

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

DATE: FRIDAY SEPTEMBER 23, 2016
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAI'I 96813

Chair Suzanne Case called the meeting of the Board of Land and Natural Resources to order at 9:00 a.m. The following were in attendance:

MEMBERS

James Gomes
Stanley Roehrig

Chris Yuen
Keone Downing

STAFF

Russell Tsuji-LAND
Ed Underwood-DOBOR
Jim Cogswell-DOFAW
Cal Miyahara-LAND
Maria Carnevale-PMNM

Curt Cottrell-PARKS
Daniel Ornellas-LAND
Jason Redulla-DOCARE
Alton Miyasaki-DAR

OTHERS

Cindy Young/Deputy AG
Christina Ohira/M8
Victor Vellasco/D1
Richard Stover/J1
Ross Smith/DOT-AIR

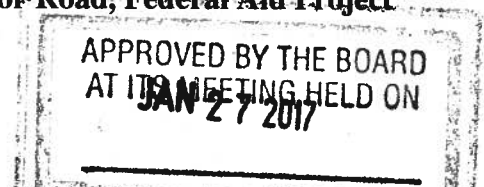
Wayne Imasa/DOT-HWY
Linda Chow/Deputy AG;D11
Soo Stover/J1
Jason Rose/J1

ITEM M-1 Issuance of a Direct Lease to Hawaiian Airlines, Inc. for a Cargo and Maintenance Hangar Facility, Honolulu International Airport, Tax Map Key: (1) 1-1-002:014 (Portion).

Written testimony was submitted by Airlines Committee of Hawaii.

Withdrawn

ITEM M-8 Amend Prior Board Action of September 9, 2010, Item M-1 to Authorize the Department of Transportation (DOT) to Dispose of Parcel B (AMB-1) and the Department of Land and Natural Resources (DLNR) to Dispose of Dewey Lane Remnant (PR-1) , Honolulu-Pearl Harbor Road, Federal Aid Project



**No. U-44 (9), Kalia Section, at Kalia, Waikiki, Honolulu, Oahu, Hawaii,
Abutting Tax Map Keys (1) 2-6-9:002 & (1) 2-6-9:003.**

The purpose of the amendment is to authorize DLNR to dispose of the Dewey Lane Remnant (PR-1) and to clarify that the compensation for the sale of Parcel B (AMB-1) will be in form of credits pursuant to the Memorandum of Agreement Between Hilton Hawaiian Village, LLC and State Department of Transportation dated February 13, 2007.

Wayne Imasa with the Department of Transportation Highways Division-DOT-HWY reviewed item M-8 and handed out maps and additional information. Imasa clarified that this was ceded land so 20% will be set aside for OHA, PR1 is DLNR land, so they are asking for permission to declare this a remnant and to sell it and the credit is for fair market value. OHA approved.

Member Downing asked if where the 15 on-site parking stalls were and questioned the restrooms. Imasa said he would have to check with Hilton. Member Downing said he would like to know, because this was all part of the expansion plan.

Member Yuen asked for clarification on the OHA 20%, he asked if the State would just account for the \$400,000 as receipts then pay OHA 20% based on that \$400,000, no money was actually coming in. Imasa confirmed; this was 20% of the \$400,000.

Christina Ohira representing Hilton said she would be able to clarify some things and answer the Board member's questions. Ohira explained that for PR1, Hilton is going to pay the State. They are going to cut a check for \$5,000. The DOT parcel was done in exchange for roughly 4 or 5 million dollars of work they did to improve Ala Moana Blvd.

In terms of the parking and restrooms; Hilton's primary parking lot has municipal parking stalls on the bottom. The restrooms by the Grand Waikiki Inn are unlocked and the public may use those restrooms.

Member Downing asked about the restrooms on the side of Duke Kahanamoku Lane, he said they were locked with no signage. Ohira said she would check, but they should not be locked.

Ohira wanted to be more precise on the language of the appraisals. The submittals said "Hilton hired an independent appraiser, she explained that Hilton paid for the appraisal, which is the process.

Member Downing asked how someone gets to the municipal parking. Ohira understood that municipal stalls that would be at the County rate, not Hilton's rate. She was willing to call Hilton to confirm.

Member Downing appreciated that; he said it's always nice to know where there's cheap parking.

