

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

DATE: THURSDAY, JANUARY 13, 2005
TIME: 5:00 P.M.
PLACE: KAUAI WAR MEMORIAL CONVENTION HALL
4191HARDY STREET
LIHUE, HI 96766

Chairperson Peter Young called the meeting of the Board of Land and Natural Resources to order at 5:00 pm. The following were in attendance:

MEMBERS

Mr. Peter Young
Mr. Ted Yamamura
Mr. Toby Martyn

Mr. Timothy Johns
Mr. Gerald DeMello
Mr. Ron Agor

STAFF

Mr. Dan Quinn, Parks
Mr. Jim Springer, Parks

Ms. Lauren Tanaka, Parks

OTHERS

Mr. William Wynhoff, Deputy Attorney General
Mr. Chester Koga
Mr. Frank Hay
Mr. Juan Wilson
Ms. Puanani Rogers
Mr. Billy DeCosta
Mr. Jed Kocha
Ms. Ann Marie Tingey
Ms. Diane Zachary
Mr. Kimo Knudsen
Ms. Kanoe Janai
Mr. Joseph Manini Sr.
Mr. Frederick Wichman
Ms. Marsha Erickson
Mr. Chipper Wichman
Mr. Thomas Oi

Mr. Bruce Flash
Ms. Linda Pescatore
Mr. Bill Young
Mr. Jose Bulatao, Jr.
Mr. Benjamin Kali
Mr. Wayne Jacinto
Mr. David Pratt
Mr. Daniel Wells
Mr. Michael Rayhouse
Mr. Gerry Hill
Mr. Eric Coopersmith
Ms. Margy Parker
Ms. Katie Cassel
Ms. Lynn McCrory
Ms. Michelle Olry

Mr. Canen Hookano

Mr. Earl Mahini

Dan Quinn, Administrator of State Parks introduced members of his staff as well as members of the consulting firm, RM Towill. He made it known staff has handed out a written submittal to the Board detailing the different plans for the Kokee/Waimea Canyon State Park as well as the preferred plan of the division.

Chester Koga, of RM Towill, consultant on this project briefly went over the four different plans for the Kokee/Waimea Canyon area then went into detail of the aspects of the preferred plan.

Bruce Flash of RM Towill provided a financial analysis. He looked at an economic analysis of the cabins as well as maximizing the public's use of the area. Mr. Flash pointed out an entry gate was proposed due to the high level of revenue it could generate for State Parks

Mr. Quinn let it be known to those present prior to the introduction of any fees, his division would be required to go out to public hearings on this matter as well as receiving approval by the Board.

Frank Hay, representing over one hundred Kokee leaseholders made it known over the last twenty years their lease rents have amount to over five million dollars to the state, which averages to fifty thousand per lease rent. Mr. Hay pointed out due to lack of funding for Kokee by the legislature, the Kokee leaseholders decided to adopt the park and donated labor and cash for materials which amounted to over \$100,000 to renovate the major public structures within the park. He reminded the Board they've already provided a lot of testimony to the division with regards to the Master Plan and tonight he chose to address three issues, the entry gate, short-term rentals and the recreational cabins. Rather than constructing an entry gate to collect much needed revenue for the park, Mr. Hay proposes a fifty cent increase in the rental car vehicle surcharge which will be turned over to State Parks. He believes the money generated could be well over a million dollars a year and it would elevate the park to a standard that Hawaii can be proud of. Mr. Hay went on to address the issue of the recreational cabins being used for short-term vacation rentals. He believes this plan is based on unfounded speculation and flawed assumptions, which in turn will result in the estimated cost for repairs and maintenance to be underestimated. Instead, he proposes the State build a new lodge and restaurant with adjacent rental units. Lastly, Mr. Hay believes the cabins on the State land belong to the leaseholders and for the State to not compensate property owner is morally and ethically wrong as well as unconstitutional. As a solution he proposes a public auction of long-term leases, which will put in place a mechanism that will protect the private property of the leaseholders (i.e. compensate the leaseholders for the fair value of their cabins). In conclusion, Mr. Hay let it be known the leaseholders are honored to be stewards of this park and hope the Board will make a decision to preserve this historic resource for generations to come.

