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

October 10, 2014

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

PSF No.: 14OD-151

Cancellation of Governor's Executive Order No. 4053; Issuance of Direct Lease to
The Episcopal Church in Hawaii for Church and School Purposes, Honolulu, Oahu,
Tax Map Key: (1) 2-1-018:004.

APPLICANT:

The Episcopal Church in Hawaii, a domestic non-profit corporation.

LEGAL REFERENCE:

Section 171-11 and 43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Honolulu Oahu, identified by Tax Map Key: (1) 2-1-
018:004, as shown on the attached map labeled Exhibit A.

AREA:

25,193 square feet, more or less.

ZONING:

State Land Use District: Urban
City and County of Honolulu CZO: P-2

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

D-2

(rev. 02/2010)
CURRENT USE STATUS:

Encumbered by Governor’s Executive Order No. 4053 for Queen Emma Square Park purposes.

CHARACTER OF USE:

Church and School Purposes.

LEASE TERM:

Sixty-five (65) years

COMMENCEMENT DATE:

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

ANNUAL RENT:

$480 per annum (Minimum Rent Policy for New Dispositions, May 13, 2005)

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

Every ten (10) year during the lease term, subject to prevailing minimum rent policy

PERFORMANCE BOND:

Twice the annual rental amount.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Sections 11-200-8(a)(1) & (4) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated December 4, 1991, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing" and Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation." See Exhibit B for exemption notification and Remarks Section for lease condition pertaining to the compliance of Chapter 343 during the lease term.
DCCA VERIFICATION:

Place of business registration confirmed:  YES  x  NO 
Registered business name confirmed:  YES  x  NO 
Applicant in good standing confirmed:  YES  x  NO 

APPLICANT REQUIREMENTS:

None

REMARKS:

The subject parcel has been set aside to the City and County of Honolulu ("City") for Queen Emma Square Park purposes pursuant to Governor’s Executive Order No. 4053 issued in 2004.

The Applicant owns the adjacent parcel identified as TMK (1) 2-1-018:002, and uses it for church and school purposes. In the meantime, Applicant is in the process of purchasing the Queen Emma Square Road from the City. In the event the Board approves today’s request, Applicant does not intend to conduct substantial improvements to the subject parcel, i.e. the subject parcel will continue as part of the landscaping area of the church/school ground. City agrees to the cancellation of EO 4053 to facilitate the issuance of the requested lease. A copy of the request is attached as Exhibit C.

The Applicant has provided evidence of 501(c)(3) status and 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.

Under a standard lease, the lessee is required to obtain the Chairperson’s approval on any major improvement to the leased premises. Prior to the approval given by the Chairperson, the lessee, if necessary, is required to comply with Chapter 343, HRS regarding the environmental assessment of any proposed improvements.

Department of Planning and Permitting, Department of Facility Maintenance, Board of Water Supply, and Department of Parks and Recreation have no comments/objections to the subject request. At the time of finalizing this submittal, Office of Hawaiian Affairs, State Historic Preservation Divisions, and Department of Health have not responded to our request for comment.

Recently, there are some media coverages about the future use of the area by the public after the lessee takes possession of the leased premises. As mentioned above, there is no major improvement planned by the Applicant in the near future, i.e. the premises will remain the same physically, and any improvement is subject to the approval by the Chairperson. From discussion with the representative of the Applicant, staff understands that Applicant would summon the law enforcement only when inappropriate behavior occurs on the premises.
RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.

2. Approve of and recommend to the Governor issuance of an executive order canceling Governor's Executive Order No. 4053 and subject to the following:
   
   A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
   
   B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
   
   C. Review and approval by the Department of the Attorney General; and
   
   D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

3. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a direct lease to The Episcopal Church in 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 non-profit lease document form, as may be amended from time to time;
   
   B. Review and approval by the Department of the Attorney General; and
   
   C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

[Signature]
Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:

[Signature]
William J. Aila, Jr., Chairperson
EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Direct Lease for Church and School Purposes

Project / Reference No.: PSF 14OD-151

Project Location: Honolulu, Oahu, Tax Map Key: (1) 2-1-018:004.

Project Description: Direct Lease for Church and School Purposes.

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8(a)(1) and (4), the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing" and Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation."

The applicant is not planning on conducting any substantial improvement to the premises, other than keeping the existing landscaped condition. As such, staff believes that the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Consulted Parties: Agencies as noted in the submittal.

Recommendation: That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

William J. Aila Jr., Chairperson
Date: 11/27/14

EXHIBIT B
August 12, 2014

William J. Aila, Jr., Chairperson
State of Hawaii Department of Land and
Natural Resources
Kalaninoku Building
1151 Punchbowl Street
Honolulu, Hawaii  96813

Re: Queen Emma Square Park ("Premises") – Request to Cancel
Executive Order 4053, and to Lease the Premises to The
Episcopal Church in Hawaii

Dear Chair Aila:

The Episcopal Church in Hawaii ("The Episcopal Church") and St. Andrew's Schools respectfully request that Executive Order 4053 be cancelled by the State of Hawaii, and that the State of Hawaii enter into a long term lease of the Premises to The Episcopal Church pursuant to Hawaii Revised Statutes Section 171-43.1. The Episcopal Church hereby represents that the Premises shall be used by The Episcopal Church for the purposes for which its charter was issued and for which it was certified by the Internal Revenue Service. The Episcopal Church plans at the present time no substantial improvements to the Premises.

The City and County of Honolulu joins in the request of The Episcopal Church that Executive Order 4053 be cancelled.

The City and County of Honolulu further states that it owns Queen Emma Square Road, and that it is in the process of selling Queen Emma Square Road to The Episcopal Church.

Thank you for consideration of our request.

Very truly yours,

Ivan M. Lui-Kwan
Chair Emeritus

EXHIBIT "C"
The City and County of Honolulu concurs in the request that Executive Order 4053 be cancelled, and in the representation that it owns Queen Emma Square Road and that it is in the process of selling Queen Emma Square Road to The Episcopal Church:

The City and County of Honolulu

By: ___

Ember Lee Shinn
Its Managing Director

Dated: August ___, 2014

Enclosure: Map of Queen Emma Square Park and Queen Emma Square Road