Unanimously approved as submitted (Downing, Yuen)

ITEM D-11 Authorize the Chairperson to Accept the Release of Deed Restrictions regarding Public Recreation Purposes from the City and County of Honolulu at Aloha Stadium, Ewa, Honolulu, Oahu, Tax Map Key: (1) 9-9-003:portions of 055, 061, 069, 070, and 071; and Transfer of Deed Restrictions from Aloha Stadium to the Central Maui Regional Sports Complex, Waikapū, Wailuku, Maui, Tax Map Key: (2) 3-8-007:104.

Written testimony was submitted by Lt. Governor, Shan S. Tsutsui.

Russell Tsuji Administrator for Land Division-LAND conveyed item D-11. There were representatives from Aloha Stadium, DAGS and DLNR Counsel.

Member Downing asked what the zoning for the parcel was. Tsuji said it was originally Agriculture now, it's authorized as a park.

Member Downing asked if something should be found on Oahu and not put the burden on Maui to have to hold this in perpetuity as a public park because the State doesn't want to take care of this because it costs too much. Tsuji explained that it was because State Parks was not in the business of operating soccer fields and softball fields; they are more at a wilderness kind of park.

Member Downing understood that they needed a park, but if in 20 years this park hasn't all been developed and this area needed a school, they wouldn't be able to build a school because on the federal side it's being shifted from Oahu. Member Downing asked what good we were doing for them by putting this burden on them.

Tsuji detailed that the Maui parcel was acquired for a park.

Member Downing understood that, but attached to that was a deed from the federal government saying to keep it for those purposes.

Tsuji explained that it wasn't always intended to be a park, it was planned to be a park by A&B so with that newly acquired land, it has no restrictions and can be switched on there. What the Feds do not want is acquiring new lands.

Member Downing asked if Maui County was in an agreement and they all wanted this to happen. Tsuji told Member Downing that all the administrators have all met with the County Council.

Member Gomes/Acting Chair told Member Downing that there was a dedication, the Mayor was there and they were all in support. He also said that there was currently an operating school.

Deputy AG Linda Chow noted that there was currently an Elementary School directly adjacent from the park. She explained that the park wasn't acquired for using as an exchange for the stadium. The idea to acquire it and develop it was done independently. Hawaii County was

supportive of this area being a park because they realized there was a great need in this area and the need would only continue to grow as the areas around it were developed. Chow disclosed that she was also working on the Aloha Stadium issue and it came up that if an equivalent sized property could be found to be used in perpetuity for recreational and park purposes that would serve a similar purpose, then it makes sense that it would fit. The need for this park has been recognized for a long time, there is already a MOU with the County and they have been supportive. This would also help with the National Park Service, and they too have been very supportive.

Member Downing said he was having a hard time with this “burden” and didn’t understand why it was being taken from one island to another.

Chow explained that this does guarantee to the residents that this land will remain undeveloped and will remain an open space in perpetuity. Chow said that being able to pass this on took an act of Congress and that will probably never happen again.

Tsuji added that the land is State land.

Member Roehrig asked if the Aloha Stadium land was formerly federally land.

Chow explained that is now State land but was still subject to the deed restriction.

Member Roehrig asked why the Federal Government was still interested in this. Chow’s understanding was that the Feds had given money to the County to acquire the land that is under Aloha Stadium; because some was Federal money and was previously Federal land they imposed this federal restriction on it. The Federal restriction can be removed under certain conditions.

Member Yuen made a motion to approve, the Feds want it, the City and County wants, the Stadium Authority wants it, DLNR wants it, he was okay with it. Member Roehrig seconded.

Member Downing was opposed.

Member Yuen made a motion to defer this to the next meeting, because there was bare quorum.

All members made were in favor to defer.

Member Downing said that he would feel much better if he saw a letter of support from the County of Maui.

Curt Cottrell Administrator for State Parks explained that if the County fails ultimately it would come back to State Parks and would go fallow until they got partners with baseball associations

or schools or they could put it out to market. Parks is keenly interested in transferring this out to Maui County.

Member Gomes/ Acting Chair added that in the area where this park is located, there is a huge recreation need.

Member Yuen clarified that the EO hasn't been done and the EO would say it was for park purposes only.