Linda Pescatore a resident of Hanapepe testified in opposition to the Draft Master Plan. She made it known at a public hearing on this issue in Eleele she and her husband circulated a petition in opposition of the Draft Master Plan and gathered a total of one thousand three hundred signatures. Ms. Pescatore went on to read what the petition stated. In closing, Ms.

Pescatore told the Board she feels state parks should not have to generate money to pay for itself and noted her agreement with Mr. Hay's plan to increase the rental car vehicle surcharge by fifty cents.

Juan Wilson an architect living on the Westside of Kauai came forward to speak in opposition of the Draft Master Plan. He spoke of Kokee being the crown jewel of Kauai as well as the road to Kokee being the only accessible route to the last remaining awaupuaa still intact on the island. He let it be known the proposal to install an entry gate in Kokee to be the "deal killer" for the Draft Master Plan. He spoke of his belief that the figures proposed by the consultants with regards to the money generated from the entry gate is flawed. Mr. Wilson asked the Board to defer making a decision on this issue until they've reviewed all the written documents sent in by the public. He also asked the Board to change the portion of the plan that calls for the installation of an entry gate and the portion dealing with the cabin leases if not the Board should reject the Draft Master Plan. Mr. Wilson reminded the Board it's their duty to protect public lands.

William Young mentioned that most of Kauai is opposed to the Draft Master Plan. He questioned whether the Board had already arrived at its decision and chose to hold this hearing merely as a formality. He informed those present he believes the plan before them today was created by businessman and not people who truly care for this land and the people of Kauai. He let it be known there are better alternatives than those proposed by the consultants.

Puanani Rogers a lifelong resident of Kauai came forward to testify. She reminded the Board that all State lands belong to the people and they are just trustees for the land. Ms. Rogers spoke of her opposition to the entry gate which will interfere with her native Hawaiian gathering rights and also whether or not the plan will have cultural implications. She asked the Board not to touch the land and to leave it as it is. Ms. Rogers questioned why the Draft Master Plan did not address the military's presence in Kokee. She also wondered out loud if this plan is part of Homeland security. She pleaded with the Board not to take Kokee away from the residents.

Jose Bulatao Jr. appeared before the Board and read from his written testimony. He acknowledged there will be many viewpoints presented tonight and asked those present to engage in the art of compromise to acquire a balance between the varied perspectives of what should be done. Mr. Bulatao hoped that in making a decision the Board will have included the ways in which the highest and best use can be achieved in terms of taking care of the natural resources.

Bill DeCosta spoke of the feelings of the residents of Kauai who are in opposition to the Draft Master Plan. He spoke of the need to conserve the lands of Kokee. With regards to the cabin leases, Mr. DeCosta proposes the State should establish different income brackets whereby everyone from the low income to the rich would be able to obtain a lease for lots in Kokee. In closing he asked the Board to deny staff's recommendation.

Benjamin Kali a member of the Kingdom of Hawaii and a Vietnam Veteran announced he was here today to help the Board understand the importance of Kokee. He let it be known Kokee belongs to the people and they should always have access to Kokee.

Jed Kocha a resident of Kauai communicated his belief that the State is looking at Kokee as a "cash cow." He believes that the money generated from the fees at Kokee will probably not go back to the park. Due to lack of funds by the department, Mr. Kocha let it be known the leaseholders of Kokee have done a lot of repairs at the park.

