIRED BY CHAPTER 183-16.5, HAWAII REVISED STATUTES, AND THE ADVERTISING OF A REQUEST FOR PROPOSALS (RFP)

Michael Buck Administrator of the Division of Forestry and Wildlife (DOFAW) briefed the Board and introduced Carl Masaki, Ron Cannarella and Mike Constantinides of his staff. He said they have had 3 formal community meetings. Buck requested some changes be made: to delete staff recommendation 3, as he felt the Request for Proposals (RFP) were not ready for the Board's consideration at this time. He then referred to the Management Plan, page 15, item B, subsection b. to be deleted and replaced with, "Specific conditions for leave (?) or residual trees within the 40 acre harvest blocks will be specified in the timber land license". Correct Item B, last paragraph: "To manage the 4,030 acres of *Eucalyptus* species on a sustained yield bases, up to 500 acres of *Eucalyptus* would be harvested and replanted.... Add after 2nd sentence: This prescription may be changed based on shorter rotations or different end (?) product mixes."

Buck said once the Timber Management Plan is approved, the RFP will be finalized. They will then be ready to receive proposals and concurrently will begin the Environmental Assessment process. He expects the selected proposal to be ready in February or March. Buck said if the Board wishes, the RFP can be brought back to the Board for approval. He said the division is not focusing on direct revenues to the State, that they want to encourage people to invest in higher value processing balance.

There was discussion regarding the rotation cycle of the Eucalyptus. Buck said the 14 year cycle is for saw timber type rotation used for woodchip. He said the division is focused on sustainable management and although the State has a major role with timber it does not have ample supply of timber to supply the whole industry. Buck said the 500 acres is based on 8 year rotation.

Peter Simmons introduced himself as the Vice-President of the Hawaii Forest Industry Association and said they are strongly in favor of the Timber Management Plan. He encouraged 2 to 3 months time period for the RFP to encourage a wide range of people and for the Board to look at the flexibility issue.

Ed Winkler, the owner of Winkler Wood Products, Inc. testified in support of staff's recommendation. His business needs a solid resource base in order to expand and to continue his business. Winkler had concerns about the 1,000 acre limitation. He submitted written testimony.

Andrea Beck, Executive Director for Hawaii Forest Industry Association submitted testimony in support of the harvesting of cultivated hardwoods in the Waiakea Timber Management Area.

Unanimously approved with amendments to: delete staff recommendation 3; on page 15, item B, subsection b. of the Management Plan, delete and replace with, "Specific conditions for leave or residual trees within the 40 acre harvest blocks will be specified in the timber land license"; correct Item B, last paragraph to read: "To manage the 4,030 acres of *Eucalyptus* species on a sustained yield bases, up to 500 acres of *Eucalyptus* would be harvested and replanted...." and add after the 2nd sentence: "This prescription may be changed based on shorter rotations or different end product mixes." (Kokubun/McCrory).

D-18 CONSENT TO SUBLEASE, GENERAL LEASE NO. S-3917, USA, NATIONAL AERONAUTICS & SPACE ADMINISTRATION, THE SUBLESSOR/LICENSOR, AND CYBERTEL CORPORATION DBA AMERITECH CELLULAR SERVICES, THE SUBLESSEE/LICENSEE, WAIMEA, KAUAI, TMK: 1-4-1: 3

Uchida briefed the Board. He said staff recommendation is that the board consent to the proposed sublease, subject to terms and conditions.

Hollis Crozier inquired about the status of the Attorney General's opinion. Chairperson Wilson said the staff will look into it.

Unanimously approved as submitted. (McCrory/Kennison).

D-19 FORFEITURE OF GENERAL LEASE NO. S-3156, MICHAEL F. RUDOLPH AND DORA LEE RUDOLPH, LOT 25, OCEAN VIEW LEASE LOTS, WAIAKEA, SOUTH HILO, HAWAII - TMK: 3RD/2-1-07: 22

Uchida requested withdrawal of Item D-19.

