

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 27, 2012

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 12HD-024

Hawaii

Approval in Concept for the Issuance of Direct Lease to Puna Community
Medical Center for Comprehensive Medical Center Purposes, Keonepoko Nui,
Puna, Hawaii, Tax Map Key: 3rd/ 1-5-08:05.

APPLICANT:

Puna Medical Center, a Hawaii non-profit 501 (c) (3) corporation.

LEGAL REFERENCE:

Sections 171-13, 171-16 and 171-43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Keonepoko Nui, Puna, Hawaii, identified by Tax Map
Key: 3rd/ 1-5-08:05, as shown on the attached maps labeled Exhibits A.

AREA:

4.920 acres, more or less.

ZONING:

State Land Use District: agriculture
County of Hawaii CZO: 20-acre agriculture

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Comprehensive medical center purposes.

LEASE TERM:

Thirty five (35) years

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

ANNUAL RENT:

Pursuant to HRS §171-43.1, and the minimum rent policy established by the Board at its meeting of May 13, 2005 under agenda item D-19, the annual rent will be set at \$480.00.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

At the 10th, 20th and 30th years of the lease term, by staff or independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities – water, electricity, telephone

Slope – moderate

Elevation – 1,000 feet to 1,800 feet

Rainfall – exceeds 100 inches

SCS Soil Series – almost bare pahoehoe.

Land Study Bureau – University of Hawaii

Legal access to property – Staff has verified that there is legal access to the property off of Route 130 also known as Keaau- Pahoehoe Road.

Subdivision – Staff has verified that the subject property is a legally subdivided lot.

Encumbrances – Staff has verified that there are no encumbrances on the property.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Applicant will have an environmental assessment prepared and published in accordance with the requirements of Hawaii Revised Statutes (HRS) Chapter 343 and Chapter 11-200, Hawaii Administrative Rules (HAR).

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u>__</u>
Registered business name confirmed:	YES <u>X</u>	NO <u>__</u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u>__</u>

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Pay for the costs of public notice pursuant to HRS Section 171-16;
- 2) Publish an environmental assessment with the Office of Environmental Quality Control in compliance with the HRS Chapter 343 and HAR Chapter 11-200, and obtain Finding of No Significant Impact (FONSI) for the project.

REMARKS:

This property was previously leased to Puna Certified Nursery, Inc. under General Lease No. S-5005 for intensive agriculture purposes. The lease expired on 3/30/2002 and land has been vacant from that date.

The Puna Community Development Plan, now a part of the County of Hawaii General Plan since 2008, has as a goal, a comprehensive medical center to serve the Puna makai population. The Puna District has a federal designation as an area with provider shortages and is a medically underserved community.

Puna Community Medical Center (PCMC) formed as a grassroots nonprofit entity in May 2007 for the purpose of addressing this need. PCMC began with an acute care facility that has been in operation since February 2009. To date, PCMC has managed over 14,000 patient encounters.

Puna's population is the fastest growing in the state and its health care needs are critical. Services have not kept pace with growth. As a non-profit corporation serving a rural population in an economically depressed area, PCMC cannot afford the commercial land prices in order to expand and provide greater services. PCMC proposes to utilize the State land to build and operate a modular comprehensive medical center including a 24/7

emergency room, clinical laboratory, x-ray facility, dental clinic, pediatric clinic, etc. These elements will be built incrementally, as funding permits. The site will also include an administration building and equipment storage structure, parking lot, large capacity cesspool/septic system, covered sidewalks and landscaping (Exhibit B).

The Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

A preliminary solicitation for comments from various agencies was sent out with no objection from those who responded. The County of Hawaii, Planning Department indicated that a Special Permit for the proposed use will be required and the Fire Department has requested the Applicant follow the most current fire codes in the development of their project. Upon approval in concept from the Board for the issuance of a direct lease for medical center purposes, the Applicant will solicit comments from various agencies as part of the Environmental Assessment process.

RECOMMENDATION: That the Board:

That the Board, subject to the Applicant fulfilling all of the Applicant requirements listed above, approve in concept the issuance of a direct lease to Puna Community Medical Center, covering the State-owned parcel identified as Tax Map Key: 3rd/ 1-5-08:05 for a comprehensive medical center operation pursuant to Section 171-43.1 with the understanding that the approval in concept shall not be deemed to be an approval of a lease as staff shall return to the Board at a later date for approval of the lease disclosing the Environmental Assessment and its Finding of no Significant Impact (FONSI).

