

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

June 13, 2014

PSF No: 06HD-061  
Ref. No.: GLS-5997

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

HAWAII

Rescind Prior Board Action of May 12, 2006, Item D-4, Direct Lease to the University of Hawaii for Education, Housing, and Related Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-4-001: portion of 024 and (3) 2-4-056: 017 and portion of 014.

**RESUBMITTAL** - Direct Lease to the University of Hawaii for Education, Housing and Related Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-4-001: 024 and (3) 2-4-056:014.

BACKGROUND:

At its meeting of May 12, 2006, Item D-4, the Board of Land and Natural Resources approved the issuance of a direct lease to the University of Hawaii at Hilo, for Education, Housing and Related Purposes, Waiakea, South Hilo, Hawaii, identified as Tax Map Key: (3) 2-4-001:portion of 024 and (3) 2-4-056:017 & portion of 014.

In the processing of the above request, the Deputy Attorney General preparing the lease document noted that the prior Board action was not in noncompliance with the current requirements under Hawaii Revised Statutes (HRS), Chapter 343 on Environmental Assessments. To proceed with processing, a number of corrections are required:

- 1) The Board action of May 12, 2006 approving the lease preceded the completion of the environmental assessment dated January 8, 2014. As a result, the Board action should be rescinded and reapproved, noting the compliance with HRS Chapter 343.
- 2) TMK: (3) 2-4-056:017 was referenced in the Board action but was not included in the environmental assessment of January 8, 2014. That parcel should therefore be deleted from the request, or a supplemental EA should be done to include that parcel.
- 3) The Board action of May 12, 2006 referenced the affected lands as TMK: (3) 2-4-001: portion of 024 and TMK: (3) 2-4-056: portion of 014. Since 2006, portions

of the respective parcels not intended to be included in the UH lease have been subdivided out. Accordingly, the references to the lands being “a portion of” are no longer reflective of the area required by the UH. As a result, the TMKs referenced on the request should be revised to reflect TMK: (3) 2-4-001:024 and (3) 2-4-056:014.

- 4) References to Exhibit C and Exhibit I in the prior Board action were incorrect and should have been to Exhibit D and Exhibit J, respectively.
  - A. On page 1 of the Board submittal, dated May 12, 2006, Applicant Requirements, No. 1, referred to Exhibit I, but should be to Exhibit J.
  - B. On page 6 of the Board submittal, dated May 12, 2006, Recommendation Section, Condition B, referred to Exhibit C, but should be to Exhibit D.

To resolve Item 1 above, the prior board action of May 12, 2006 must be rescinded, and then resubmitted with a new recommendation for the direct lease to the University.

**APPLICANT:**

University of Hawaii, whose business address and mailing address is 2444 Dole Street. Honolulu, Hawaii 96822, Attn.: Procurement & Property Management.

**LEGAL REFERENCE:**

Section 171-95, Hawaii Revised Statutes, as amended.

**LOCATION:**

Government lands situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-4-001:024 and 2-4-056:014, as shown on the attached map labeled Exhibit A.

**TMK/ DISTRICT/ ZONING/ ENCUMBRANCE/ AREA:**

TAX MAP KEY	DISTRICT	ZONING		ENCUMBRANCE	AREA (Acres)
		LUC	CZO		
(3) 2-4-001:024	Waiakea, South Hilo	Urban	RS-10	Vacant	35.110
				Land Office Deed No. S-28,325; Fernando Afable	(0.060)
(3) 2-4-056:014	Waiakea, South Hilo	Urban	RS-10	Vacant	7.521
				Grant of Easement No. S-4952; John & Ginger Hamilton	(0.099)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES \_\_\_ NO x

CURRENT USE STATUS:

TMK: (3) 2-4-001:024:

Encumbered by Land Office Deed No. S-28,325 to Fernando Afable for access and utility purposes, commencing on 1/19/1999.

TMK: (3) 2-4-056:014

Encumbered by Grant of Easement No. S-4952 to John & Ginger Hamilton, for access purposes, 1/1/1085 to 12/31/2049.

CHARACTER OF USE:

Education, Housing and Related University Purposes.

LEASE TERM:

Sixty-five (65) years

COMMENCEMENT DATE:

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

ANNUAL RENT:

Gratis

RENTAL REOPENINGS:

Not applicable.

PERFORMANCE BOND:

Not applicable.

PROPERTY CHARACTERISTICS:

Utilities - All utilities are available.

Slope - Gentle (0 to 20%)

Elevation - 100 feet, more or less.

Rainfall - 120 to 200 inches, annually.