Unanimously approved to withdraw Item D-19. (Kokubun/Kennison).

D-14 ESTABLISHMENT OF POLICY REGARDING THE LEASING OF STATE LANDS BY NON-PROFITS

Uchida briefed the Board and introduced Dede Mamiya, Assistant Land Division Administrator. He said non-profit leases at the Land Board meeting of August 21, 1997 brought up concerns with regards to the lack of standards and criteria, inconsistencies and the extent to which the public would benefit from the services of non-profit through nominal rent. Uchida said his staff has been working on a process.

Dede Mamiya briefed the Board on the analysis, policies and Exhibits A & B. She explained and reviewed the ways in which some of the process and criteria were established. As Mamiya reviewed the process, questions, clarifications and discussions took place. The staff recommendation is that the Board approve the non-profit policy, authorize the staff to develop the application form to be used to implement this policy subject to the approval of the Chairperson, authorize the Chairperson to approve changes as may be deemed necessary or prudent from time to time on the application form, and authorize the Chairperson to approve conducting lotteries as may be recommended from time to time by staff.

Tamar Chotzen, Executive Director of Hawaii Nature Center introduced herself and commended staff for their efforts in establishing a policy for non-profits. She read and submitted written testimony of her comments and concerns.

Wally Higher member of the Hawaii Hunting Association stated some of his concerns. Chairperson Wilson said those concerns would be addressed in the memorandum of agreement.

Unanimously approved with amendments to Exhibit B: 1) Under Step 2 (Determine whether non-profit is qualified), change criterion 1 from [is incorporated under the laws of the State] to is registered to do business in Hawaii. This change would fulfill the intent and not affect some agencies which may be incorporated in other states, such as those affiliated with national organizations; 2) Under Step 2 (Determine whether non-profit is qualified), add the criteria has not had a lease, license, permit or other disposition cancelled during the last five years for failure to satisfy the terms and conditions thereof. This criteria was inadvertently omitted and is a statutory requirement under section 171-13, HRS; 3) Under Step 2 (Determine whether non-profit is qualified), change criterion 8b from [show administrative expenses as a percentage of total expenses no more than 20%] to show that at least 80% of total budget is being expended on program services; 4) Restructure entire process to allow for a non-profit to obtain an "intent to lease" (i.e. Board approval). There was concerns voiced that non-profits would be required to expend time and money on fulfilling environmental requirements or obtaining permits and they would not have any assurance that they would receive a lease. Restructuring the process by giving a non-profit an "intent to lease" would also allow the non-profit to obtain funding from government agencies or private foundations; 5) Under Step 9C (Determine whether percentage rents should apply), clarify that under criterion 6, "revenues generated" was not intended to mean grants, subsidies or donations, but would include sublease rents,

merchandise sales and other activities which require the payment of excise taxes. (McCrorry/Kennison).

**K-10 ISSUANCE OF REVOCABLE PERMIT, PIER 60, HONOLULU HARBOR, OAHU
(ERICH BOHNE) TMK: 1-2-23-33**

Larry Cobb, Property Manager for DOT Harbors Division, introduced himself and briefed the Board. He said staff recommendation is that the Board authorize the Director of Transportation to issue the applicant a revocable permit for the stated purpose subject to terms and conditions.

Erich Bohne of BTU testified in favor of staff recommendation. He explained that at this site, BTU plans to set up a boiler to recycle organic and used cooking oil to generate electricity to any of the tenants in the area. He said presently, the grease trap waste and oil goes into land fills.

M. Hurace Allgood, Allgood's Drain Cleaning testified in favor of staff recommendation. He stated that his fast food customers generates 50 to 100 gallons of used cooking oil.

Ivan Toyama, a grease trap contractor testified in favor of staff recommendation.

Unanimously approved as submitted. (Inouye/McCrorry).