Respectfully Submitted,



Gordon C. Heit
District Land Agent

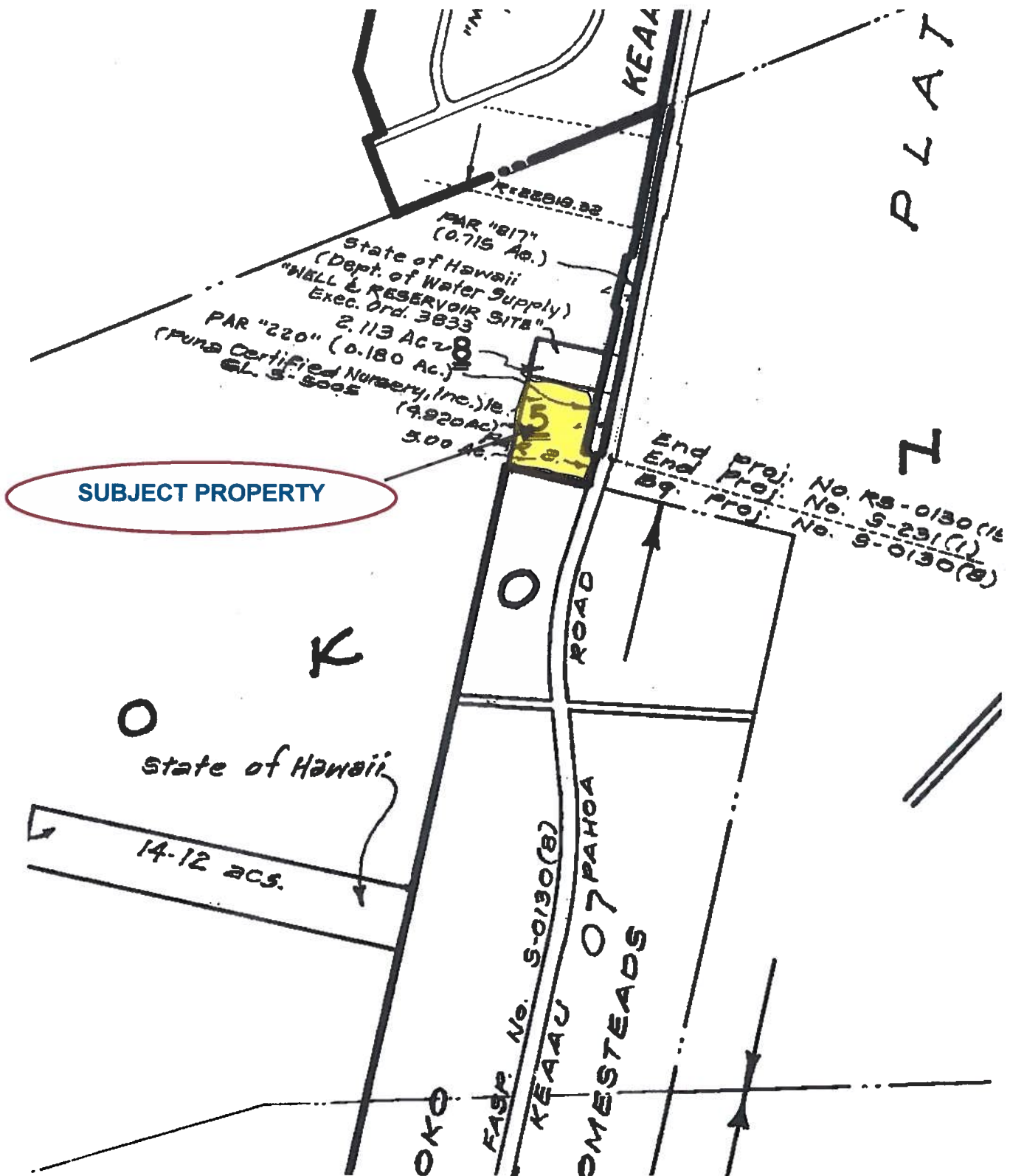
APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson

EXHIBIT A

TMK: 3RD/ 1-5-08:05



Puna Community Medical Center

EXHIBIT A