SCS Soil Series - Pahoehoe with Oloo, stony.

Land Study Bureau – University of Hawaii, L.S. Bulletin No. 6, November 1965.

Legal access to property – Legal accesses to the property is off Lanikaula Street (south entrance) and Mohouli Street (north entrance).

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

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

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Assessment for the subject project was published in the OEQC's Environmental Notice on January 8, 2014 with a finding of no significant impact (FONSI).

DCCA VERIFICATION:

Not applicable,

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Process and obtain subdivision of proposed leased area, the proposed Kapiolani Street Extension in accordance with the County of Hawaii, Department of Public Works' comments set forth in attached Exhibit F, and remainder parcel makai of the proposed Kapiolani Street Extension, at Applicant's own cost. Preliminary subdivision maps shall be subject to approval by the Chairperson, prior to submission of subdivision application;
- 2) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost;
- 3) Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended. As noted above, Applicant has obtained a FONSI for its requested lease.

REMARKS:

The subject property is currently vacant and unencumbered. The parcel borders the Wailoa River and Tributary Flood Control Channel and is heavily covered with mostly non-native trees and vegetation. The remaining bordering properties are primarily residential in nature except for General Lease No. S-4004 to the Christ Lutheran Church. Although, the parcel itself is zoned residential, it should be noted that many of the fee residential parcels along Mohouli Street have been rezoned to commercial due to the County's General Plan.

Authorization to proceed with a request for this area by the University of Hawaii at Hilo, was approved by the University of Hawaii's Board of Regents at its meeting held in February 2006. (Exhibit B)

At its meeting of April 25, 2014, Item D-5, the Board of Land and Natural Resources approved:

1. Set Aside to the County of Hawaii for Kapiolani Street Extension Purposes, Waiakea, South Hilo, Hawaii, Tax Map Key: (3) 2-4-001: 181 & 182 and (3) 2-4-056:029;
2. Grant of Perpetual Easements to the County of Hawaii, for Kapiolani Street Extension, Affecting Tax Map Keys: (3) 2-4-001: portion of 019, 024, 167& 183; (3) 2-4-056:014, 022 & 028; and
3. Construction Rights-of-Entry to County of Hawaii for Kapiolani Street Extension, onto State Parcels, Waiakea, South Hilo, Hawaii, identified as Tax Map Keys: (3) 2-4-001:019, 024, 167, 181, 182 & 183; (3) 2-4-056:014, 022, 028 & 029.

Staff has attached an aerial photo as Exhibit C for the Board's reference.

The US Army Reserve currently holds title to TMK: (3) 2-4-056:016, consisting of 3.70 acres and intends to decommission the facility within the next couple years as part of an overall restructuring. Upon decommissioning, the property will revert back to the State of Hawaii and the University of Hawaii has already had discussions with the US Army Reserve on UH's interest in requesting use of the facility for their College of Pharmacy. The parcel identified as TMK: (3) 2-4-056:014 abuts the Army Reserve property and UH would like to use this parcel to supplement the Army Reserve property for the purpose of the College of Pharmacy.

The University of Hawaii has also approached the County of Hawaii regarding the extension of Kapiolani Street, including the bridge of the Wailoa River Flood Control and connection with Mohouli Street. The County has agreed to pursue funding of the extension of Kapiolani Street, including the bridge across the flood control channel.

Such a bridge will connect the Army Reserve area with the parcel identified as TMK: (3) 2-4-001:024, which the University of Hawaii intends to look at for student housing.

PBR Hawaii & Associates, on behalf of the University of Hawaii, conducted the Final Environmental Assessment (FEA), and received a Finding of No Significant Impact (FONSI) determination from the Office of Environmental Quality Control on January 8, 2014. During the environmental assessment process, various governmental agencies and interest groups were solicited for comments. All respondents had no objections to the request. The County Planning Department, County Public Works and Christ Lutheran Church provided comments to express their concerns.