Wayne Jacinto 3-read from written testimony) a member of the Kokee Leaseholders Association communicated his opposition to the Draft Master Plan. Mr. Jacinto spoke on two topics the seizing of the cabins on the leasehold land and the process of auctioning of the leases. He believes the issuing of the lease by public auction is not in the best interest of the people. He spoke of what he believes to be an error in the lease documents. Mr. Jacinto went on to say in 1964, after the auction of the Kokee leases he believes that a State employee handling the necessary paperwork ran out of the pre printed lease documents and instead of xeroxing additional copies instead went into another filing cabinet and used preprinted pages he believes were for commercial leases. These commercial lease documents called for the surrendering of improvements upon the termination of the lease. A second mistake he believes happened in 1983-1984 when the Board of Land and Natural Resources used the mistake of 1964 as precedence to fight all the new leases by including this surrender clause. Mr. Jacinto noted the surrender clause should only be applied to commercial leases due to the profit motive and long-term leases of 55-years or more that permit full-time residency. Addressing the issue of the auctioning of lease, Mr. Jacinto communicated in 1983-1984 when the then leaseholders took the State to court because of the auction issue someone from the deputy attorney general's office crafted a legal opinion which stated then chairman of the Department of Land and Natural Resources (DLNR), Susumo Ono had voluntarily chose auction over negotiations of the subject leases. He believes the Draft Master Plan is a result of the consultant's assumption that Kokee should be commercial revenue generating resort destination. In closing he asked the Board to reject the Draft Master Plan, do away with the idea of a master lessor, keep the cabins in hands of private individuals, designate Kokee a historical and cultural community and lastly negotiate new leases with the current lessee so there will be continuity and preservation. He told the Board to auction the vacated twelve lots to learn how many people out there wish to own their own cabin. Mr. Jacinto also suggests the Department build lodge in meadow to accommodate short-term rentals.

Ann Marie Tingey question how the Board could charge a fee to "enter heaven." She pleaded with the Board to oppose the Plan before them and renew the leases of the current leases. She spoke of the aloha the leaseholders have for Kokee and the work they've done to preserve this place.

David Pratt testified against the Draft Master Plan. He questioned the Department as to why Kokee was the only park to raise money for the State, why not the other State Parks. He believes if short-term rentals were established in Kokee it would lead to the destruction of the Kokee community.

Diane Zachary, President and CEO of the Kauai Planning and Action Alliance which is a non-profit organization came forward to provide testimony. Ms. Zachary let it be known her organization has chosen the issue of the improvement of County and State Parks as an issue they would like to work on. She spoke of the beauty of Kokee but also of the necessary improvements the park needs. Ms. Zachary noted their support with many of the elements of alternative number two but does not agree with the entry gate. She feels the residents should

not be charged an entry fee rather staff should look at other alternatives at generating income like implementing commercial fees. She communicated that the installation of an entry gate is viewed by everyone in the community as an unwelcome change. Addressing the issue of the rental cabins, Ms. Zachary feels the State should constructed more cabins which would be used for short-term rentals and keep the existing cabins as long-term rentals. She went on to say her group is in opposition to the auction of the long-term cabin leases as they feel that those with the deepest pockets would be the ones having access to the leases. Ms. Zarchary also stated that the money generated in Kokee should stay in Kokee.

Daniel Wells a long-term resident of Honolulu who spends approximately two to six weeks at one of the rental cabins in Kokee testified against the Draft Master Plan. He asked the Board to look at other areas besides the rental cabins to be used for short-term rentals. He noted his feeling that Kokee is the last refuge for residents of Hawaii to enjoy. He made it known that current lessees have made their cabins available to others at nominal fees. Mr. Wells told the Board of the poor conditions of the roads and how he expects the State to take care of the road irregardless of whose budget the money comes out of.

Kimo Knudsen a resident of Waimea Valley spoke of going to Kokee and hunting as a part of his heritage. He has spoke of his special feeling for Kokee and once it is gone there will be no place for future generations to go.

Michael Rayhouse let it be known that one of his favorite things to do is to camp at Sugi Grove. He spoke of his joy in fishing and hiking. Mr. Rayhouse asked the Board to please fix the potholes in the roads and build more restrooms.

An unidentified speaker wishing not to give his name told the Board no matter what they decide they will not stop him from going to Kokee to go fishing or hunting. He spoke of the government seizing other lands from the Hawaiian people and the Board's obligation to do right by the Hawaiian people.