**D-6 SET ASIDE TO THE DEPARTMENT OF HEALTH FOR TWO DEPARTMENT
FACILITIES, WAIAKEA, HAWAII, TMK: (3) 2-4-57-PORION 1**

Uchida briefed the Board and said staff recommendation is that the Board approve and recommend to the Governor issuance of an Executive Order setting aside to the Department of Health approximately 2.00 acres for department facilities.

Unanimously approved as submitted. (Kokubun/Matsumoto).

**D-17 REQUEST FOR CONSENT TO MORTGAGE, GENERAL LEASE NO. S-5387,
FALEAGAFULU M. TUAOLO, WAIMANALO, OAHU, TMK: 4-1-10: 26**

Uchida briefed the Board and stated staff recommendation is that the Board consent to the Mortgage of General Lease No. S-5387 held by Faleagafulu M. Tualo as Mortgagor and Preferred Financial Funding, Inc. a California Corporation as Mortgagee for a loan of \$50,000.00 subject to terms and conditions.

Unanimously approved as submitted. (Inouye/Matsumoto).

**D-5 AMENDMENT TO PRIOR ACTION OF MARCH 22, 1996 (AGENDA ITEM D-9),
ISSUANCE OF A REVOCABLE PERMIT TO KAPAHULU BUSINESS
ASSOCIATION FOR PARKING LOT PURPOSES ON GOVERNMENT LAND
SITUATED AT WAIKIKI, HONOLULU, OAHU, TMK: 2-7-036: 4**

Uchida briefed the Board. The staff physically measured the area and found the area to be less than what was in the permit. Uchida amended the date in the last paragraph of the submittal from January 1, 1998 to March 22, 1996 as the property has been in use since. He said the Reverend (who had to leave) expressed his frustration as there are 3 or 4 different businesses using the lot and opposed to the \$600.00 a month charge.

Mike Feeney, owner of the Internet Cafe, a member of the Kapahulu Business Association testified. He did not feel the amended retroactive date should be March 1996, that it should be May 1998. Although he and the others have been using the parking lot, the terms of the lease with the Department of Health was that they could use the parking lot with the understanding that they would maintain the lot. Feeney referred to the diagram of the lot and said the original lease is for 11 parking stalls and that the appraisal is based on 21 parking stalls which he feels is not accurate.

Uchida asked that the Board defer Item D-5.

Item unanimously deferred. (Inouye/Kokubun).

**D-23 AUTHORIZATION TO SELL AT PUBLIC AUCTION A COMMERCIAL LEASE,
TOGETHER WITH TWO SUBLEASES TO SAND ISLAND BUSINESS
ASSOCIATION (SIBA) AND THE DEPARTMENT OF LAND AND NATURAL
RESOURCES (DLNR), COVERING GOVERNMENT LAND SITUATE AT THE
SAND ISLAND INDUSTRIAL PARK SUBDIVISION, KAHOLALOA,
HONOLULU, OAHU, TMK: 1ST/1-5-41: 77**

Uchida briefed the Board. He said staff recommendation is that the Board approve the public auction sale of the lease covering the subject area for business purposes together with the sub-leases to DLNR and Sand Island Business Association (SIBA) subject to terms and conditions.

In response to Member Matsumoto's question of the intent of the development of the commercial center, Uchida said the Division is trying to get businesses into the area. He was not sure whether a type of building will be specified in the lease.

There was discussion about rental reopenings every 10 years.

Member Inouye felt that the recommendation that the development be completed within 18 months was not feasible and suggested 24 months as being more realistic.

Member Matsumoto asked about the Oahu District office being relocated in the commercial center at Sand Island. Uchida said the Land Division is faced with space problems (in the Kalanimoku Building) and explained about a long range plan to relocate all the field offices in a baseyard for State Parks, DOFAW and Oahu District Office in the Departmental Master Plan. He agreed that the location was not an ideal site but that the Land Division would take any space that was available.