The County of Hawaii, Planning Department requested that conditions be included for the University to subdivide the proposed parcel and to comply with the Planning Department conditions subject to all easements. (Exhibit D)

The Christ Lutheran Church expressed concern over the remainder parcel created by the subdivision and creation of the Kapiolani Street Extension. The Kapiolani Street Extension would provide a very distinct separation from the balance of the area leased to the University of Hawaii and may provide for other prospective uses in the future. As a result, staff is recommending that the remaining parcel makai of the proposed Kapiolani Street Extension, adjacent to the Christ Lutheran Church parcel, be excluded from the lease to the University of Hawaii. (Exhibit E)

The County of Hawaii, Department of Public Works requested that the University of Hawaii be required to subdivide the proposed Kapiolani Street Extension parcel in accordance with the recommendation in their letter. (Exhibit F)


**RECOMMENDATION:** That the Board:

1. Rescind its prior actions of May 12, 2006, under agenda item D-4.
2. Find that the public interest demands the issuance of this direct lease to the University of Hawaii for Educational, Housing and Related University purposes;
3. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a direct lease to the University of Hawaii, covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
  - A. The standard terms and conditions of the most current direct lease

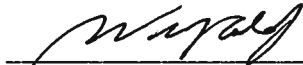
document form for government agencies, as may be amended from time to time and as may be amended to address this specific property, use and the University of Hawaii, as an autonomous government agency;

- B. The University of Hawaii shall be required to comply with the conditions of the County of Hawaii, Planning Department as detailed in attached Exhibit D;
- C. The lease shall exclude the area of the Kapiolani Street Extension and the Makai remainder parcel;
- D. The lease shall be subject to all existing and any previously approved undocumented easements;
- E. Review and approval by the Department of the Attorney General; and
- F. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interest of the State.

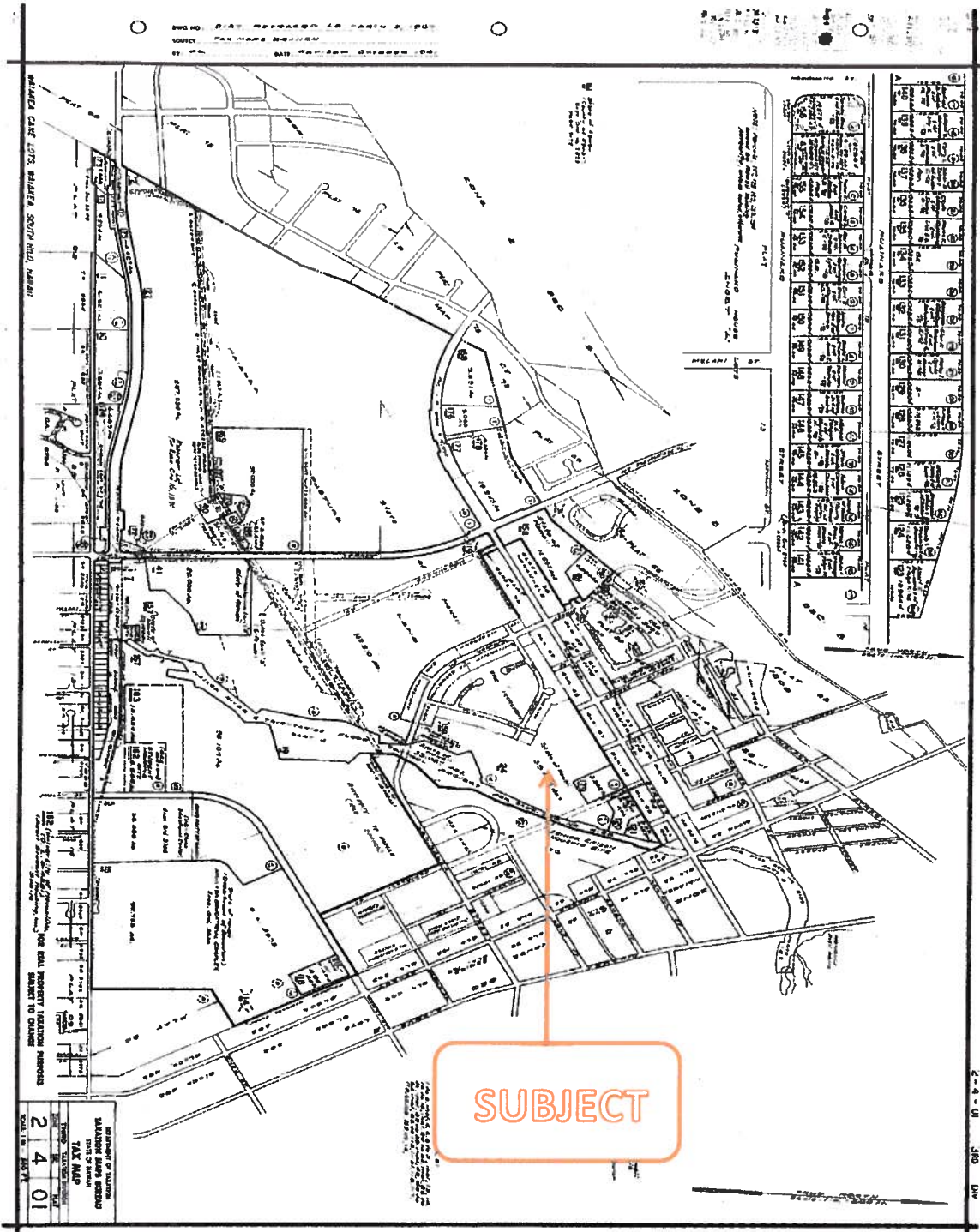
Respectfully Submitted,

  
\_\_\_\_\_  
Wesley T. Matsunaga  
Land Agent

APPROVED FOR SUBMITTAL:

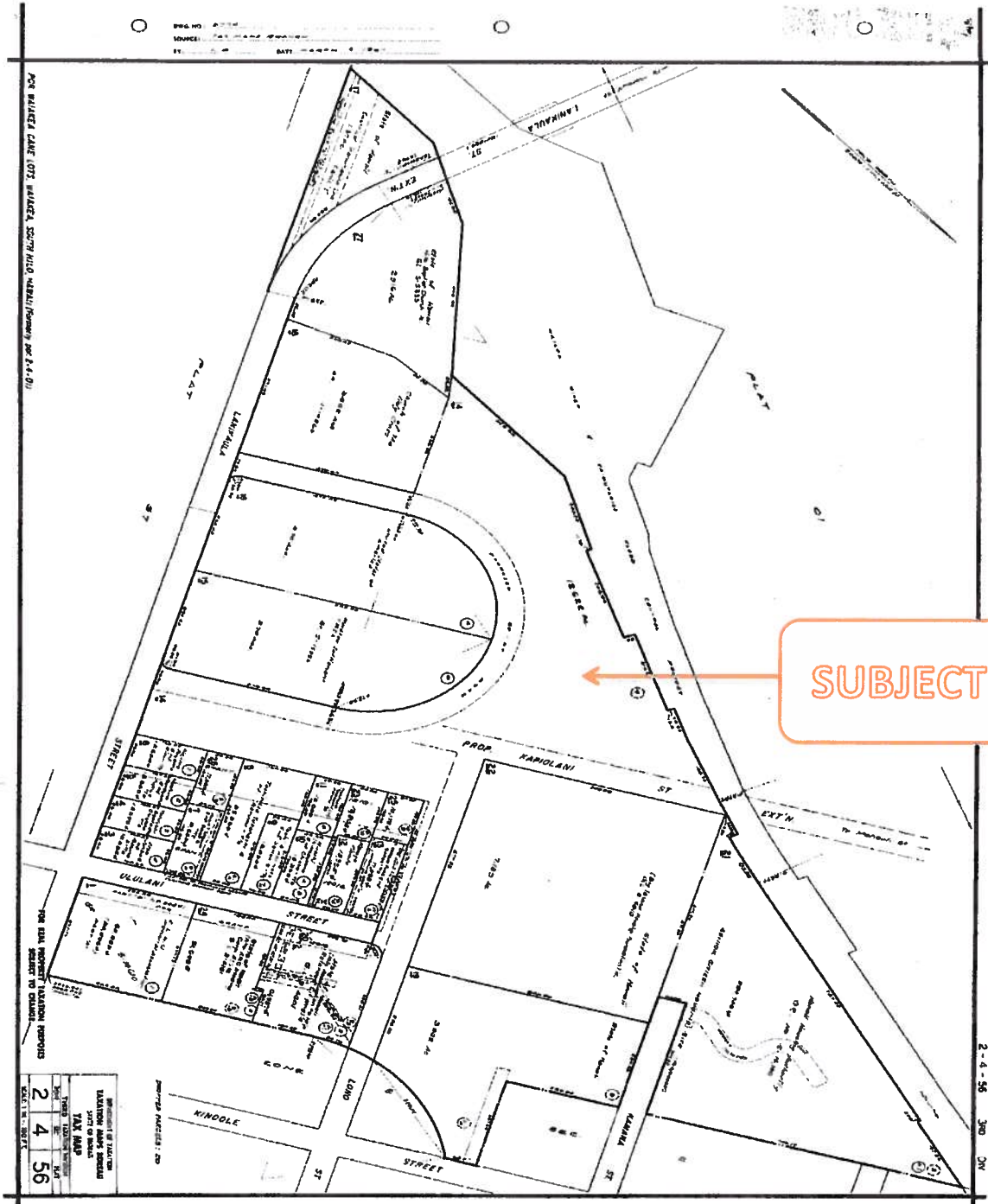
  
\_\_\_\_\_  
William J. Aila, Jr., Chairperson





**EXHIBIT A**





FOR VALUERS CARE (OT) VALUERS SOUTH H.I.O. (HAWAII) FORMS FOR 2-4-01

FOR THE STATE DEPARTMENT OF TAXATION REPORTS

DEPARTMENT OF TAXATION	
TAX MAP	
2	4
56	

# EXHIBIT A

2/16/06  
17

Harry Yoda (3)  
4936

974-6222

**UNIVERSITY OF HAWAII AT HILO**

UH Hilo Administration  
Office of the Chancellor

January 23, 2006

2006 FEB 23 A 9:26  
UNIVERSITY OF HAWAII  
BOARD OF REGENTS

RECEIVED  
LAND DIVISION  
HILO, HAWAII 06 FEB -3 P1:27

**MEMORANDUM**

TO: Kitty Lagareta  
Chairperson, Board of Regents

VIA: David McClain  
Interim President

FROM: Rose Tseng  
Chancellor, University of Hawai'i at Hilo

SUBJECT: Acquisition of Real Property, Waiakea, South Hilo, Hawaii  
Tax Map Keys: 3/2-4-01-:24 and 3/2-4-56:14, 54.99 Acres.

UNIVERSITY OF HAWAII  
PRESIDENT'S OFFICE

06 JAN 25 P3:45

RECEIVED

**SPECIFIC ACTION REQUESTED:**

It is requested that the Board of Regents authorize the Administration to enter into negotiation for a long-term, nominal rent lease with the Department of Land and Natural Resources (DLNR) for 54.99 acres, more or less of Government land, as shown on the attached map.

**RECOMMENDED EFFECTIVE DATE**

Upon Board approval.

**PURPOSE**

The proposed lease with DLNR to acquire 54.99 acres of State land in close proximity to the University of Hawai'i at Hilo (UH Hilo) campus is desired to further UH Hilo's academic and program expansion, to include the College of Pharmacy, additional facilities, classrooms and labs, a recreational field, and bikeways that traverse the acreage that connect and access Mohouli Street.

**BACKGROUND INFORMATION**

This request is submitted in accordance with Section 10-1 of the Board of Regents' Bylaws and Policies.

In October of 2005, UH Hilo entered into discussions with DLNR to lease approximately 54.99 acres of State land for a term of sixty-five years. The subject property is situated in close proximity to the UH Hilo campus (off Lanikaula Street, behind the U.S. Army Reserve

Kitty Lagareta, Chairperson  
January 23, 2006  
Page 2

Center), an ideal location for the operation and expansion of UH Hilo. In addition to this property, UH Hilo is also pursuing acquisition of the soon to be decommissioned U.S. Army Reserve Center (approximately 3.75 acres), which will revert back to the State of Hawai'i in accordance with the terms of the deed.

Currently, County of Hawaii is pursuing funds to extend Kapiolani Street between Mohouli and Lanikaula Street with basic infrastructure installed. This will open up the said property for development without funding from the University.