Kanoe Janai reminded the Department parks were created to be a place where nature can flourish and to also be a place where people can have a deep connection with nature. She feels Kokee is such a place. It's a place where people can get away from the stress and chaos of everyday life. She announced if the state parks are to serve the needs of the people it needs to encourage rather than discouraging the time people spend in Kokee whether it is day or night. Ms. Janai feels there should not be a charge to go to Kokee. The State should not only focus on the financial picture but they must also look at the relationship between people and nature.

Gerry Hill, representing the Waineke Committee and the Kauai Association of the United Churches of Christ appeared before the Board to ask for their consideration regarding the status of their lease, a lease which they've held for the past sixty-two years. Mr. Hill went on by giving background information as to how his organization acquired the lease for the Waineke property. HE also made it known his organization has used the subject site for church and clergy retreats, youth camps and by other organizations such as hula halaus, professional groups and the Department of Education. He estimates the average use of the cabin is 150 persons per year with an average of a two or three night stay. Mr. Hill requested

the Department consider converting the designation of the Waiveke site from residence to campsite prior to the changes being proposed by the Department.

Joseph Manini Sr., speaking on behalf of the native Kanaka aborigine of these islands spoke of the ownership of the subject lands. Mr. Manini pointed out Kauai was never overthrown by Kamehameha therefore the subject lands are not crown lands. He went on to discuss the State's encroachment onto private lands. MR. Manini provided a document entitled "The Great Land Division of 1848" and read it out aloud.

Chairperson Young called for a break at 7:34 pm and the meeting resumed at 7:45 pm.

Eric Coopersmith, a leaseholder and caretaker of YWCA Camp Sloggett testified. He spoke of the minimal fee charged to individuals wanting to stay at Camp Sloggett. Mr. Coopersmith went on to tell those present how he spent most of Christmas and New Year's hauling tourist out of the mud. Regarding the issue of the cabins, Mr. Coopersmith made it known if the State thinks they can come and take his cabin without compensation they'd better think otherwise.

Frederick B. Wichman, a living treasure of the island of Kauai testified before the Board. He questioned why the burial history of Kokee was not addressed in the Draft Master Plan. He asked the Board when making a decision about the future of Kokee to take into consideration incorporating its history. As the president of Hui O Laka a non-profit organization, Mr. Wichman told of the services they provided to the tourist as well as the park and hoped they can continue this relationship. Also as a leaseholder he told of the services they provide to visitors unfamiliar with the area as well as being the first defense to house and forest fires.

Margy Parker informed the Board she has been struggling with the concept of the State auctioning the cabin leases. She pointed out the Department does not auction leases in other divisions so she questions why is State Parks doing so. She asked the Board to defer a decision on the auctioning of the subject cabins until the legislature can examine the laws and statues that deal with auctions and determine if this is in the best interest of the guardianship and preservation of Kokee.

Marsha Erickson, Executive Director of Hui O Laka expressed her sadness that testimony on the Draft Master Plan for Kokee/Waimea Canyon has been dominated by two issues, an entry gate and the disposition of the cabin leases. Instead we should be focusing on the research and analysis compiled by the consultants. She spoke of her pleasure with the goals of the master plan especially the 9 goals established in the "goals" section of the plan. Ms. Erickson did state her opposition to the entry gate and the disposition of the parks historic structures. She let it be known after this meeting, Hui O Laka will launch its own cooperative planning effort built upon the Departments master plan. In conclusion, Mr. Erickson asked the Board to postpone a decision on the disposition of the cabin lease until they can engage in their own planning efforts to come up with a way of preserving the culture and landscape.

John Plews came forward and spoke about the damage to the roads and trails caused by the increase in visitors to Kokee.

Katie Cassel testified in support of the Draft Master Plan. Ms. Cassel made it known that ninety percent of the plants in Kokee are native to the area. She spoke of the variety and diversity of the plants found in Kokee and the need to preserve these plants for the Hawaiian culture. She urged the Board to focus on the management of these valuable natural resources.

