

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

DATE: FRIDAY, APRIL 25, 2003  
TIME: 9:00 A.M.  
PLACE: KALANIMOKU BUILDING  
LAND BOARD CONFERENCE ROOM 132  
1151 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813

Chairperson Peter Young 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. Peter Young	Ms. Lynn McCrory
Mr. Timothy Johns	Ms. Kathryn Inouye
Mr. Ted Yamamura	Mr. Gerald DeMello
Mr. Toby Martyn (arrived at 9:14 a.m.)	

**STAFF**

Ms. Dede Mamiya, Land Division	Mr. Keith Chun, Land Division
Mr. Dan Quinn, State Parks	Mr. Mason Young, DOBOR
Mr. James Shoocraft, DOBOR	Mr. Michael Buck, DOFAW

**OTHERS**

Ms. Pam Matsukawa, Deputy Attorney General	
Ms. Yvonne Izu, Deputy Attorney General	
Mr. Joe Munechika, D-5	Mr. Tim Lui-Kwan, D-10
Mr. Kevin Ma, D-3	Ms. Ellen Yee, D-13
Mr. Pascual Dabis, C-1	Mr. Alex Reinprecht, J-1
Mr. Fred Madlener, D-14	Ms. Janet Mandrell, D-14
Ms. Donna Wong, D-14	Ms. Kat Brady, D-14
Ms. Pua Aiu, D-14	

{Note: language for deletion is [bracketed], new/added is underlined}

Chairperson Young acknowledge one hundred years ago the State Forest System was created. He hoped the present generation can be as clean and make the types of decisions that make Hawaii a great place to live.

**Item A-1: Minutes of April 11, 2003**

**The Board made the following changes:**

Page 4 first paragraph

**“That the Board of Land and Natural Resources approve this request to extend the process period for CDUA HA-3065 ~~ad~~an additional [90]days.....”**

Page 4 fourth paragraph

**“... Mr. Lemmo said he could not answer the question[s] because he did not know the extent of the repairs made on the structure....”**

Page 4 fifth paragraph

**“... She noted the applicant is not herself [by] but the Emerson’s. Ms. Leong told the Board she provided Staff with information to show the houses were constructed circa 1920’s to 1950’s. Ms. Leong noted when she appeared before the Board last year, the Emerson’s told the Board they wanted to repair and .....Ms. Leong advised the Board [her] after discussion with her clients she would like to withdraw....”**

Page 8 last paragraph

**“... He told the Board the nature of [is] his background and training in this field of science [~~is to only present information on what you have the utmost confidence in~~].**

Page 9 first paragraph

**“...When asked if he counted the spur roads, he stated he didn’t as it would have taken an intensive effort since there were so [~~may~~] many roads. . .”**

**Unanimously approved as amended (McCrorry/Inouye).**

**Item J-1: Submit Request for Permission to Solicit Sealed Bids for Permits to Conduct Offshore World Class Events.**

Mr. Mason Young Acting Administrator for the Division of Boating and Ocean Recreation and Mr. James Shoocraft Boating Staff Officer appeared before the Board. Mr. Young reminded the Board several meetings ago an individual expressing interest in conducting a tow-in-surfing event appeared before the Board and explained his plans and some concerns. One of his concerns was the time window in which to hold the event. To

address this concern Staff has allowed a three-month window for such event. Mr. Young recommended the Board approve DOBOR to solicit sealed bids for world-class events. Mr. Alex Reinprecht was present to answer any questions and asked the Board to approve this item.

**Unanimously approved as submitted (Yamamura/Johns).**

**Item E-1: Acquisition of Surplus Government Real Property Situate at Loran Station, Upolu Point, North Kohala, Island and County of Hawaii, State of Hawaii.**

Dan Quinn Administrator for State Parks told the Board the Federal Government has declared the access road down to Loran Station to be surplus property and State Parks would like to acquire that property. Mr. Quinn noted by acquiring this property it would provide better access to Mo'okini Heiau and Kamehameha I birth site. Mr. Quinn recommended the Board authorize the acquisition of Surplus Government Real Property being Parcels 2, 9 and 4, Loran Station and also authorize the Chairperson to execute the necessary acquisition documents and to do all other acts necessary to consummate the transactions.