Deferred

ITEM E-1 Issuance of a Right-of-Entry and Revocable Permit to Honolulu Seawater Air Conditioning, LLC, for Roadway Access and for Construction and Staging Area Purposes, Sand Island, Honolulu, Oahu, Tax Map Key: (1) 1-5-041:006 (Portion).

Curt Cottrell, Administrator for Division of State Parks added that this division receives Land and Water Conservation Funding – LWCF- through the National Park Service for portions of Sand Island and this funding source places recreational covenant on the portions of the park in perpetuity (subject to potential changes). This specific item is a big project, and sections of this property do not have LWCF covenants - as this funding source was previously used for capital improvements and /or land acquisition in other specific park areas.

Cottrell noted that on page #3 of the submittal it states that the applicant has attained a Special Use Permit from State Parks that has expired. What Cottrell was asking for today was a right of entry along the access road from the roadway into the parcel and the issuance of a revocable permit. He explained that this was a temporal project and was a perfect application to use as a disposition for this short duration use of the park land. Since there are homeless issues on property, having a responsible tenant on this vacant land will be useful in managing the property.

Victor Vellasco, a project engineer with Honolulu Seawater gave a short presentation to familiarize everyone with the project. This project was to develop a cooling system for downtown Honolulu.

Member Yuen noted that the Board did vote to extend the conservation use district permit on June 9, 2016 giving them until June 28, 2018.

Unanimously approved as submitted (Yuen, Roehrig)

ITEM J-2 Issuance of a Revocable Permit to HBM, LLC for Equipment Storage and Vessel Moorage Located at the Ala Wai Small Boat Harbor, Kalia, Honolulu, Island of Oahu, Hawaii Tax Map Key: (1) 2-3-037:020.

Ed Underwood Administrator for the Division of Boating and Ocean Recreation-DOBOR presented item J-2. He explained that this was the fuel dock site; on August 1, 2016 the site was turned over back to DOBOR/DLNR. The Honeybee bankruptcy has been completed and was thrown out by the judge. In this site there are numerous boats that were authorized by Honeybee to be there at the time, what DOBOR would like to do, is keep a presence on the site and keep the status quo until a plan is in place.

Member Roehrig asked if DOBOR was prepared to be a developer; Underwood said no. Member Roehrig suggested coming to a decision as to how DOBOR can more efficiently develop State lease land on the shoreline on the commercial areas around the state so the developers don't go in and lose it. He wanted some assurance that whoever was going in there was going to be successful.

Underwood said he felt the same, DOBOR wanted Honeybee, unfortunately they lost all their funding once they were given the lease. Once the plan is together, then they can start putting an RFP to separately.

Member Downing asked how much money has been made from the fuel dock. Underwood said nothing has been made, because Honey Bee was collecting the money. When DOBOR took it over August 1st, no agreement has been made.

Member Yuen asked how much Honey Bee was collecting in mooring permits. Underwood said it averaged around \$6,000 a month.

Member Downing asked how the people on the waitlist felt. The moorings to him should be controlled by the harbor master, the turned over to another entity; to him that didn't seem right. Underwood explained that historically this site has never been part of the Harbor inventory; it's always been part of an RFP. Yes, it could be turned into harbor inventory and managed by the harbors office.

Member Downing asked what they were getting out of doing this for us. Underwood said they needed to be able to make it work. DOBOR is giving them equipment storage, ability to have other commercial boats in the area, so they have angles to make money. He said it was no issue to issue the mooring permits; the issue is having staff on site. DOBOR has no way to have staff on site.

Member Roehrig asked if there was any kind of public hearing in regards to this, if so what did they say. Underwood disclosed that there have been public hearings and that the people are asking basically what the next step is. The primary issue was the people wanted it to be returned the way it was, the issue is that a haul out is not best in Waikiki.

Member Roehrig suggested using Chapter 53 and use development bonds.

Member Yuen asked Underwood to clarify that these slips have not been rented out for more than 20 years.

Underwood confirmed.

Member Yuen then asked if these slips would be part of the RFP. Underwood said yes, at this time.

Soo Stover introduced her husband Richard Stover; they own and operate Holokai Catamaran. In light of the Honey Bee bankruptcy, they created HMB LLC that would be the entity that would be managing the dock.