There was discussion regarding the provision for the option for a seawall to take an additional 2,000 square feet 90 days after the space becomes available. Upon completion of the project, the auction would be triggered should the developer make the space available. If SIBA decides not to exercise the option, the developer is free to do whatever they choose, if they choose to exercise it, it would be at the market rate at whatever term the developer decides. Member Matsumoto was not comfortable with the provision because of being locked into a potential lease that one would not have control of.

Rodney Kim, Executive Director of SIBA introduced himself. He asked the Board for deferral of the approval of the auction because of the "awkwardness" of the language of paragraph 4.5 of the Master Lease. Kim felt there is conflict of opinion of the translation of the paragraph and that clarification is needed in the design and the management of the commercial center.

Item unanimously deferred for 30 days to allow staff to work with Rodney Kim. (Inouye/Matsumoto).

C-1 REQUEST FOR APPROVAL OF A COOPERATIVE GAME MANAGEMENT AGREEMENT (GMA) AND A MEMORANDUM OF AGREEMENT (MOA) BETWEEN DLNR AND KAONOULU RANCH/BOX K (DOMESTIC LIMITED LIABILITY COMPANY) FOR PUBLIC HUNTING AND RECREATIONAL TRAIL USE, TMK: 2-247, PARCELS 2 & 10 AT KAONOULU AND ALAE (1 & 2), KULA, MAUI

Buck briefed the Board. Staff recommendation is that the Board accept the proposed Cooperative Game Management Agreement and Memorandum of Agreement for public access in the Kula Forest Reserve and that the Board authorize the Chairperson to sign the agreements with Kaonoulu Ranch that describe the roles and responsibilities of all parties.

Unanimously approved as submitted. (Matsumoto/Kokubun).

C-3 REQUEST FOR APPROVAL OF A CONTRACT WITH THE PEREGRINE FUND TO PROVIDE SERVICES TO OPERATE ENDANGERED BIRD CAPTIVE PROPAGATION FACILITIES ON MAUI AND CONDUCT RELATED FOREST BIRD PROPAGATION PROJECTS THROUGHOUT THE STATE

Buck briefed the Board. Staff recommendation is that the Board authorize the Chairperson to execute the subject contract.

Unanimously approved as submitted. (McCrorry/Kokubun).

D-1 AMENDMENT TO PRIOR BOARD ACTIONS OF MARCH 27, 1997 (AGENDA ITEM D-17) AND FEBRUARY 9, 1996 (AGENDA ITEM D-13), FOR EXTENSION OF GENERAL LEASE NOS. S-4303 AND S-4379, TO DAVID S. DE LUZ, SR., WAIAKEA, SOUTH HILO, ISLAND OF HAWAII - TMK: 3RD/2-2-58: 15 AND 36

Uchida briefed the Board. Staff recommendation is that the Board amend its prior actions of March 27, 1997 and February 9, 1996 by authorizing an Amendment to the Extension of General Lease Nos. S-4303 and S-4379, which will state that the rental reopenings for both leases will be on June 9, 2010; June 9, 2020; and June 9, 2030; and the expiration date for both leases will be June 8, 2035; subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Matsumoto).

D-2 SECOND AMENDMENT TO PRIOR BOARD ACTION OF FEBRUARY 4, 1986 (AGENDA ITEM F-17), FOR ROADWAY AND UTILITY EASEMENT AT PU'U WA'AWA'A, NORTH KONA, HAWAII, TMK: 3RD/7-1-02: 08 & 09

Uchida briefed the Board. Staff recommendation is that the Board amend its actions of February 12, 1986 as amended and August 11, 1995 to authorize the issuance of a perpetual, non-exclusive access and utility easement to Franklin C. Wheeler, III, and Cynthia J. Shanholt subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Matsumoto).

D-3 AMENDMENT TO REVOCABLE PERMIT NO. S-5528 ISSUED TO BERNADINE SOARES, KAPAA, KAWAIHAU, KAUAI, TMK: 4-5-15: POR. 37

Uchida briefed the Board. Staff recommendation is that the Board amend the action of February 1, 1978 to Bernadine Soares by refining the area and location of use to 12,516 square feet for storage and landscaping purposes.