**Unanimously approved as submitted (DeMello/Yamamura).**

**Item D-5: Amendment to Prior Board Action of August 24, 2001, Agenda Item D-4 (Cancellation and Re-Issuance of Revocable Permit to Gay & Robinson, Inc.) and Issuance of Revocable Permit to Wines of Kauai, L.L.C., Kekaha, Waimea, Kauai, TMK: (4) 1-2-02.**

Dede Mamiya Administrator of the Land Division indicated the lands were encumbered by Kekaha Sugar Company and when their operations ceased, five temporary revocable permits were issued to the following; Ceatech, Gay & Robinson, Inc. Wally Johnson, Syngeta Seeds, Inc and Pioneer Hi-Bred International. Later staff came to the Board for approval of a master lease with the Agribusiness Development Corporation (ADC) serving as interim manager but the lease has not been executed. In May or June of 2001 the applicant approached the Kauai Land Division office with interest in acquiring some land for their wine vineyard. Gay & Robinson agreed to give up some of their fields in the higher elevation to the applicant. Wines of Kauai is requesting Staff reissue a new permit to Gay & Robinson taking out the land they are using and also issue a permit to Wines of Kauai for the lands they will be utilizing. Ms. Mamiya recommended the Board amend its prior action of August 24, 2001 and authorize the issuance of a revocable permit to Wines of Kauai.

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

Joe Munechika was present to answer any questions.

**Item D-10: Amend Prior Board Action of January 11, 2002, Item D-4, Grant of 55-Year Term, Non-Exclusive Easement to Kailua-Kona Village Development Group for Seawall Encroachment Purposes, Honuaua and Hienaloli, North Kona, Island of Hawaii, TMK: (3) 7-5-07: seaward of 21.**

Ms. Mamiya asked the Board to amend its prior board action of January 11, 2002 to change the name of the applicant from Kona Inn Shopping Village to Kailua-Kona Village Development Group (KKVDG).

Tim Lui-Kwan appeared on behalf of the applicant to answer any questions.

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

**Item D-3: Grant of Term Non-Exclusive Easement to Silang Investment, LLC for Tile Wall and Electrical Meter Purposes, Honolulu, Oahu, TMK: (1) 2-7-008: por. 002.**

Ms. Mamiya informed the Board the area in question is the old Honolulu Stadium site and it is encumbered by Executive Order 3577 to the City and County Department of Parks and Recreation for park purposes. Ms. Mamiya noted there is a 43-foot section of hollow tile wall and several electrical meters that encroach onto State lands. Ms. Mamiya recommended the Board authorize the issuance of a term non-exclusive easement to Silang Investment, LLC.

Kevin Ma was present to answer any questions.

The applicant had questions regarding the submittal.

**Motion to defer**

**Unanimously approved to defer (Inouye/McCrory).**

**Item D-13: Consent to Mortgage and Extension of Lease Terms, General Lease Nos. S-3787 and S-3858, Mr. Warren Q.K. Yee and Mrs. Ellen S.P. Yee, Lessees, Waimanalo, Koolaupoko, Oahu, TMK: (1) 4-1-010: 038 and (1) 4-1-010: 039, Respectively.**

Ms. Mamiya pointed out the request before them is a Consent to Mortgage and the Extension of two leases for agricultural purposes. The applicant will be acquiring a loan of \$100,000 to finance their nursery business operation on both properties. Ms. Mamiya mentioned on lease 3858 a provision was added, which stated, "That no further extensions shall be granted." Ms. Mamiya went on to say that upon mutual agreement the provision could be waived. Staff also felt the lessee should meet certain criteria: 1) the lessee has been a good tenant as shown by their compliance history, 2) the lessee is a bona fide farmer and 3) the lessee has utilized the lands for its intended purpose. Ms. Mamiya

recommended the Board amend the lease to allow for an extension, consent to the mortgage and authorize the extension of the leases.