Member Downing asked how much they were paying Honey Bee. S. Stover disclosed that they were paying Honey Bee \$1,000 a month. When the lease was taken back by the State, there was an interim month in August and they paid the state \$536 for the Holokai mooring fee. When Honey Bee lost the lease the Stovers along with the 12 other tenants got together as a group and put together their application and documentation and provided it to the Harbor Master's office as a way to say that in the interim while DOBOR try to find another investor, they would be a self-managed group there. They would continue to maintain security, keep the area clean and still be able to provide mooring for the rest of the tenants that are there. The Stovers have been there for a little over a year.

S. Stover addressed the question of what they would get out of this; she said that they wanted provide a solution for all the tenants, but the biggest thing would be to find mooring; also to have equipment storage, an ice machine and a storage for their liquor. They were proposing that in the interim, they manage the area, collect the rent, and hand it over directly to the Harbor Master's office.

Member Downing asked if they were planning to use it to load their passengers. S. Stover said no, their beach catamaran is for the beach they load and unload their passengers on the beach.

R. Stover, said they weren't going to turn it into a business. S. Stover said that a live aboard may be an issue for some of the tenants, half of them may leave.

Member Roehrig asked if the Board could vote to authorize a live aboard. Member Yuen said, no, Underwood mentioned that.

Member Downing asked Underwood what type of insurance would be needed for them to do this. S. Stover said they have insurance already; they have a 1 million dollar policy.

Jason Rose, another tenant from the fuel dock testified that he has been there since October 2014. He indicated that he was on the waiting list and it would be nice to move up the list, but this is property that is not part of the State system right now.

Member Yuen made a motion to approve. He said this needs to be dealt with. The options are to take it back into the state inventory and run it ourselves where 1) there would be less money collected 2) the Department would have to watch it 3) if people are put on moorings then go out for an RFP, then these people are now under DLNR moorings. He felt like these should be kept at an interim arrangement and not limit the flexibility the department has at an RFP in the future.

Member Roehrig seconded and commented that he would like DOBOR to bring this back for discussion in the next six months for discussion. All were in favor.

Unanimously approved as submitted (Yuen, Roehrig)

ITEM J-1 Continuation of Revocable Permits to Anela Kai Catamarans, Inc., Island Beach Activities, Inc., Keпоikai, Ltd., King Parsons Enterprises, Ltd., Waikiki Cruises, LLC, Welakahao Catamaran, Inc., and Woodbridge Inc. to Embark and Disembark Passengers on Waikiki Beach, for the Purpose of Placing Permanent Anchors in the Beach in order to Secure the Vessel. (SEE EXHIBIT A ATTACHED)

Underwood-DOBOR explained that they were asking to continue the revocable permits that have been issued to the 7 Waikiki catamaran operators.

Member Downing asked if the annual fee should be \$24,000 instead of \$12,000. Underwood clarified that its \$200 a month or 3% of the gross receipts, whichever is greater; most of them all pay the 3%. They audit randomly. Some people pay over \$600 a month, some higher or lower.

Member Roehrig asked why the audit was random and not mandatory. Underwood explained that there is only one auditor for the State.

Unanimously approved as submitted (Downing, Yuen)

Member Roehrig suggested trying to audit everyone.

ITEM M-7 Issuance of a Right-of-Entry to Pacific Shipyards International, LLC, Santo Engineering, LLC, Kai Hawaii, and Morikawa & Associates, LLC, on State Lands to Construct a Photovoltaic Parking Canopy and Tent Structures at Piers 24 and 25, Honolulu Harbor, Hawaii, Tax Map Key No. (2) 1-5-038:1 (portion).

Tony Valdez with the Department of Transportation Harbors Division-DOT-HAR detailed that this was a follow up for a lease that was previously approved. The lease wouldn't begin until January 21, 2017, but HAR wants to give them access so they can start construction, this would help them reduce costs. Once they start moving this over, there may be a charge for storage under the district rate. It's important to get PSI out of pier 41 because it's crucial for the development of the Kapalama Container Terminal.

Unanimously approved as submitted (Roehrig, Yuen)

11:13 AM RECESS

11:19 AM RECONVENE

ITEM M-2 Issuance of a Revocable Permit for Aircraft Parking, Novictor Aviation LLC, Honolulu International Airport, Tax Map Key: (1) 1-1-003: 001 (Portion).