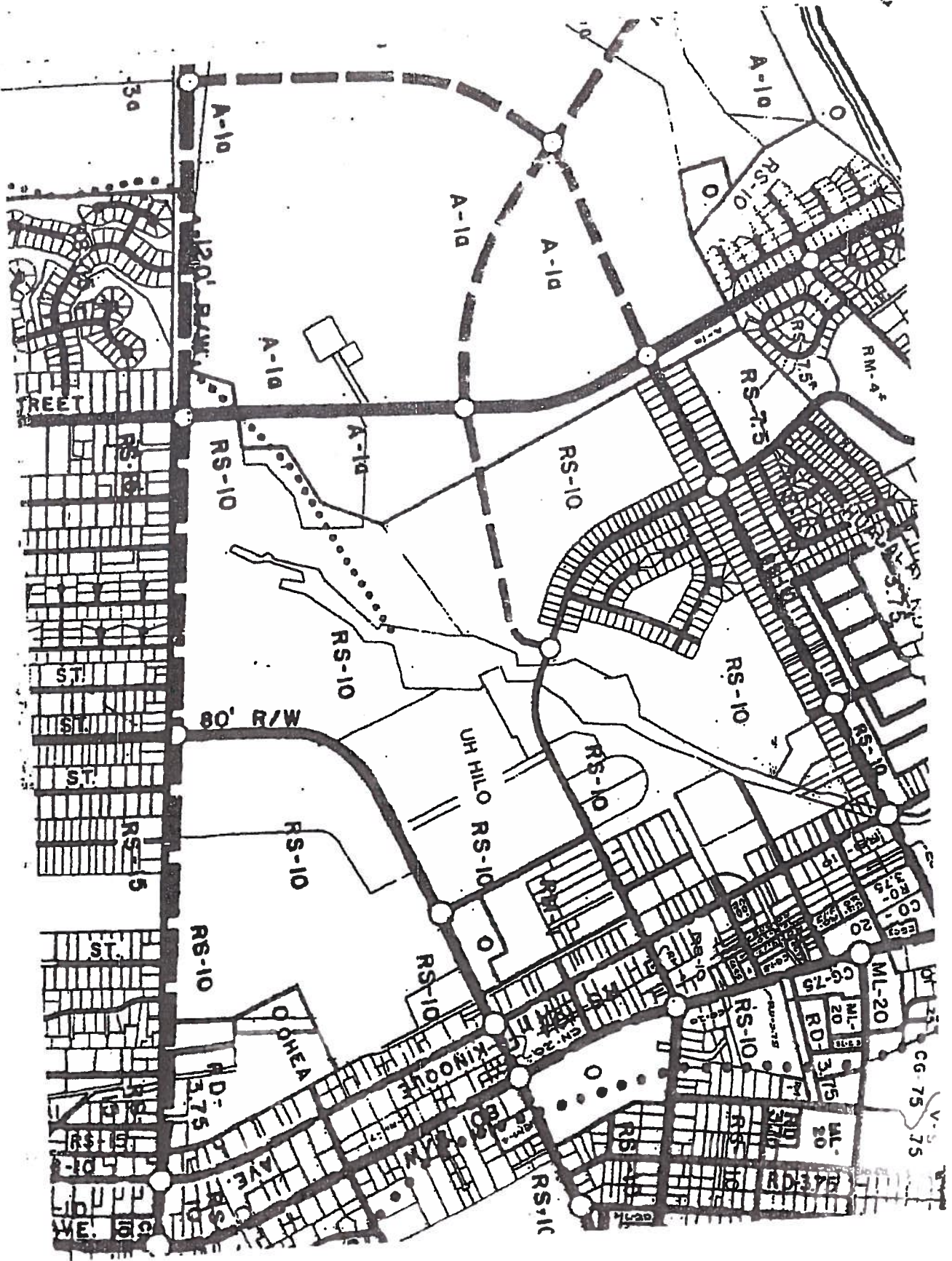
UH Hilo has requested CIP funds to update its Long Range Development Plan (LRDP). The said property will be included in the LRDP update.