Ellen Yee was present to answer any questions.

**The Board amended the Recommendation Section by adding a paragraph 3 to read as follows:**

**“3. Authorize the amendment of General Lease No. S-3858 by deleting Paragraph 4 of the “Extension of Term of General Lease No. S-3858” dated March 14, 1977.”**

**Unanimously approved as amended (Inouye/Martyn).**

**Item C-1: Request for the Board to Establish Use Requirements and Fees for Hunting Tags, Permit Applications, The Wildlife Stamp, and a New Game Bird Hunting Fee.**

Michael Buck Administrator of the Division of Forestry and Wildlife briefed the Board. He appeared before the Board asking for 4 things: 1) to make permanent the \$10 charge for the hunting stamp, 2) to permanently establish hunting tag fees, 3) establish a new game bird stamp and 4) allow a fee to be charged for stamp collectors. Mr. Buck noted they have meet with the public and the hunters have asked that the fees collected go back into the hunting program. DOFAW estimates an annual revenue of \$350,000 this year. Mr. Buck recommended the Board establish the use requirement, and approve the attached schedule of fees for the hunting program beginning July 1, 2003. The exception to this are that all Hawaii residents who are sixty-five years of age or older and all persons afflicted with Hansen’s Disease who are residents of Kalaupapa, Molokai would not be required to pay the \$10 fee to obtain their hunting license validation stamp.

The Board questioned why DOFAW is asking for the fees to be permanent. Mr. Buck replied that currently DOFAW needs to come before the Board annually for approval of fees. Mr. Buck agreed to return to the Board in five years intervals to assess the charges.

Pascual Dabis representing the Pig Hunters Association of Oahu told the Board he had no objections to the action before the Board.

Wallace Hire Legislative Chair for the Hawaii Hunting Advisory Council told the Board he believes the fees before the Board are reasonable.

**The Board amended the Recommendation Section to read as follows:**

**“The department recommends that the Board establish the use requirement, and approve the attached schedule of resident and nonresident fees for the hunting program for the future, beginning July 1, 2003 to June 30, 2008. The exception to this are that all Hawaii residents, who are sixty-five years of age**

**or older and all persons afflicted with Hansen's disease, who are residents of Kalaupapa, Molokai, would not be required to pay the \$10 fee to obtain their hunting license validation stamp."**

**Unanimously approved as amended (Johns/DeMello).**

**Item C-2: Kapunakea Preserve/Renewal for the Continued Enrollment in the Natural Area Partnership Program.**

Mr. Buck told the members of the Board this partnership program which was set up in 1993 allows for a cost sharing between the State and private land owners who dedicate their lands to conservation. The funding source for the program is through the dedication of a portion of the conveyance tax. The partnership program is set up on a 6 year rolling cycle. The Long-Range Management Plan was reviewed and approved by the Natural Area Reserves System Commission on its September 16, 2002 meeting. Approximately \$791,888 in State matching funds distributed over 6 years will be needed to implement the Long-Range Management Plan. Mr. Buck recommended the Board grant approval to the applicants for the Kaunakea Long-Range Management Plan, authorize the continued funding for the Kapunakea Preserve and direct the Division of Forestry and Wildlife to encumber the Kapunakea Preserve/Natural Area Partnership Agreement with The Nature Conservancy for the next six years.

**Unanimously approved as submitted (Yamamura/DeMello).**

**Item C-3: Pelekunu Preserve/Renewal for Continued Enrollment in the Natural Area Partnership Program.**

Mr. Buck noted this item is a similar Partnership Program to that in item C-2. The Pelekunu Preserve covers 5,759 acres in northeast Molokai. The Preserve is bordered by four other managed natural areas: Pu'u Ali'i and Oloku'i Natural Area Reserves, Kalaupapa National Historical Park and The Nature Conservancy's Kamakou Preserve. Mr. Buck is requesting \$882,000 over the next six years to fund the Long-Range Management Plan. Mr. Buck recommended the Board grant approval to the applicants for the Pelekunu Preserve Long-Range Management Program; authorize the continued funding for the program and direct DOFAW to amend the Pelekunu Preserve/Natural Area Partnership Agreement with The Nature Conservancy.