ITEM M-3 Issuance of a Revocable Permit for Parking and Storage of Vehicles, Manheim Remarketing, Inc. dba Manheim Hawaii, 2865 Ualena Street, Ualena Street, Honolulu International Airport, Tax Map Key: 1-1-04: 7 (Portion).

ITEM M-4 Final Approval for the Acquisition of Privately-Owned Lands and Set Aside to the Department of Transportation for Addition to Kahului Airport, Situate at Kahului, Island and County of Maui, Tax Map Key: (2) 3-8-001-002 (POR.), 267 (POR.) and 269 (POR.).

ITEM M-5 Issuance of a Revocable Permit for an Air Cargo Operation, Kamaka Air, Inc., Lanai Airport, Tax Map Key: (2) 4-9-02: Portion of 55.

ITEM M-6 Issuance of a Revocable Permit for Aircraft Parking, Hawaii Pacific Aviation Inc. dba Mauna Loa Helicopters, Kona International Airport at Keahole, Tax Map Key: (3) 7-3-43: Portion of 40.

Ross Smith Property Manager for the Department of Transportation Airports Division-DOT-AIR reviewed items M-2 through M-6.

Member Yuen asked when does the decision to purchase verses using some kind of zoning. Smith explained that in most cases the airports prefers to own as much property as possible.

Member Yuen asked about a vacant lot next to the Hilo Airport. Smith said the problem with that property was that it is in the flight path and because of FAA they cannot have a congregation of people or wildlife.

Russel Tsuji-LAND explained that the change in administration decided not to follow through in developing that land.

Member Roehrig made a motion to approve items M-2 through M-6.

Unanimously approved as submitted (Roehrig, Yuen)

ITEM D-6 Annual Renewal of Revocable Permits on the Islands of Maui, Lanai and Molokai. See Exhibit 2 for list of Revocable Permits. (EXHIBIT 2 ATTACHED)

Tsuji-LAND introduced Daniel Ornellas, Maui district land agent and Richard Howard who helped on this submittal. Due to the make-up of the Board, they removed Ulupalakua.

Member Downing commented that he felt sorry for the staff that's going to have to explore the possibility of selling a lease at public auction.

Tsuji said a lot of these were agriculture-Ag.

Member Gomes/Acting Chair told the Board members that Chair Case has been working with the Department of Ag to try to get these moving.

Tsuji added that they just came from a meeting with the director and came to an agreement about Oahu.

Member Gomes/Acting Chair commended Ornellas and staff.

Tsuji said they were working on getting another position.

Member Yuen asked about the letter from DOFAW in the file.

Jim Cogswell Acting Administrator for DOFAW said there was one item that he would like to bring to the attention of the Board. Cogswell said that a lot of the issues have already been resolved or they have good working relations with the tenants. DOFAW no longer had objections, just needed more clarification. They did have a recommendation for item D; RP 7571. This parcel has several listed endangered plants; the majority of this parcel is going to be listed at Fish and Wildlife as critical wildlife habitat. With that said DOFAW highly recommends that the RP tenants consult with DOFAW and do a survey for biological resources. DOFAW is also looking at this area to serve as a plant and wildlife sanctuary in the future.

Member Yuen asked about a seabird resting area. Ornellas said they just need to be told where the cross fence needed to be up in and they would put it in.

Cogswell was okay with everything else.

In regards to RP 5405 Member Yuen said there was comment about public access from Maui County and asked if they were in compliance. Ornellas believed they were in compliance; there were signs that indicated public parking and adequate areas for ingress and egress. It's well known in the community that there is public access.

Member Yuen next had a question about PR 5834; it said that the Board approved the issuance of an easement in 2011 but the value issued was disputed by the permittee. It was similar for the

next RP as well, Member Yuen asked if this was something that was moving along or if it was stuck.

Ornellas explained that this was a lack of staff issue, when the appraisal was done there was a transition in staff and it got buried over time. He said that they were willing to work with DLNR.

Member Yuen questioned RP 7869; he asked for more information on this. Ornellas detailed that this was located on Molokai; the resident built an unpermitted structure. That family has been there from the territorial period.

Member Yuen said he was fine with this unique situation; there were other RPs like this.

