

**MINUTES FOR THE
MEETING OF THE
BOARD OF LAND OF NATURAL RESOURCES**

DATE: FRIDAY, FEBRUARY 13, 2015
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII 96813

Acting Chairperson Carty Chang called the meeting of the Board of Land and Natural Resources to order at 9:00 a.m. The following were in attendance:

MEMBERS

Carty S. Chang
Stanley Roehrig
Vernon Char
Ulalia Woodside

James Gomes
Thomas Oi
Christopher Yuen

STAFF

Sam Lemmo-OCCL
Maria Carnavale-PMNM
Curt Cottrell-PARKS

Russell Tsuji-LAND
Lisa Hadway-DOFAW
Kevin Yim/ DOBOR

OTHER

Linda Chow/Deputy AG
Gail Renard/K-2
Jason Zulueta/E-1
Jim Miller/K-2
Carol Young/DOT-HAR

Ross Smith/DOT-AIR
Caroline Hayashi/ D-6
James K. Manaku Sr./ E-1, K-2
Shannon Wood/K-1

Item A-2 Approval of November 13, 2014 Minutes

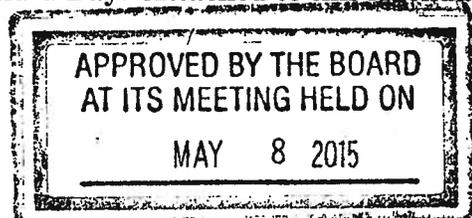
Unanimously approved as submitted (Gomes, Oi)

Item A-4 Approval of December 12, 2014 Minutes

Member Woodside noted that on item D-26 "Wailuku" should read "Wailupe".

Unanimously approved as amended (Woodside, Gomes)

Item J-1 Request Approval to Initiate Rule-Making Proceeding, Including Public Hearing, to Amend Hawai'i Administrative Rules (HAR) § 13-256-152 Kahalu'u Bay in Order to Update Location Designations, and Revise Swim and Surf Zone Restrictions Within Kahalu'u Bay. Attached to this Agenda



and Incorporated Herein as Exhibit A are the Proposed Changes to HAR § 13-256-152. (J-1 Exhibit A)

Withdrawn

- Item M-1 Issuance of a Revocable Permit for Material Storage and Stockpiling, Hawaiian Dredging Construction Company, Inc., 'Ewa Interisland Maintenance Area, Honolulu International Airport, Tax Map Key: (1) 1-1-003:001 (portion).**
- Item M-2 Issuance of a Revocable Permit for a Porter Service Office, S A S Services Group, Inc., 'Ewa Domestic Extension, Honolulu International Airport, Tax Map Key: (1) 1-1-003:042 (portion).**
- Item M-3 Issuance of a Revocable Permit for the Operation and Maintenance of a Storage Facility and Overflow Parking for Employees, Premium Inc. (2825 Ualena Street), Honolulu International Airport, Tax Map Key: (1) 1-1-004:003 (portion).**
- Item M-4 Issuance of a Revocable Permit for Aircraft Parking, Barry N. Redmayne, Honolulu International Airport, Tax Map Key: (1) 1-1-076:023 (portion).**
- Item M-5 Issuance of a Revocable Permit for Parking, R&D Aviation L.L.C., Honolulu International Airport, Tax Map Key: (1) 1-1-076:023 (portion).**
- Item M-6 Issuance of a Revocable Permit for a Kiosk, Airport Group Services, LLC, Kahului Airport, Tax Map Key: (2) 3-8-001:019 (portion).**
- Item M-7 Issuance of a Revocable Permit for Terminal Spaces, Westjet, an Alberta Partnership, Kahului Airport, Tax Map Key: (2) 3-8-001:019 (portion).**
- Item M-8 Issuance of a Revocable Permit for Cargo Building Space, Hawaiian Airlines, Inc., Lanai Airport, Tax Map Key: (2) 4-9-002:055 (portion).**
- Item M-9 Issuance of a Revocable Permit for Space for a Food, Beverage and Retail Concession to COCHI, Inc., dba Coffees of Hawai'i, Moloka'i Airport, Tax Map Key: (2) 5-2-004:008 (portion).**
- Item M-10 Issuance of a Revocable Permit for Office Space, Hawaiian Airlines, Inc., Molokai Airport, Tax Map Key: (2) 5-2-004:008 (portion)**
- Item M-11 Issuance of a Revocable Permit for Vehicle Parking, Able Freight Services, Inc., Kona International Airport at Keāhole, Tax Map Key (3) 2-1-012:090 (portion).**