**Unanimously approved as submitted (Yamamura/DeMello).**

**Item D-3: Grant of Term Non-Exclusive Easement to Silang Investment, LLC for Tile Wall and Electrical Meter Purposes, Honolulu, Oahu, TMK: (1) 2-7-008: por. 002.**

Ms. Mamiya noted the submittal was correct and the applicant noted she was in agreement.

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

**Item D-14: Approve the issuance of a lease of approximately 350 acres of public lands (including future submerged lands) and a land license, both by direct negotiation, to allow a master-planned mixed-use development at Kealakehe, North Kona, Island of Hawaii, TMK: (3) 7-4-08: 3, 40, 41, 42, 46, 50 and 71.**

Ms. Mamiya first clarified that the submittal does not include the existing small boat harbor. She told the Board that the Department of Hawaiian Home Lands (DHHL) has recently selected Menehune Development to lease their adjacent land and develop a commercial, mixed-use project. Staff saw an opportunity to develop the unused land in conjunction with DHHL's project because it would generate economic activity, jobs, and revenues to the State and OHA (20%). She noted the State routinely leases lands to private entities to generate funds. Staff is taking the approach of having the developer do all the pre development activities and assume the cost and the risk. Before the Board today is to approve in concept the lease and the license not the approval of the actual lease and license. Ms. Mamiya went over Exhibit D "Kealakehe Master Planned Mixed-Use Development Project Proposed Process." The first step would be to approve the concept of the issuance of a lease and license. Step two would entail publishing a notice to issue an RFP/RFQ. Ms. Mamiya is adding a step 2.5 which will include a briefing for qualified proposals to show their plans. Step three would require the Land Board to select a lessee (lease will not be approved until step seven). Step four would require obtaining Governor's approval and Legislative concurrent resolutions. Step five would be the EIS (public would be able to provide comment). At step six the lessee would obtain entitlements. Also at this point the public can raise their concerns and the lessee could address these issues. Step seven would give the lessee approval of the EIS, Lease and license terms by the Land Board. Step eight would entail entering a Memorandum of Understanding and step 9 would be the issuance of the lease and license.

The Board had concerns with regards to the variety of proposals submitted if no parameters were set. There could be a wide range of proposals some complementing the area with others being as broad as to include a hotel. The Board suggested bringing the stakeholders together and determining what the community wants and what they will accept as potential developments. After the basic guidelines have been determined then staff can go out with an RFP/RFQ process.

Fred Madlener member of Life of the Land, the Makai Society and a boat owner testified before the Board. He told the Board he is not against new boat harbors. Mr. Madlener said there is a movement by individuals who believe that since harbors are in such a mess we should discard them and give it away to others to manage. He does not agree with this view but he would like the harbors to be well managed with the fees they are paying. He does not believe the Board has the authority to give away the public trust assets-a long-term lease. He feels the Board should be enhancing what we already hold, not giving it away to others. Mr. Madlener would like to see a plan for the harbor before we do anything. He believes a preliminary assessment is crucial and we need to see what the people want to do with the land.

Janet Mandrell of the Makai Society testified before the Board. She brought up the issue of a letter by the Environmental Council dated September 24, 2002 in which the council took the position that the agency is responsible for the Environmental Assessment, not the private developer. She also mentioned a 1993 Office of the Planning document about private marinas on public lands. She feels staff is coming before the Board way to early and leaving a lot of details unanswered. She believes staff should have at least three public meetings prior to the RFP process. She asked the Board to deny staff's request.

Donna Wong from Hawaii's Thousand Friends spoke against staff's recommendation. She stated because there is a change in land use the State must provide an environmental review under HRS Chapter 343. She also feels that by being good stewards of the land the State should evaluate the natural value of the land before they decide on the development. With regards to the planning process she feels that having public meetings in Kona is the right thing to do.

Kat Brady Executive Director of Life of the Land told the Board the public meetings are very important to set parameters as to what is appropriate on public lands. She asked that the public be able to see the changes staff has recommended today and therefore asked the Board to defer voting on this item.