Member Gomes/ Acting Chair made a statement that there should be an earlier cut off time for testimony to be submitted. Testimony that comes in the day of the meeting doesn't give him enough time to review the documents.

Member Roehrig asked if there was an OHA representative present, there was none. He said he would like to have a representative present to present the testimony.

Member Yuen made a motion to approve as amended; as to Revocable Permit No. 7571, to approve the renewal but require the Permittee to consult with, and provide access to the Division of Forestry and Wildlife (DOFAW) the United States Fish & Wildlife (USFW) to perform a biological study and construct fencing as may be determined necessary by DOFAW or USFW. Member Roehrig seconded.

Unanimously approved as amended (Yuen, Roehrig)

ITEM B-1 Requesting to Enter into a Memorandum of Understanding Between the State of Hawaii, Department of Land and Natural Resources, and Marine Corps Base Hawaii for the Staging of a Division of Conservation and Resources Enforcement Patrol Boat and Personal Water Craft at Aboard Marine Corps Base Hawaii Kaneohe Bay.

Jason Redulla Acting Administrator for the Division of Conservation and Resources Enforcement-DOCARE presented item B-1. Having the vessels stored there will allow DOCARE to have a quicker response to windward Oahu waters. The base is secure, so it will minimize theft and damage to vessels.

Unanimously approved as submitted (Roehrig, Yuen)

ITEM B-2 Requesting to Enter into a Revocable License Agreement Between the State of Hawaii, Department of Land and Natural Resources, and the US Department of Commerce, National Oceanic and Atmospheric Administration for the Staging of Division of Conservation and Resources Enforcement Boats, Trailers, and Personal Water Craft at NOAA's Daniel K. Inouye Regional Center on Ford Island, Joint Base Pearl Harbor-Hickam, Hawaii.

Redulla-DOCARE explained that the reasons for this approval were similar to item B-2.

Member Gomes/ Acting Chair asked this wasn't thought of before.

Redulla said they've tried in the past, however opportunities to store them on a more permanent basis has not come up until now. The military sees value in having DOCARE vessels there; DOCARE works with them in many ways.

Unanimously approved as submitted (Roehrig, Yuen)

**ITEM C-1 Request for Authorization for the Chairperson of the Board of Land and Natural Resources to Sign, Execute, Amend, and Extend Agreement(s), Contract(s), and Other Document(s) for the Operating Grant-in-Aid to Hawaii Wildfire Management Organization to Support Wildfire Related Outreach and Education and Hazardous Vegetation Reduction Planning Statewide
And
Request Approval of Declaration of Exemption to Chapter 343, Hawaii Revised Statutes, Environmental Compliance Requirements for the Project.**

Jim Cogswell-DOFAW conveyed item C-1. DOFAW has worked with the Hawaii Wildfire Management Organization before and are in support of this.

Unanimously approved as submitted (Yuen, Roehrig)

ITEM D-1 Request for Grant of Term, Non-Exclusive Easement to Edmund D. Gregoire and Linda L. Gregoire for Seawall Purposes, Assess Administrative Cost of \$500.00; por. of Kukuiula Subdivision, Kukuiula, Koloa, Kona, Kauai, Tax Map Key: (4) 2-6-011:019.

Tsuji-LAND asked to amend the word "access" to "assess".

Unanimously approved as amended (Downing, Yuen)

ITEM D-2 Issuance of Right-of-Entry Permit to Hawaii Explosives & Pyrotechnics, Inc. for Set Up, Firing, and all other Pre-display and Post-display activities for the Porter-Lyon Wedding Aerial Fireworks Display at Mauna Kea Beach's Kauna`oa Beach on October 29, 2016, on unencumbered State lands, Ouli, South Kohala, Hawaii, Tax Map Key: (3) 6-2-002: seaward of parcel 004.

Tsuji-LAND asked to strike recommendation no. 2 B by striking the review of the right of entry by the Department of the Attorney General. They don't review and approve right of entries.

Member Downing said that he asked that these fireworks displays need to be moved so the rubbish is not going in the ocean.

Tsuji said he would coordinate a meeting with Hawaii Explosives.

Member Roehrig said he too was generally not in favor of having fireworks on this beach.

Member Yuen asked if they still needed a right of entry to exclude people from the beach. Tsuji said yes, to the golf course.