- Item M-12 Issuance of a Revocable Permit for Areas to Operate an Air Freight Forwarding Operation, Commodity Forwarders, Inc., Hilo International Airport, Tax Map Key (3) 2-1-012:090 (portion).**
- Item M-13 Issuance of a Revocable Permit for a Construction Management Field Office, Wesley R. Segawa & Associates, Inc., Hilo International Airport, Tax Map Key: (3) 2-1-012:090 (portion).**
- Item M-14 Issuance of a Revocable Permit for Parking, Hawaii Wilderness Adventures, LLC, Hilo International Airport, Tax Map Key: (3) 2-1-012:090 (portion).**
- Item M-15 Issuance of a Revocable Permit for a Reservations Office, K&S Helicopters, Inc., DBA Paradise Helicopters, Hilo International Airport, Tax Map Key: (3) 2-1-012:090 (portion).**
- Item M-16 Issuance of a Revocable Permit for a Ticket Counter, Hawai'i Wilderness Adventures, LLC, Hilo International Airport, Tax Map Key: (3) 2-1-012:090 (portion).**

Ross Smith Property Manager representing the Department of Transportation-Airports –DOT-AIR only had one amendment to item #M-9, the applicants name on the agenda reads “COCHI”, but it should read “COHI”. Other than that, no other changes to any other M-items.

Unanimously approved as amended (Char, Gomes)

- Item K-2 Extension Request OA-15-08, Request that the Board of Land and Natural Resources Grant a Two-year Extension on the Construction Deadlines Contained in Conservation District Use Permit (CDUP) OA-3610 Regarding the Kewalo Basin Repair Project in Kaka’ako, Kona District, O’ahu, Tax Map Key (1) 2-1-058: pors. 002, 035, 095, and 128.**

Sam Lemmo, Administrator for the Office of Conservation and Coastal Lands-OCCL explained that this item was a request to extend the initiation and conservation deadline. Staff is requesting that the Board authorize the request so the new initiation is 2017 and completion is Feb 2029.

Member Char asked if the private party has submitted financial disability and capability documentation.

Lemmo said there was a representative present able to answer the question

Gail Renard with HFF Planners, the consultant said that a representative from Howard Hughes was on his way, but didn’t think they submitted any kind of information.

Member Char said he would like to temporarily defer this item until the representative was present.

Deferred.

Item D-6 Consent to the Amendment of the Sublease under General Lease No. S-5805, Waikiki Community Center, Sublessor, to Waikiki Health, dba Waikiki Health Center, Sublessee, Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-6-025:008

Russell Tsuji Administrator for Land Division-LAND, reviewed item D-6. This is a nonprofit lease. The sublessee will be charged rent. In the past the Board has approved this as long as the lessee remains a valid 501(c)(3) and uses its nonprofit status.

Representative Caroline Hayashi was present.

Unanimously approved as submitted (Gomes, Char)

Item F-1 Request for Authorization and Approval to Issue a Papahānaumokuākea Marine National Monument Conservation and Management Permit to Commanding Officer Daniel M. Simon, National Oceanic and Atmospheric Administration (NOAA) Ship HI'IALAKAI, for Access to State Waters to Conduct Shipboard Support Activities.

Item F-2 Request for Authorization and Approval to Issue a Papahānaumokuākea Marine National Monument Conservation and Management Permit to Commanding Officer Stephanie A. Koes, National Oceanic and Atmospheric Administration (NOAA) Ship OSCAR ELTON SETTE, for Access to State Waters to Conduct Shipboard Support Activities.

Maria Carnavale, Papahānaumokuākea Marine National Monument Co-manager-PMNM conveyed items F-1 and F-2.

Member Woodside asked if there was a typo on page 2, on the activities and dates. Carnavale explained that this permit is for this year and should read "March 1 – December 31, 2015".

Unanimously approved as amended (Gomes, Char)

Item C-1 Request to Amend a Fiscal Year 2012 Grant from the Legacy Land Conservation Program to Ala Kahakai Trail Association for the Purchase of 34.63 Acres in North Kohala, Island of Hawaii, by Adding a Conservation Easement to be Held by the Hawaiian Islands Land Trust.

Lisa Hadway Administrator for the Division of Forestry and Wildlife-DOFAW presented item C-2, the amended request is to add a conservation easement to be held by the

Hawaiian Islands Lands Trust. It's a request of the additional funds that they provided to the project. There were representatives from the Hawaiian Islands Lands Trust present for questions.