Pua Aiu of the Office of Hawaiian Affairs (OHA) asked the Board to strike numbers 1 and 3 under the "Request" section on page one of the submittal because it is covered in number 6. Ms. Aiu feels there hasn't been a good analysis of whether this project is in the public interest. Although OHA is entitled to 20% of the funds, she does not feel additional income is not the only public interest that needs to be considered. The historic environment, the current uses and environmental impact to the property needs to be assessed. She is in agreement to the public meetings and she also feels OHA should be a party to all negotiations. Ms. Au is in favor of public input prior to the Environmental Impact Statement.

**Motion made at 11:10 a.m. to move into Executive Session to discuss with the attorney general statutory findings and whether the RFP will trigger and EIS.**

**Unanimously approved to move into Executive Session (Johns/Inouye).**

The meeting was reconvened at 11:28 a.m.

**A motion was made to hear this item at the end of the agenda so staff can retype the recommendation so it can be viewed by the public.**

**Unanimously approved to move item (Inouye/Johns).**

**Item D-1: Rescind Prior Board Action of March 24, 1995 (Agenda Item F-1-b), Consent to Assignment of General Lease No. S-5201 at Kokee, Kauai, TMK: (4) 1-4-4:3.**



Ms. Mamiya briefed the Board and recommended the Board Rescind its prior Board action of March 24, 1995 and Consent to the Assignment of General Lease S-5021.

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

**Item D-2: Consent to Assign General Lease No. S-3750, JT Family Partners & Yukie Tanaka, Trustee, Assignor, to Art K.K. Wong and Cynthia L. Wong, Assignee, Waiakea, South Hilo, Hawaii, TMK: 3<sup>rd</sup>/2-2-50: 76.**

Ms. Mamiya asked the Board for Consent to assign General Lease No. S-3750 for industrial purposes. It was pointed out upon inspection of the property by staff there was an excessive amount of debris throughout the perimeter of the property. Staff is recommending the applicants clear the debris within 60 days of Board action. Also as a condition of the lease, staff is reinstating the performance bond requirement. Ms. Mamiya recommended the Board Consent to the Assignment of General Lease No. S-3750.

**Unanimously approved as submitted (DeMello/Johns).**

**Item D-4: Grant of Term Non-Exclusive Easement for concrete Boat Ramp to the Estate of Mable Wong, Kaneohe, Koolaupoko, Oahu, TMK (1) 4-4-18: 72, seaward.**

Ms. Mamiya noted the applicant is one of the pier owners participating in the Kaneohe Piers Amnesty Program. When soliciting comments from the Coastal Land Program there were no objections. Ms. Mamiya is recommending a \$500 fine for the encroachment of the boat ramp. She is also recommending the issuance of a 55-year term non-exclusive easement for the boat ramp.

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

**Item D-6: Cancellation of Governor's Executive Order No. 3654 and Reset Aside to Department of Education for Education Purposes, Lihue, Kauai, TMK: (4) 3-6-2: 22.**

Ms. Mamiya informed the Board this is a request to cancel existing Executive Order 3654 which is under the Department of Accounting and General Services (DAGS) and reset aside to the Department of Education (DOE). DOE plans to use the area for a parking lot.

**Unanimously approved as submitted (McCrorry/Johns).**

**Item D-7: Cancellation of Revocable Permit Nos. S-6588 and S-6701 and Issuance of Revocable Permit to Stephen DeCoite and Adventures on Horseback, Ltd., Honopou and Hoolawa, Makawao, Maui, TMK: (2) 2-9-001: 021, 2-9-002: 012, 017, and 022.**

Ms. Mamiya pointed out this is a request to cancel Revocable Permit S-6588 and S-6701 to Stephen DeCoite and to Reissue the permit to Stephen DeCoite and Adventures on Horseback, Ltd. Mr. DeCoite is having trouble obtaining liability insurance but by partnering with Adventures on Horseback who has commercial general liability insurance, Mr. DeCoite will be able to provide insurance on the State lands. Ms. Mamiya recommended the Board authorize the cancellation of Revocable Permit No. S-6588 and S-6701 and authorize the issuance of a revocable permit to Steven DeCoite and Adventures on Horseback Ltd.