Unanimously approved as submitted. (McCrorry/Inouye).

D-4 RESCIND PRIOR BOARD ACTION FOR ISSUANCE OF MONTH-TO-MONTH

**REVOCABLE PERMIT TO THE HAMAKUA HOUSING CORPORATION AT
OOKALA, HAWAII, TMK: (3) 3-9-1-PORION OF 7**

Uchida briefed the Board. Staff recommendation is that the Board rescind the Board authorization of February 10, 1995 subject to terms and conditions.

Unanimously approved with amendment to rescind and/or terminate the Board's authorization of February 10, 1995. (Kokubun/Matsumoto).

**D-7: SALE OF LEASE AT PUBLIC AUCTION FOR INTENSIVE AGRICULTURE
PURPOSES AT NORTH KONA, HAWAII, TMK: (3) 7-1-5-5**

Uchida briefed the Board. Staff recommendation is that the Board authorize the sale of a lease at public auction covering the subject area for intensive agriculture purposes subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/McCrory).

**D-8 AMENDMENT TO PRIOR ACTION OF MARCH 22, 1996 (AGENDA ITEM D-
11), ISSUANCE OF A REVOCABLE PERMIT TO HAWAIIAN DREDGING AND
CONSTRUCTION COMPANY FOR PARKING LOT PURPOSES ON
GOVERNMENT LAND SITUATED AT WAIKIKI, HONOLULU, OAHU, TMK:
2-7-036: 4**

Uchida briefed the Board. Staff recommendation is that the Board amend Item D-11 of its March 22, 1996 meeting by changing the revocable permit area size from 14,936 square feet to 10,394 square feet subject to terms and conditions.

Item unanimously deferred until Item D-5 [September 11, 1998 agenda] is resubmitted to the Board. (Inouye/McCrory).

**D-9 SALE OF LEASE AT PUBLIC AUCTION FOR PASTURE PURPOSES AT
PIIHONUA, HAWAII, TMK: (3) 2-3-30-PORION OF 1**

Uchida briefed the Board. Staff recommendation is that the Board authorize the sale of a lease at public auction covering the subject area for pasture purposes subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Matsumoto).

**D-10 WITHDRAWAL OF LANDS FROM GOVERNOR'S EXECUTIVE ORDER NO.
3201 AT HONOLULU INTERNATIONAL AIRPORT, MOANALUA, OAHU,**

TMK: 1ST/1-1-03: PORTION OF 01

Uchida briefed the Board. Staff recommendation is that the Board recommend to the Governor the insurance of an Executive Order withdrawing the subject land from Governor's Executive Order No. 3201 subject to terms and conditions.

Unanimously approved as submitted. (Inouye/Matsumoto).

D-11 SALE OF FOUR LEASES AT PUBLIC AUCTION FOR INTENSIVE AGRICULTURE PURPOSES ON HAWAII

Uchida briefed the Board. Staff recommendation is that the Board authorize the sale of a lease at public auction covering the subject area for intensive agriculture purposes subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Inouye).

D-12 TERMINATION OF REVOCABLE PERMIT NO. S-4282 AND ISSUANCE OF A REVOCABLE PERMIT TO ERNEST PUNG AT PIHONUA, HAWAII, TMK: (3) 2-3-30-PORTION OF 1

Uchida briefed the Board about the numerous complaints received. He said this step will eliminate the unauthorized use problem. Staff recommendation is that the Board find that the use is exempt from obtaining a negative declaration, impose a \$500.00 fine for the illegal use of vacant State lands, authorize the termination of the revocable permit, and authorize the issuance of a new revocable permit subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Matsumoto).

D-13 SALE OF ABANDONED FLUME RIGHT-OF-WAY REMNANT, KULAIMANU HOMESTEADS, SOUTH HILO, HAWAII, TMK: 3RD/2-8-16: 6 & 7

Uchida briefed the Board. Staff recommendation is that the Board authorize the fee simple sale of the portion of the remanent subject to terms and conditions.