Unanimously approved as submitted (Woodside, Gomes)

Item E-1 Issuance of a Revocable Permit to Discovering Hidden Hawai'i Tours, Inc. for Use of the Nutridge House and Grounds, for Commercial and Non-Profit Event and Commercial Tour Purposes, Pu'u 'Ualaka'a State Wayside, Opu, Makiki, O'ahu, Tax Map Key: (1) 2-5-019:004 (por.)

Curt Cottrell Assistant Administrator for State Parks-PARKS explained that this was a straight up renewal on a revocable permit-RP to Discover Hawaii Tours.

Cottrell gave an overview on why this action is important. A few years ago PARKS did a statewide evaluation on State Parks and determined that we under value potential resource generation revenue. Cottrell showed photos of what the Nutridge House looks like today. The house has been brought back up to standard by the previous tenant. It's on the National Register of Historic Places. Parks wanted to repurpose the structure so the public would have access. However, they also want to make sure that the aesthetic and historic qualities are retained and maintained.

Discover Hawaii Tours has done a great job on both repurposing the grounds for events and continuing the maintenance of the house. PARKS wants to renew this RP for another year to test the capabilities and to continue to generate revenue and maintain and property. In order for this to work as a wedding venue, it's going to take long term lease due to the planning horizons of the wedding industry - they work more than a year in advance. A month to month RP is difficult to attract people who want to get married at this venue two to 3 years out. In the interim, we have accomplished what we wanted. The public has access twice a month for community events and the new tenant pays the higher rent. The recommendations are 1) after considering the potential effects, under chapter 343 2) authorize the issuance of the RP covering the subject area with standard terms, review and approval by the DHT 3) other terms and conditions to be described by the chair 4) authorize DHT to sell alcohol and require that if evidence of fire insurance is not provided by March 31, the permit is terminated, also to negotiate any other specific terms necessary.

Member Gomes asked if someone was still maintaining the mac nut orchid. Cottrell explained that its part of the RP, but it's not a requirement. They are maintaining the ground as it was by the previous owner. Restoring the mac nut orchids would be a long term goal under a long term lease.

AG Linda Chow commented that the recommendation on item #3 needed to be amended to read the correct name, Discovering Hidden Hawaii Tours.

Member Yuen arrived 9:29AM.

Member Woodside asked how the division came up with its carrying capacity. Cottrell said it was derived when Discovering Hawaii tours first came in. Initially they were going to do 60 people a day, as part of their van tours. The van tour element didn't work so well, so they are more interested in the bigger event crowds. The house right now is not being used, it's just a backdrop. Parking and Restrooms have been limiting factors to group size.

Member Woodside asked how PARKS came up with the set-aside of 2 community events a month. Cottrell said that this was something that could be revisited. He felt like 2 events was suitable.

Member Oi asked how the state would be protected by the sale of alcohol. Steve Soares explained that insurance would be required; the state would also get 8% of that revenue.

Jason Zulueta one of the vice presidents of Discovering Hidden Hawaii Tours explained that the liquor commission wanted them to be clear that they had the ability to sell alcohol, and thus, clause in the agreement.

Member Gomes asked if the permit was just for beer and wine or a full bar. Zulueta said full bar, but they would be inquiring for a special use permit not a full liquor license. Zulueta thanked Cottrell and staff.

Member Roehrig arrived 9:35 AM.

James K. Manaku Sr. testified that he is concerned about the resources. There are lots of things on the trail that can be used as resources and he wants to be sure that as a cultural practitioner he has access to those things.

Zulueta responded that they welcome people to come up and they have not prevented access for anyone who comes by.

Member Char made a motion to approve as amended to item #3.

Unanimously approved as amended (Char, Gomes)

Item D-7 Consent to Assign General Lease No. S-5380, Robert S.Y. Lee, Theresia E. Lee and Charles R. Lee, Assignors, to Thomas G. Aki and Elizabeth L. Lee, Assignees, Waimānalo, Ko'olaupoko, O'ahu, Tax Map Key: (1) 4-1-009:266.

Russell Tsuji-LAND had nothing to add. The representative was present.

Unanimously approved as submitted (Woodside, Gomes)

Item K-2 Extension Request OA-15-08, Request that the Board of Land and Natural Resources Grant a Two-year Extension on the Construction Deadlines

Contained in Conservation District Use Permit (CDUP) OA-3610 Regarding the Kewalo Basin Repair Project in Kakaako, Kona District, Oahu, Tax Map Key (1) 2-1-058; pors. 002, 035, 095, and 128.

The Board went back to item K-2 that was previously deferred until the representative was present.

