
APPLICANT:

Connections New Century Public Charter School (Connections PCS), as Assignor, to Connections PCS and Community Based Education Support System – Friends Of Connections (CBESS-FOC), a Hawaii nonprofit organization, as Assignees.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kaumana and Kukuau 2nd situated at South Hilo, Hawaii, identified by Tax Map Key: (3) 2-5-006-141, as shown on the attached map labeled Exhibit A.

AREA:

72.34 acres, more or less.

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
CHARACTER OF USE:

School purposes.

TERM OF LEASE:

65 years, commencing on February 1, 2013 and expiring on January 31, 2078. The first rental reopening is scheduled for February 1, 2023.

ANNUAL RENTAL:

$480.00 per annum.

CONSIDERATION:

None

RECOMMENDED PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

ASSIGNOR:

Not applicable as Assignor is a nonprofit public charter school.

ASSIGNEE:

Place of business registration confirmed: YES X NO_
Registered business name confirmed: YES X NO_
Good standing confirmed: YES X NO_

BACKGROUND:

Connections New Century Public Charter School (Connections PCS) was established in February 2000 as a Hawaii Public Charter School via Hawaii State Legislation, and is part of the State’s public school system. They operate through a Governing Board with an alternative framework with regards to curriculum, facilities management, instructional approach, length of school periods, and personnel management.

Community Based Education Support Services – Friends Of Connections (CBESS-FOC) was established in January 2001 as a non-profit corporation to provide fiscal support to Connections PCS and to operate exclusively for charitable, scientific, literary, religious, or educational purposes.
Connections PCS opened in August 2000, with 184 students in grades K-6. By August 2001, the school has expanded to a K-12 program with a total of 360 students. The expansion is further illustrated by an enrollment waiting list and is also evident with a broad-based community representation in the operation of the school. Connections PCS’s faculty has been recognized for their innovative work, which has resulted in the school being designated as a “Demonstration Site” for University of Hawaii at Manoa Curriculum Research and Development Group. This designation has resulted in Connections PCS becoming a major clearinghouse for emerging curriculum, as well as a center for teacher development. Due to this expansion, along with the desire to consolidate elementary, intermediate, and high school on a single campus property for cost saving and better management reasons, plus the potential addition of a small dormitory facility, a sustainable agriculture program and a pre-kindergarten program, amongst other opportunities for growth and development, Connections PCS and CBESS-FOC sought out the subject State property.

REMARKS

At its meeting of January 13, 2011, under agenda item D-4, the BLNR authorized the issuance of a direct lease to the Connections New Century Public Charter School, covering the subject area. The lease was issued approximately two years later, with a commencement date of February 1, 2013. In the period between the Board approval of the lease and the actual commencement date, Connections PCS was cited for unauthorized grubbing and installation of a fence on the future lease lands in 2012.

On October 26, 2012, under agenda item D-2, the BLNR approved, as amended, an enforcement action on violations of the Hawaii Administrative Rules (HAR), Unencumbered Public Lands, Sections 13-221-23 and 13-228-28, regarding Connections PCS’s activities on the subject State land. The bulldozing of trees and shrubs and construction of the hog-wire fence around the perimeter of the lower portion of the subject parcel constituted the violation for HAR 13-221-23, and the removal of Ohia timber at the subject location was a violation of HAR 13-228-28. For both violations, the BLNR imposed a fine of $500.00 plus the assessment of administrative costs in the amount of $540.00, pursuant to HRS § 171-6. Connections PCS paid the fine as of February 4, 2013, a payment in the amount of $500.00 was logged on SLIM’s Tenant Ledger for GL S-6029 for a “Land Violation Fine,” curing the above mentioned violations. On December 2, 2015, Hawaii District Land Office (HDLO) received a check in the amount of $540.00 for the administrative fee owed for administrative costs incurred by investigation and enforcement actions regarding violations mentioned above.

Currently, Connections PCS’s elementary and middle school campus are located in the Kress Building on Kamehameha Ave. in downtown Hilo. The Kress Building is owned by the school’s affiliated non-profit organization and financial backbone, CBESS-FOC, and is being rented by Connections PCS. The high school campus is presently located in
leased facilities at the Nani Mau Gardens, just south of Hilo town. CBESS-FOC’s office is also currently located in the Kress Building and has no plans to relocate to the State lease premises.

According to the Department of Commerce and Consumer Affairs (DCCA) business registration website, CBESS-FOC’s purpose includes fiscal support for Connections PCS, and to operate exclusively for charitable, scientific, religious, or educational purposes. Connections PCS is financially dependent on CBESS-FOC, which is specifically intended for the expansion and growth of school/educational operations. CBESS-FOC also provides crucial management support for the school. As a result of their close association, Connections PCS is requesting that CBESS-FOC be added as co-lessee to General Lease No. S-6029 through an assignment of lease from Connections PCS, as Assignor, to Connections PCS and CBESS-FOC, as Assignees. As noted above, the character of use provision of the lease is limited to school purposes. Connections PCS and CBESS-FOC both understand that the Board’s consent to the assignment of the lease to the two parties does not expand the character of use restriction under the lease in any way, e.g., the only use of the lease premises allowed will continue to be “school purposes”.

Connections PCS and CBESS-FOC are currently waiting for approval of applicable permits from the County of Hawaii prior to beginning any further development.

Applicant is currently compliant with all terms & conditions of the subject lease and has not had a lease, permit, easement or other disposition terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION:

That the Board consent to the assignment of General Lease No. S-6029 from Connections New Century Public Charter School, as Assignor, to Connections New Century Public Charter School and Community Based Education Support Services – Friends Of Connections, as Assignees, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;

2. Review and approval by the Department of the Attorney General; and

3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
Respectfully Submitted,

Dan K. Gushiken
Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson
### Owner and Parcel Information

- **Owner Name**: STATE OF HAWAII Fee Owner
- **Connection**: NEW CENT PUBLIC CHARTER SCH Lessee
- **Mailing Address**: 174 KAMEHAMEHA AVE
  - HILO, HI 96720-2865
- **Location Address**:
- **Property Class**: AGRICULTURAL
- **Neighborhood Code**: 2562-5
- **Legal Information**:

### Assessment Information

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### Appeal Information

No appeal information on parcel.

### Land Information

- **Property Class**: AGRICULTURAL
- **Square Footage**: 3,151,130
- **Acreage**: 72.34
- **Agricultural Usage**:

### Improvement Information

No improvement information available for this parcel.

### Other Building and Yard Improvements

No information associated with this parcel.

### Permit Information

No permit information associated with this parcel.

### Sales Information

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### Current Tax Bill Information

No Tax Information available on this parcel.

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http://qpublic9.qpublic.net/hi_hawaii_display.php?county=hi_hawaii&KEY=250061410000
STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: COMMUNITY BASED EDUCATION SUPPORT SERVICES - FRIENDS OF* CONNECTIONS

DBA/Trade Name: COMMUNITY BASED EDUCATION SUPPORT SERVICES - FRIENDS OF* CONNECTIONS

Issue Date: 05/28/2015

Status: Compliant

Hawaii Tax#: FEIN/SSN#: Ul#: No record
DCCA FILE#: 122312

Status of Compliance for this Vendor on issue date:

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Status Legend:
- Status
- Exempt
- The entity is exempt from this requirement