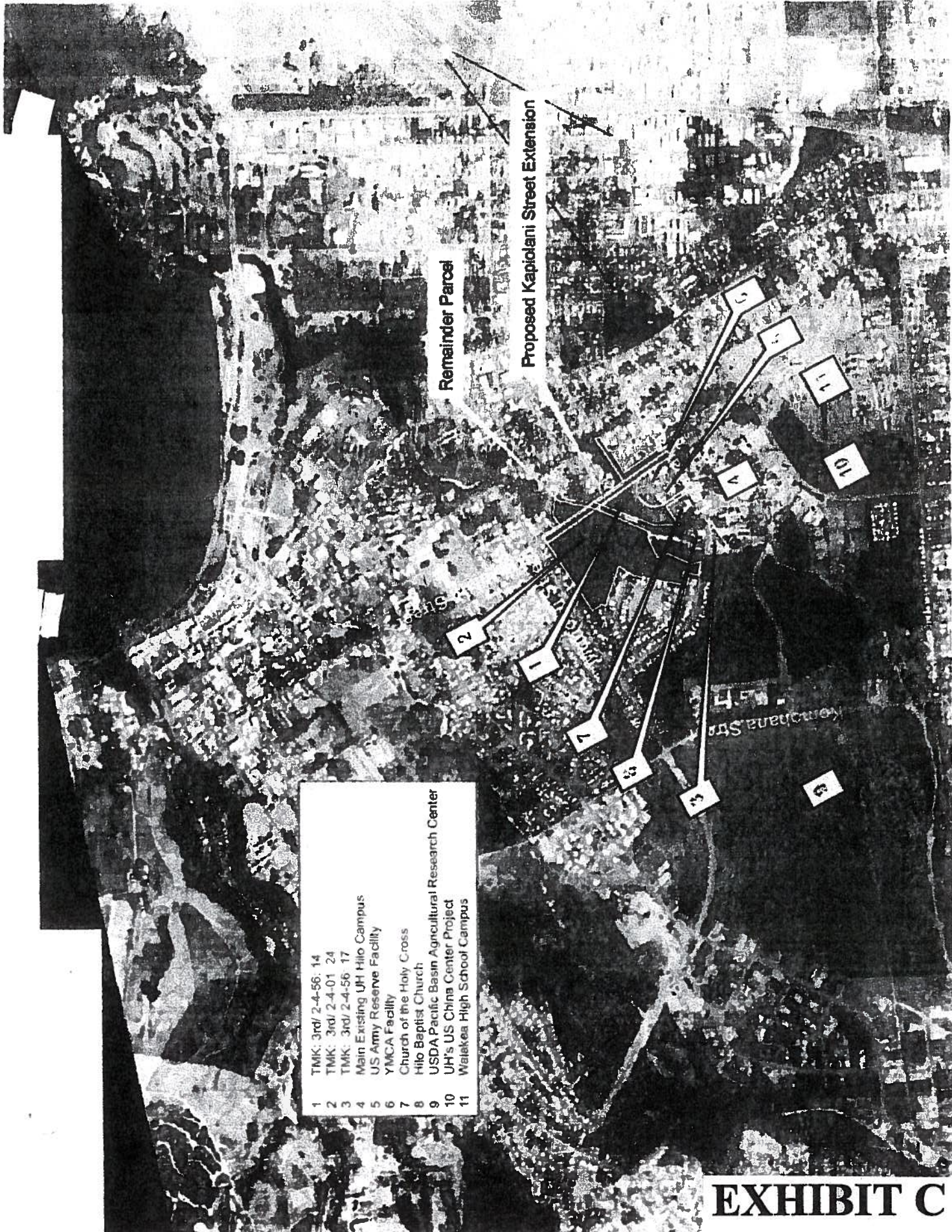
#### **ACTION RECOMMENDED**

It is recommended that the authority be granted to the Administration to enter into a negotiation for a lease with DLNR for the 54.99 acre parcel to be used for future University of Hawai'i at Hilo expansion. The lease will be brought forth for BOR approval after the Office of the University General Counsel's review and approval as to form.

#### **Attachments**

- c: Executive Administrator and Secretary of the Board Iha  
Sam Callejo, Vice President for Administration





- 1 TMK: 3rd/ 2-4-56: 14
- 2 TMK: 3rd/ 2-4-01 24
- 3 TMK: 3rd/ 2-4-56 17
- 4 Main Existing UH Hilo Campus
- 5 US Army Reserve Facility
- 6 YMCA Facility
- 7 Church of the Holy Cross
- 8 Hilo Baptist Church
- 9 USDA Pacific Basin Agricultural Research Center
- 10 UH's US China Center Project
- 11 Waialea High School Campus

Remainder Parcel

Proposed Kapiclani Street Extension

**EXHIBIT C**

Harry Kim  
Mayor



Christopher J. Yuen  
Director

Brad Kurokawa, ASLA  
LEED® AP  
Deputy Director

County of Hawaii  
PLANNING DEPARTMENT

101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-3043  
(808) 961-8288 • FAX (808) 961-8742

March 29, 2006

Mr. Harry Yada  
District Land Agent  
Department of Land and Natural Resources  
Land Division  
75 Aupuni St., Rm. 204  
Hilo, HI 96720

Dear Mr. Yada:

**Subject: Issuance of Lease for Education, Housing, and Related Purposes**  
**Applicant: University of Hawai'i, Ref. No. 06HD-061**  
**Location: Waiakea, South Hilo, Hawai'i**  
**TMKs: (3)2-4-01: Por. 24 and 2-4-56: 17 & Por. 14**

This is in response to your memorandum dated March 7, 2006 requesting our review and comments on the subject application. We understand that the University of Hawai'i has applied to lease the above-referenced, state-owned properties for education, housing, and related purposes. Land Division is proposing to ask the Board of Land & Natural Resources to approve the transfer of management jurisdiction to the University of Hawai'i of the three above-referenced properties. The University would be held responsible for any required consolidation and/or subdivision of the properties as well as any Chapter 343, HRS compliance requirements.

We have the following comments to offer:

1. Consolidation and/or subdivision is required prior to issuance of a lease, per Hawaii County Subdivision Code Section 23-76 which states: "*Land shall not be offered for sale, lease or rent in any subdivision, nor shall options or agreements for the purchase, sale, leasing or rental of the land be made until approval for recordation of the final plat is granted by the director.*"
2. Chapter 343, HRS compliance requirements will be triggered prior to the submittal of the consolidation and/or subdivision applications.