There was discussion about a safety zone, the angle of the fireworks being shot and the wind direction.

Member Yuen asked if this should be deferred. Member Downing noted that the wedding was in two weeks.

Member Downing said he was going to grant it this time; but he's going to have a hard time without meeting with them.

Member Roehrig said next time there's a wedding the Board will vote no, if there's no meeting.

It was noted that a meeting would be held with Member Downing, Land Division and Hawaii Explosives.

Unanimously approved as submitted (Downing, Roehrig)

ITEM D-3 Issuance of Right-of-Entry Permit to Maui's Original Hawaiian Corporate Games, Inc., for Volleyball Competition Purposes, Wailea Beach, Paeahu, Honuaula, Maui, Tax Map Keys (2) 2-1-008: seaward of 109.

Nothing to add, no comments and no public testimony.

Unanimously approved as submitted (Yuen, Downing)

ITEM D-4 Amendment of Grant of Non-Exclusive Easement, General Lease (GL) No. S-6008, for Seawall Purposes, to Stanley Gerald Dunn, Trustee of the Stanley Gerald Dunn Revocable Living Trust dated February 27, 2003; Wainee, Lahaina, Maui, Tax Map Key: (2) 4-5-003: seaward of 025.

The Purpose of this Amendment is to Increase the Easement Area to 258 Square Feet, More or Less.

Written testimony was submitted by Stanley A. Deal and Dilara o. Dea.

Tsuji-LAND noted that there was testimony in support. There were no amendments, no comments and no public testimony.

Unanimously approved as submitted (Roehrig, Yuen)

ITEM D-5 Issuance of a Right-of-Entry Permit to the Oahu Hawaiian Canoe Racing Association for the 2016 Molokai Hoe Outrigger Canoe Race Event

Operations and Staging Purposes; Tax Map Key: (2) 5-1-002:012, Hale-o-Lono, Kaluakoi, Molokai.

Member Yuen said the issue with this one was that they ask for 10 years, but the staff recommendation is for 4 years.

Member Downing asked if the price should be lowered to \$500 instead of \$2,000. He said that as a Board they needed to decide a template and be more consistent.

Tsuji said that generally you would see 10 cents per square foot.

Member Downing asked what the justification was if someone asks why they are being given a special rate.

Member Yuen said that the right of entry was only for a short time, they could adjust the right of entry on less than a day basis.

Member Downing wanted to know if there was going to be a structure, or is it always going to be arbitrary.

Cal Miyahara-LAND detailed that the 10 cents per square foot applies to most everything, the fireworks are separate. As member Yuen pointed out, they don't use the whole area for a long period of time. The area that is charged of the 500 square ft. is 10 cents per square foot, comes out to \$50. The safety zone area was needed and is only about 30-40 min before the show. In his opinion charging them the 10 cents for a short period of time was not needed.

Member Downing said that for the Friday night shows, when they set up the block up a lot of area; it's not a small area. He said that there needs to be a structure that says why people pay what.

Tsuji said reminded the Board that the 10 cents was implemented by the Board years ago.

Member Roehrig suggested raising the 10 cents.

Unanimously approved as submitted (Yuen, Roehrig)

ITEM D-9 Issuance of Right-of-Entry Permit to Hawaii Explosives and Pyrotechnics, Inc. for Aerial Fireworks Display on December 31, 2016 at the beach fronting Kahala Hotel, Waialae, Honolulu, Oahu, Tax Map Key: (1) 3-5-023:seaward of 041.

Miyahara explained that D-2 was \$600 and D-9 was \$550 was because the square footage of the set up area, the safety zone remained the same on both sides.

Unanimously approved as submitted (Roehrig, Yuen)

ITEM D-8 Issuance of Right-of-Entry Permit to Hilton Hawaiian Village LLC for Beach Activities Purposes on October 21 and 22, 2016 Waikiki, Honolulu, Oahu, Tax Map Key: (1) 2-3-037:Portion of 021.

Tsuji and staff think this is a great event.

Unanimously approved as submitted (Downing, Yuen)

ITEM F-1 Request for Approval to enter into a Federally Funded Contract for Goods and Services between Department of Health and the Department of Land and Natural Resources (\$88,402.42) to support the State's mission of Pollution Runoff Control Program, West Maui.