Member Kokubun noted the spelling of Kulaimano.

Unanimously approved as submitted. (Kokubun/McCrory).

D-20 DIRECT SALE OF A PERPETUAL, NON-EXCLUSIVE EASEMENT TO GTE

**HAWAIIAN TELEPHONE CO. AND HAWAII ELECTRIC LIGHT CO. FOR
UTILITY POLE SITE AND CONSTRUCTION RIGHT-OF-ENTRY AT KAU,
HAWAII, TMK: (3) 9-4-3-PORION 26**

Uchida briefed the Board. Staff recommendation is that the Board authorize the direct sale of the easement, and authorize the construction right-of-entry subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Matsumoto).

**D-21 DIRECT SALE OF A PERPETUAL, NON-EXCLUSIVE EASEMENT TO GTE
HAWAIIAN TELEPHONE CO. AND HAWAII ELECTRIC LIGHT CO. FOR
UTILITY PURPOSES AND CONSTRUCTION RIGHT-OF-ENTRY AT KAU,
HAWAII, TMKs: (3) 9-6-11-PORION 2 AND 9-8-1-PORION 3**

Uchida briefed the Board. Staff recommendation is that the Board authorize the direct sale of the easement and authorize the construction right-of-entry subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Inouye).

**D-22 CERTIFICATION OF ELECTION AND APPOINTMENT OF SOIL AND WATER
CONSERVATION DISTRICT DIRECTORS (CENTRAL MAUI AND OLINDA-
KULA)**

Uchida briefed the Board. Staff recommendation is that the Board appoint Peter Baldwin and certify the elections of Alan Nago and Doug MacCluer as directors of their respective Soil and Water Conservation Districts.

Unanimously approved as submitted. (Inouye/McCrory).

**E-1 ASSIGNMENT OF CONCESSION CONTRACT NO. SP-20, HAPUNA BEACH
STATE RECREATION AREA FOOD AND BEVERAGE FACILITY AND BEACH
SERVICE CONCESSION**

Uchida briefed the Board. Staff recommendation is that the Board approve assignment of the Hapuna concession contract from Volume Services Inc. to Volume Services America, Inc.

Unanimously approved as submitted. (Kokubun/Matsumoto).

**K-1 ISSUANCE OF REVOCABLE PERMIT, KEEHI INDUSTRIAL LOTS, KALIHI-
KAI, HONOLULU HARBOR, OAHU (ANUENUE REFUSE, INC.) TMK: 1-2-23-**

Peter Garcia representing DOT briefed the Board. Staff recommendation is that the Board approve the issuance of permit subject to terms and conditions.

Unanimously approved as submitted. (Inouye/McCrory).

K-2 ISSUANCE OF REVOCABLE PERMIT, PIER 60, KEEHI INDUSTRIAL LOTS, KALIHI-KAI, HONOLULU HARBOR, OAHU (AMAZON CONSTRUCTION COMPANY, INC.) TMK: 1-2-12-33 (P)

Garcia briefed the Board. Staff recommendation is that the Board approve the issuance of permit subject to terms and conditions.

Unanimously approved as submitted. (Inouye/Matsumoto).

K-3 ISSUANCE OF REVOCABLE PERMIT, NEAR PIER 24, HONOLULU HARBOR, OAHU (ARITA/PAULSON GENERAL CONTRACTING, A GENERAL PARTNERSHIP) TMK: 1-2-25-12 (P)

Garcia briefed the Board. Staff recommendation is that the Board approve the issuance of permit subject to terms and conditions.

Unanimously approved as submitted. (Inouye/McCrory).