Member Char asked the rep to give some background on who they are and what they do. Jim Miller with Howard Hughes explained that they jumped on the opportunity to lease Kewalo Basin Harbor. The lease was executed back in early September of last year. They have taken on management responsibilities as well as improvement responsibilities. Since taking over the property, they have moved forward on the RFP with construction companies to proceed with the work. They are working to make a selection and would like to proceed with the work this calendar year depending on design, etc. Howard Hughes is a publically traded company, well capitalized and has lots of projects going on in the Kaka'ako area.

Member Woodside asked what the relationship was with Howard Hughes and Kewalo Harbor LLC. Miller said it was a subsidiary.

Member Gomes asked if the time extension was satisfactory for them, and if they had any timelines for completion. Miller said the extension is satisfactory. They are looking at the different phasing options as they interview the potential candidates. The timeline isn't set, but they would like all improvements to be done within 3 and 5 years.

James K. Manaku Sr. testified that he wanted to be sure that the public is covered as far as access along the ocean.

Unanimously approved as submitted (Gomes, Oi)

Item C-1 Acceptance of Hearing of Officer's Report on a Public Hearing for One Proposed Addition and Five Proposed Withdrawals to the Forest Reserve System on the Island of Maui.

Approval and Recommendation to the Governor Issuance of an Executive Order for Addition of Tax Map Keys (2) 1-4-001: Portion of 001 and (2) 1-5-001: Portion of 001 Comprising Approximately 190.10 Acres, to Hāna Forest Reserve, Hāna, Maui.

Approval and Recommendation to the Governor Issuance of an Executive Order for Withdrawal of Tax Map Keys (2) 1-4-001: Portions of 003 and 004, Comprising Approximately 399.91 Acres, from Hāna Forest Reserve, Hāna, Maui.

Approval and Recommendation to the Governor Issuance of an Executive Order for Withdrawal of Tax Map Key (2) 4-8-001: Portion of 002,

Comprising Approximately 1.28 Acres, from West Maui Forest Reserve, Lahaina, Maui.

Approval and Recommendation to the Governor Issuance of an Executive Order for Withdrawal of Kaumahina State Wayside Tax Map Key (2) 1-1-001: Portion of 044, Comprising Approximately 7.80 Acres, from Ko‘olau Forest Reserve, Hāna, Maui.

Approval and Recommendation to the Governor Issuance of an Executive Order for Withdrawal of Pua‘a Ka‘a State Wayside, Tax Map Keys (2) 1-2-001: Portion of 003 and (2) 1-2-004: Portion of 005. Comprising Approximately 1.712 Acres, from Ko‘olau Forest Reserve, Hāna, Maui.

Approval and Recommendation to the Governor Issuance of an Executive Order for Withdrawal of Polipoli Spring State Recreation Area, Tax Map Keys (2) 2-2-007: Portions of 001 and 003, Comprising Approximately 7.00 Acres, from Kula Forest Reserve, Makawao, Maui.

Lisa Hadway-DOFAW indicated that there were a number of state parks that were still in the forest reserve system. There was a public hearing held on Maui, two people showed up and no testimony was submitted.

Unanimously approved as submitted (Gomes, Char)

Item D-1 After-the-Fact Approval of Right-of-Entry Permit to Hawaii Explosives & Pyrotechnics, Inc. for Set up and Firing of Aerial Fireworks Display at St. Regis Princeville Beach on February 5, 2015, Poipu, Kauai, Hawaii, Tax Map Key: (4) 5-4-004: seaward of 035.

Russell Tsuji-LAND pointed out that D-1 needed to be amended, the title refers to Poipu, it should be Hanalei, the TMK was correct.

AG Chow disclosed that there was no need to republish; D-1 identifies sufficient information.

The Board amended the Agenda title and the text of the submittal in the location section, by deleting references to Poipu and replacing it with Hanalei.

Unanimously approved as amended (Char, Gomes)

Item D-2 Authorize a One-Year Holdover of General Lease No. 3162, Scott Tadashi Hayashi, Lance Hiromu Hayashi and Terry S. Sakaitani and Kinue Sakaitani, Trustees under the Sakaitani Family Trust, Lessees, to be Immediately Followed by the Issuance of a Month-to-Month Revocable Permit and Issuance of a Bill of Sale Transferring All Improvements on the Property to the Lessees, Ocean View Lease Lots, Waiākea, South Hilo,

Hawaii, Tax Map Key: (3) 2-1-007:028.

Written testimony was submitted by Cory Harden.