**Unanimously approved as submitted (Yamamura/Johns).**

**Item D-8: Amendment to Lease Extension of General Lease Nos. S-4472 & S-4473, Ernest De Luz and Marian A. De Luz, Lessee, Hamakua, Hawaii, TMK: 3<sup>rd</sup>/4-1-06: 07 and 4-2-08: 02.**

Ms. Mamiya informed the Board that staff neglected to include a rental re-opening date for the above lease when it previously came before the Board. She is therefore recommending an insertion of March 1, 2022 as the additional rental re-opening date.

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

**Item D-9: Amend Prior Board Action of October 27, 2000, Item D-17 and April 26, 2002, Item D-10, Issuance of Revocable Permit to Jerry Egami for Pasture Purposes, Moaula, Kapu and Makaka, Kau, Hawaii, TMK: (3) 9-6-02: 05, 10 & portions of 13.**

Ms. Mamiya is asking the Board to amend its prior action of October 27, 2000. The applicant, Jerry Egami has suffered numerous misfortunes (major floods) in terms of natural disasters affecting the permitted area. Due to major floods there has been damage to the fence line. Despite his misfortunes, Mr. Egami has been using a small area of the parcel. Ms. Mamiya would like to establish a commencement date as of October 1, 2003. Ms. Mamiya recommended the Board amended its prior action of October 27, 2000 and April 26, 2002.

**The Board amended the Recommendation Section to read as follows:**

**“A. That the Board amend its prior Board action of October 27, 2000, Item D-17 and April 26, 2002, Item D-10, Issuance of a Revocable Permit to Jerry Egami for Pasture Purposes by:**

- 1. [~~Projecting the commencement date of this revocable permit to six months from date of this Board action, anticipated to be October 1, 2003, The projected dates is to provide sufficient time for the land to re-vegetate, and the Permittee to re-establish the boundary fence lines damaged by the February 2003 brushfire;~~] Establishing the**

**commencement date of the revocable permit as the date Mr. Egami first started using the subject property;**

2. **[Rental payments of \$1,040 collected to date, shall be credited to the first two months of the commencement date; and] Rent shall be waived up to October 1, 2003; and**
3. **Such other terms and conditions as may be imposed by the Chairperson to best serve the interest of the State. ”**

**Unanimously approved as amended (DeMello/Inouye).**

**Item D-11: Issuance of Land Patent in Confirmation of Apana 2 of Land Commission Award No. 7214 & 10298 to Kaumaumanui, Situate at Puueo, Kau, Hawaii, TMK: (3) 9-4-04: 32.**

Ms. Mamiya briefed the Board on the item and noted no commutation was due. Ms. Mamiya recommended the Issuance of Land Patent in Confirmation of Land Commission Award No. 7214 and 10298.

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

**Item D-12: Amend Land Board Action of January 14, 2000, Agenda Item D-13: Withdrawal of Lands from Governor's Executive Order Nos. 1760 & 1761 and Set Aside to the Department of Transportation for Highway and Other Purposes, and Immediate Construction Right-of-Entry, Pupukea, Koolauloa, Oahu, TMK: (1) 5-9-04: pors. 19 and 29.**

Ms. Mamiya conveyed this is a request to amend a prior Board action and to issue a perpetual non-exclusive easement for a traffic signal. The Department of Transportation (DOT) has received concurrence from the City and County of Honolulu, Department of Parks and Recreation and the Fire Department. Ms. Mamiya recommended the Board amend its action of January 14, 2000 and authorize the issuance of a perpetual non-exclusive easement to Department of Transportation, Highways Division covering the subject area.