**EXHIBIT D**

Mr. Harry Yada  
Page 2  
March 29, 2006

3. Our records show that subdivision of TMK (3) 2-4-56:14 was approved on September 4, 1985 (Subdivision No. 5301), dividing the parcel into two lots: a 2.916 acre lot for use by the Hilo Baptist Chapel and a 13.622 acre remaining lot. We will amend the TMK to reflect the approved boundaries of Subdivision No. 5301.
4. TMK (3) 2-4-1:24 will also need to be subdivided prior to lease of the parcel to the University and Hospice of Hilo.
5. Our records also show that an access easement was created on TMK (3) 2-4-1:24 per Subdivision No. 2197-A which was approved on January 25, 1966, but the right-of-way was never built nor was it dedicated to the county. The purpose of the road was to provide access to the University Heights Residential Subdivision- Second Increment.
6. All three properties are in the State Land Use Urban District.
7. County zoning for all three properties is Single-Family Residential District (RS-10). University uses and structures can be permitted in the residential district, provided they meet the definition of "public use" or "public structure or building." Per the Hawaii County Zoning Code, Section 25-4-11(c), "*Public uses, structures, and buildings and community buildings are permitted uses in any district, provided that the director has issued plan approval for such use.*" The County Zoning Code Section 25-45(f), defines "public use" or "public structure" as "*.... a use conducted by or a structure or building owned or managed by the federal Government, the State of Hawai'i or the County to fulfill a governmental function, activity or service for public benefit and in accordance with public policy.*"
8. According to the General Plan Land Use Pattern Allocation Guide Map, TMK: 2-4-56:17 is designated for University Use. TMKs 2-4-56: 14 and 2-4-01: 24 are designated for Low Density Urban and High Density Urban.
9. None of the subject properties are in the Special Management Area.

Thank you for the opportunity to comment on the University's application. Should you have questions, please contact Deborah Chang of my staff at 961-8288, Ext. 254.

Sincerely,



CHRISTOPHER J. YUEN  
Planning Director



## CHRIST LUTHERAN CHURCH

595 Kapiolani Street, Hilo, HI 96720-3936

Telephone: (808) 935-8612

Facsimile: (808) 933-9236

Electronic mail: [christhilo@hawaii.rr.com](mailto:christhilo@hawaii.rr.com)

*"Listen! You nations of the world: listen to the Word of the Lord.  
Announce it from coast to coast; declare it to distant islands."*

April 10, 2006

Mr. Harry Yada, District Land Agent  
Department of Land and Natural Resources  
State of Hawaii  
75 Aupuni Street, Room 204  
Hilo, HI 96720

Ref. No.: 06HD-061 (University of Hawaii)

Dear Mr. Yada:

We have reviewed the information that you sent with your March 7, 2006 memorandum with the above reference number. We have no major objections to the proposed use of this site that borders the property that we are currently leasing. Depending on the specific uses of the various portions of the site, we do have some concerns about the potential increase in noise and traffic that will be generated in our area.

After the Kapiolani Street extension is completed, there will be a triangular piece of property that will be bordered by the new Kapiolani Street extension, the drainage canal and our property. We are more concerned about the impact that this parcel could have on our use of our property. Should this piece ever become available as a separate parcel of land, we would appreciate being given some consideration to propose an alternative use for this land, such as leasing additional space for our congregational needs.

If you have any questions please feel free to contact me at 961-8425 (daytime phone) or call the church at 935-8612. Thank you for giving us the opportunity to submit our comments.

Sincerely,

Deanna S. Sako  
President

cc: Pastor  
Church Council

**EXHIBIT E**



DEPARTMENT OF PUBLIC WORKS  
COUNTY OF HAWAII  
HILO HAWAII

*Memorandum*

Date : March 9, 2006

To : HARRY YADA, District Land Agent

From : *Bruce C. McClure*  
BRUCE C. McCLURE, Director DPW

SUBJECT: ISSUANCE OF LEASE - UNIVERSITY OF HAWAII  
Waiakea, South Hilo, Hawai'i  
Tmk 3<sup>rd</sup> Div.: 2-4-001: Por 024 & 2-4-056: 017 & Por 014

We have reviewed the proposed lease and have the following comments:

1. A 60-foot wide right-of-way with 20-foot corner radii at Lanikaula Street should be subdivided and set aside (from the lease) for the Extension of Kapiolani Street. The right of way should be aligned to match the existing Kapiolani Street centerline at Mohouli and Lanikaula Streets. This would facilitate the improvement and transfer of the extension to the County should it ever be constructed.
2. The County has agreed to pursue State funding for this project.

Should you have any questions please contact Galen Kuba at x8422.

c: Eng

**EXHIBIT F**