Chipper Wichman read the testimony of his father Charlie Wichman. He spoke of his father's childhood and growing up in Kokee. He stated the intention of the Draft Master Plan is to convert Kokee into a money machine. Mr. Wichman then focused on the cabins at Kokee. His father believes the Draft Master Plan states that the better the physical condition of your cabins is in, the shorter the term of your lease should be. So the better you care for your cabin the less time you'll be permitted to enjoy it in the future. In conclusion he offered four suggestions: Offer all current cabin leases a 20-year lease on their lot, set the rent based on the value of the land only, set a reasonable cap on the maintenance fees and open up the additional seventy unoccupied lots for bid.

Chipper Wichman, a kamaaina and CEO of the National Tropical Botanical Gardens told the Board for the past thirty years it has been his life's work to preserve the natural and cultural resources of the island. He let it be known, anyone that has worked extensively with consultants, as he has, often find that consultants create conceptual plans that are too far fetched to ever be successfully implemented which is the case with the Draft Master Plan. Mr. Wichman believes the plan before us today are not grounded in common sense and lack the foundation of real-life experiences and local knowledge of the area. He pointed out the plan places excessive emphasis on unrealistic revenue generated at the expense of the cultural landscape and the tight-knit community that has existed for generations.

Lynn McCrory testified in support of the Draft Master Plan. She indicated that in the past six years, Kauai DLNR managers along with individuals from the Kauai Economic Planning, sat down together to discuss how to care and preserve Kokee for the next several generations. She announced that the consultants were asked to look at the best way to have sustainability and achievability over the next four years which resulted in the plan we have before you today. Ms. McCrory pointed out this plan will cost money; money that DLNR does not have. This plan calls for the master lessee to assume the infrastructure cost as well as water, road and sewer issues. Ms. McCrory went on to speak of the volunteer work the current lessees have provided but also to balance it with the need to preserve Kokee for generations to come. She asked to Board to look at the bigger picture of how to preserve Kokee.

Thomas Oi spoke in support of staff's recommendation of the Draft Master Plan. He let it be known that he's been involved with the committee that worked on the Master Plan and felt they did a good job of preserving the beauty of Kauai while finding ways to make it self-sufficient. He feels this plan is the best way for Kokee to have needed improvements while being self-sufficient.

Michelle Olry, a resident of Kauai and a conservation biologist spoke of growing up in Kokee. She spoke of her concern with the biology of Hawaii and Kokee as being the jewel of this crown. She made those present aware of the need for biological diversity which is being threatened by economic uses and invasive species. Ms. Olry asked the Board to consider other values as well as the economic analysis.

Canen HOOKANO spoke of generations of his family going to and enjoying Kokee. He feels that the residents of Kauai feel that they are losing Kokee and would like to ensure that future generations will be able to go there and enjoy hunting, fishing, gathering maile and just enjoying this special place. In closing he asked the Board not to take this place away from them.

Earl Ray Mahini who was born and raised in Kokee spoke of the trails in Kokee and how in the past its condition was maintained by the hunters. He let it be known many people on Kauai were brought up with the idea to take care of Kokee and maintain the trails. He spoke of times when he'd take his cane knife and clean the trails of debris. He also spoke of the local people's desire to obtain a lease for a cabin but many times do not have the resources to outbid other's who do not reside on the island. He made it known the people of Kauai are special who will come out to help others in need. Mr. Mahini asked the Board to hold meeting around the island so everyone on the island will have the opportunity to testify on his subject. He asked the Board to listen to the community and to do what is right for its people.

Written testimony was also received from Clyde Namuo of the Office of Hawaiian Affairs and Curt and Bonnie Lofstedt.

There being no further business, Chairperson Young adjourned the meeting at 8:35 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

Approved for submittal:



PETER T. YOUNG

Chairperson

Department of Land and Natural Resources