Member Oi asked if all the property becomes property of the State in a holdover. Tsuji confirmed. LAND is asking is a holdover for a year and if DOT is still not ready to take over the land, then give them a 30 day permit.

Member Gomes referred to written testimony submitted by Cory Harden in regards to the \$644 security deposit. Harden didn't understand why that was recommended when the lesee have been taking care of the property for decades. It also seemed unfair to bill them \$3,000 on improvements they have made for themselves. Member Roehrig said he felt the same way and suggested amending the fees.

Tsuji explained that payment of improvements was because everything reverts back to the State. The improvements were in the house. Tsuji didn't have a position on amending this.

Member Roehrig made a motion to reduce the \$3,000 to \$1,500. Member Yuen seconded.

The Board amended Recommendation 3(c) by reducing the acquisition price of the improvements from \$3000 down to \$1500.

Unanimously approved as amended (Char, Gomes)

Item D-3 Amend Prior Board Action of June 13, 2014, Item D- 7, Sale of Flume Right-of-Way Reservation to Charles K. Novogradac and Deborah A. Milks, Papa'aloa Homesteads, North Hilo, Hawaii, Tax Map Key: (3) 3-5-001:053. And

The purpose of the amendment is to remove the word "undesigned" from page 2 of the prior Board approval under "Chapter 343 – Environmental Assessment" and from within the third paragraph of the "Remarks" section.

Unanimously approved as submitted (Char, Gomes)

Item D-4 Issuance of Right-of-Entry Permit to Waikīkī Community Center for Beach Activities Purposes to be held on March 14 and 15, 2015 at Duke Kahanamoku Beach, Honolulu, O'ahu, Tax Map Key: (1) 2-3-37: portion of 21.

Unanimously approved as submitted (Char, Gomes)

Item D-5 Issuance of a Right-of-Entry Permit to O'ahu Hawaiian Canoe Racing Association Hawaii and the Lanikai Canoe Club for the Duke Kahanamoku Long Distance Canoe Race Event to be held on August 16, 2015, at Waikīkī, Honolulu, O'ahu, Tax Map Key: (1) 2-3-037: portions of 021.

Unanimously approved as submitted (Char, Gomes)

Item J-2 Request to Write-Off Uncollectible Accounts.

Kevin Yim representing DOBOR stated that a correction needed to be made to the submittal. In all accounts listed, Mr. Shavers IS covered under statue. His boat is not impounded.

Member Roehrig commented that DLNR staff needs to be more compassionate when giving comments to media.

Member Woodside suggested amending the submittal to read “most are NOT covered under HRS §200-31(b)”.

Unanimously approved as amended (Woodside, Gomes)

Item K-1 Request the Authorization of the Board of Land and Natural Resources to Contract Qualified Professionals for Coordination of the Interagency Climate Adaptation Committee and Development of a Sea Level Rise Vulnerability and Adaptation Report for the State of Hawaii.

Sam Lemmo-OCCL presented item K-1 this is a follow up to last year’s legislative session to set up a climate adaptation committee. OCCL has been working diligently and feels like they are going to be successful in getting the money released. Board authorization is needed to construct a contract. The Board has already given authorization to work with UH. The amount is \$400,000.

Chair Chang asked if the money was going to a private consultant, not to UH. Lemmo confirmed.

Member Oi asked if the people on the list were created by the legislative branch. Lemmo said yes.

Shannon Wood testified that she appreciated how important this decision was. Wood explained how she wanted to work to get every day people involved. She urged the department to go through with this.

Member Roehrig commented that this was one of the most pressing issues on the North Shore of Oahu, it’s something that is frustrating because everyone disagrees. He wished Lemmo well, and the Board should think about how important this is.

Lemmo said he intends to keep the Board informed.

Unanimously approved as submitted (Gomes, Oi)

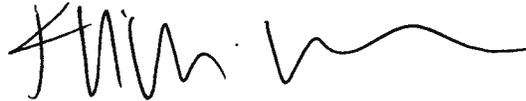
Item M-17 Direct Issuance of a Revocable Permit for a Variety of Maritime Activities to Support Tug and Cargo Operations at Piers 2 and 3, Kahului Harbor, Island of Maui, Hawai'i.

Carol Young with DOT-Harbors was present for questions. The Board had no questions in regards to item M-17

Unanimously approved as submitted (Gomes, Oi)

There being no further business, Acting Chairman Carty Chang adjourned the meeting at 10:37 a.m. Recording(s) of the meeting and all written testimonies 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,



Ku'ulei Moses
Land Board Secretary

Approved for submittal:



Suzanne D. Case
Chairperson
Department of Land and Natural Resources