K-4 ISSUANCE OF REVOCABLE PERMITS, PIER 1, HILO HARBOR, ISLAND OF HAWAII (DHTC HAWAIIAN FLOWERS & LEIS, INC., HELEN L. HAA, AH LAN KIRO, HARRIET AH LIN LOO, SUSAN PHILIPS, LYNDA IAUKEA SAFFERY, SHEILA M. WILKINS) TMK: 2-1-09 (P)

Garcia briefed the Board. Staff recommendation is that the Board approve the issuance of permit subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Matsumoto).

K-5 ISSUANCE OF REVOCABLE PERMIT, KEEHI INDUSTRIAL LOTS, KALIHI-KAI, OAHU (ERIK BUILDERS, INC.) TMK: 1-1-23-66 (P)

Garcia briefed the Board. Staff recommendation is that the Board approve the issuance of permit subject to terms and conditions.

Unanimously approved as submitted. (Inouye/McCrory).

K-6 AUTHORIZING THE DEPARTMENT OF TRANSPORTATION TO DISPOSE OF HIGHWAY PARCEL 15, HANA BELT ROAD, FAP NO. F-036-1(1), MALIKO SECTION, HAMAKUAPOKO, MAUI (COUNTY OF MAUI, PARKS AND RECREATION) TMK: (2) 2-5-04-72 AND PORTION OF ROAD

Garcia briefed the Board. Staff recommendation is that the Board authorize DOT to convey the fee title to the County of Maui subject to terms and conditions.

Unanimously approved as submitted. (Matsumoto/Kokubun).

K-7 REPORT OF REVOCABLE PERMITS RENEWED BY THE DEPARTMENT OF TRANSPORTATION FOR CONSISTENT USES

Garcia said this item is a report only which requires no action.

K-8 CONSTRUCTION RIGHT-OF-ENTRY AGREEMENT AT THE SAND ISLAND CONTAINER FACILITY, KAHOLALOA, HONOLULU HARBOR, OAHU (UNITED STATES OF AMERICA) TMK: 1-5-41-111P

Garcia briefed the Board. Staff recommendation is that the Board approve the construction right-of-entry subject to terms and conditions.

Unanimously approved as submitted. (Inouye/Matsumoto).

K-9 REQUEST FOR AUTHORIZATION TO ENTER INTO A CONSTRUCTION RIGHT-OF-ENTRY AGREEMENT COVERING PRIVATELY-OWNED LANDS SITUATED AT HONOULIULI, EWA, OAHU (DEPARTMENT OF TRANSPORTATION) TMK: 9-1-14-26 AND TMK: 9-1-57-19 AND 24

Garcia briefed the Board. Staff recommendation is that the Board approve the acquisition of the right-of-entry subject to terms and conditions.

Unanimously approved as submitted. (Inouye/McCrory).

K-11 ISSUANCE OF REVOCABLE PERMIT, KAWAIHAE HARBOR, ISLAND OF HAWAII (WIND ON WATER PRODUCTIONS II, INC.) TMK: 6-1-03-23 AND 24

Garcia briefed the Board. Staff recommendation is that the Board authorize the Director of

Transportation to issue the applicant a revocable permit for the stated purpose to reflect the change of Permittee subject to terms and conditions.

Unanimously approved as submitted. (Kokubun/Matsumoto).

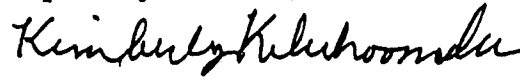
**J-2 ISSUANCE OF REVOCABLE PERMIT TO BRAUN MANAGEMENT COMPANY
FOR THE USE OF GOVERNMENT LANDS SITUATED AT MAALAEA SMALL
BOAT HARBOR, ISLAND OF MAUI, TAX MAP KEY NO.: 3-06-01: 34**

Unanimously approved to defer Item J-2. (Inouye/Matsumoto).

There being no further business, Chairperson Wilson adjourned the meeting at 5:00 P.M.

Tapes of the meeting and all written testimony submitted at 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 parties present.

Respectfully submitted,



Kimberly C. Keliioomalu

Approved for submittal:



MICHAEL D. WILSON

Chairperson

Board of Land and Natural Resources