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

**The Board recessed at 11:40 a.m. and resumed the meeting at 11:50 a.m.**

**Item D-14: Approve the issuance of a lease of approximately 350 acres of public lands (including future submerged lands) and a land license, both by direct negotiation, to allow a master-planned mixed-use development at Kealakehe, North Kona, Island of Hawaii, TMK: (3) 7-4-08: 3, 40, 41, 42, 46, 50 and 71.**

Ms. Mamiya went over the changes in the recommendation section and in Exhibit D, "Kelakehe Master planned Mixed-Use Development Project Proposed Process."

**The Board amended:**

**1) The Recommendation Section to read as follows:**

**"That the Board:**

- 1. Find that the public interest demands that a lease for the subject property be disposed of through negotiation [~~and approve the disposition of a master lease for a master planned mixed use development project with the terms described above~~] pursuant to Section 171-59(a) of the Hawaii Revised Statutes, as amended ("HRS") [~~which lease may include future submerged lands if the requirements of HRS 171-53(e) are satisfied~~].**
- 2. Authorize the Chairperson to (i) issue a request for proposal pursuant to HRS §171-59(a) for the selection of the lessee; (ii) establish the criteria for evaluating and selecting the lessee; (iii) accept and evaluate the applications submitted by prospective lessees; and (iv) [~~select the lessee, which selection shall be subject to review and approval of the Board~~] make a preliminary determination of the qualified applicants.**
- 3. Find that the public interest will best be served by the disposition of a land license by negotiation pursuant to HRS §171-54 [~~for the excavation of a harbor basin adjacent to the existing Honokohau Small Board Harbor~~].**
- 4. Rescind its prior action of December 13, 2002, under agenda item D-38.**
- 5. The findings and authorizations in paragraphs 1, 2, and 3 above shall not apply to the existing Honokohau Small Boat Harbor.**
- 6. The findings and authorizations in paragraph 1, 2 and 3 above shall not be deemed to be an authorization to enter into a lease or land license for any part of the subject property."**

**2) Exhibit D, Proposed Process, to read as follows:**

**"1. Land Board approval:**

- Determine public interest demands direct negotiation of master lease**
- Approve concept of issuance of lease by negotiation for a master planned mixed-use development project per HRS §171-59(a)**

- Approve concept of issuance of lease of future submerged lands by negotiation per HRS §171-53(c)
- Approve concept of issuance of land license by negotiation for excavation of a harbor basin per HRS §171-54
- Authorize Chairperson to issue RFP [~~and select lessee~~]

**1.5 Conduct public meeting to obtain community input for development of RFP/RFQ.**

**1.6 Board briefing on RFP/RFQ criteria**

2. Publish notice of intent to issue lease via negotiation; establish criteria for selection of lessee; evaluate applicants; [~~select lessee~~] make a preliminary determination of the qualified applicants, all per HRS §171-59(a).

**2.5 Board briefing of qualified applicants and their respective proposals**

3. Land Board approval:
- Selection of lessee
  - Require lessee to do EIS
  - Authorize Chairperson to negotiate terms of master lease
4. Governor's approval and Legislative concurrent resolution for lease of submerged lands.
5. EIS (by [~~lessee/developer~~] selected applicant)
6. Negotiate terms of the lease and license:
- Minimum lease rent
  - [~~Lessee/developer~~] Selected applicant responsible to obtain all land use entitlements
  - [~~Lessee/developer~~] Selected applicant to construct off-site and on-site improvements
7. Land Board approval of EIS & lease and license terms
8. Enter Memorandum of Understanding with lessee's development conditions and requirements, etc.
9. Issue lease and license'

Unanimously approved as amended (DeMello/Inouye).

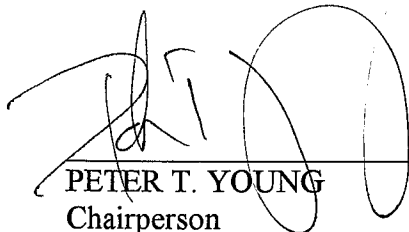
There being no further business, Chairperson Young adjourned the meeting at 12:02 p.m.

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,

*Terry Crowell*  
Terry Crowell

Approved for submittal:

  
\_\_\_\_\_  
PETER T. YOUNG  
Chairperson  
Department of Land and Natural Resources