Alton Miyasaka with the Division of Aquatic Resources-DAR explained that this was for a 2 year contract. There were no changes and no questions.

Unanimously approved as submitted (Roehrig, Yuen)

ITEM F-2 Request for Authorization and Delegation to the Chairperson to Issue a Papahānaumokuākea Marine National Monument Conservation and Management Permit to the Army Corps of Engineers, U.S. Coast Guard, Element Environmental, and/or a Salvage Company (TBD) for Access to State Waters to conduct salvage activities at Kure Atoll.

Written testimony was submitted by Robert A. Glascott.

Maria Carnevale State Manager for Papahānaumokuākea provided context on the permit authorization including delegation of authority request.

Member Gomes asked if this type of activity had previously occurred in this region. Carnevale responded that while a lot had occurred at this atoll, prior history was outside the lagoon. This salvage would occur inside the lagoon which presented different challenges. Member Gomes asked if this incident damaged any corals. Carnevale answered no, that the pictures indicated that the excavator was in sand and that the landing craft was examined by DAR staff upon its return to Honolulu. This examination confirmed that no damage to coral had occurred.

Member Downing asked why this activity hasn't fallen under emergency and instead under the permit stage come to us; it's been 20+ days since the incident, its leaking fuel in a place where we are supposed to be good conservationists? If it was an emergency then it could be done right away.

Carnevale expressed: That whether or not this activity was deemed an emergency vs. requiring a permit would not make this activity occur any sooner. She described the other factors in play as to why that excavator has not been removed from that lagoon. Mostly the responsible party's (RP) lack of an approved salvage plan. The initial salvage plan wasn't forwarded [from the US Army Corps] to the stakeholder group, inclusive of the State of Hawaii, due to the fact that the responsible party's preferred action plan was to leave the excavator up in the lagoon, ie. not conduct any salvage. The second iteration produced a salvage plan that is also grossly inadequate. The plan requests that the Army Corps relieve the RP of any liability as well as not

being written by a professional salvage company. This iteration lacks a risk assessment and standard components [that the State would need to move forward]. Carnevale went on to describe that as of Wednesday, the Army Corps has issued a Notice of Default and Letter to Cure. The RP has 10 days to produce an adequate plan or else the Army Corps will conduct the salvage and charge the RP. The Army Corps is currently withholding payment to the RP for a little less than 900K as insurance in this case.

She went on to confirm that the issuance of a permit in this instance is not what is holding up the salvage and explained that the issuance of a permit in this instance protects the resources and gives the State of Hawaii the strongest tool as the managers of that place so that if anything goes wrong with the salvage there is a clear relationship [between the State and the RP] and clear remedy going forward. [The permit] is the State's insurance going forward with this operation.

Member Roehrig asked about the incident itself- why did the vessel capsize. How big were the waves, etc. How do we prevent this from happening again. Carnevale explained that details were left out of the submittal since there were injuries that took place and the incident was under investigation by the US Coast Guard as it is a marine incident. Member Roehrig continued to ask if there was any liability for this incident.

Member Roehrig said that these types of things need to be looked at more carefully and would like an emergency remediation plan in place so that the State can act within 24 hours in the future. Carnevale reiterated that the permit did not delay this activity instead logistical challenges exist, such as the availability of assets to conduct the work and getting salvage companies under contract that delay salvage.

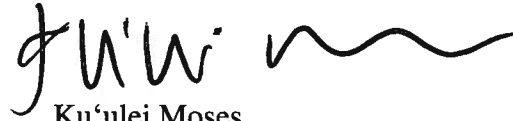
Member Downing recapped that they've learned from this incident and they are going to come up with a plan so this doesn't happen again.

Carnevale had one amendment, to extend the date to September 22, 2017.

Unanimously approved as amended (Yuen, Roehrig)

There being no further business, Acting Chair James Gomes adjourned the meeting at 1:21 p.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,

A handwritten signature in black ink, appearing to read 'Ku'ulei Moses', with a wavy line extending to the right.

Ku'ulei Moses
Land Board Secretary

Approved for submittal:

A handwritten signature in black ink, appearing to read 'Suzanne D. Case', written over a horizontal line.

Suzanne D. Case
Chairperson
Department of Land and Natural Resources