

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

July 28, 2017

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

Ref: 04OD-327

OAHU

Amend Prior Board Action of October 26, 2007, Item D-8, as amended *Quitclaim of State's Interests, if any, in the Proposed Kuakini Street Extension Road and Adjacent Lands to the City and County of Honolulu and Hawaii Health Systems Corporation; Acceptance of Quitclaim Deed from the City and County of Honolulu, and Set Aside to Hawaii Public Housing Authority for Stonewall Encroachment, Kapalama, Honolulu, Oahu; TMK (1) 1-6-9:1 and Proposed Kuakini Street Extension Road*

The Amendments include (1) Stipulating to Restrictive Covenants for At-Grade Parking and No Improvements Except Security Fencing for the Parcel to be Conveyed to Hawaii Health Systems Corporation, (2) Issuance of an Immediate Right-of-Entry Permit to Hawaii Health System Corporation, (3) Rescinding the Approvals Regarding Any Quitclaims Deed To and From the City and County of Honolulu over Portions of Road, and (4) Rescinding the Approval for Setting Aside to Hawaii Public Housing Authority.

BACKGROUND:

The subject request pertains to the Kuakini Street Extension, which involves building the extension with an improved traffic-light intersection. The construction of the new road was completed last year.

There were numerous discussions among the stakeholders, including the State, the City and County of Honolulu (City), and the community. In December 2004, Board approved the conveyance of the subject parcel to the City for the road project. However, the City requested the Board in March 2006 to rescind the 2004 approval due to the lack of City funding and other higher priority public projects.

After 2006, Senator Chun-Oakland and the community continued to discuss the project with the City's administration. Eventually, agreement was made among the parties involved and developed into the 2007 Board action described in this submittal.

2007 Board Action

On October 26, 2007, under agenda item D-8, (see **Exhibit 1**), the Board approved, as amended, the following recommendations:

1. Quitclaim of State interests, if any, over the proposed Kuakini Street Extension Road and portion of Parcel 1 to the City;
2. Quitclaim of State interests, if any, over remainder of the current roadway parcel and portion of Parcel 1 to the Hawaii Health Systems Corporation(HHSC);
3. Acceptance of quitclaim of interests, if any, from the City over portions of Parcel 1;¹
4. Setting aside portion of encroaching stone wall to Hawaii Public Housing Authority (HPHA);
5. Issuance of right-of-entry to the City;

Current progress and amendments requested, if appropriate

[**Note:** For the various actions requested herein, staff is using an annotated map attached as **Exhibit 2** as modified from the 2007 submittal and the same numbering of the approved recommendations described above for ease of reference.]

1. Quitclaim of State interests, if any, over the proposed Kuakini Street Extension Road and portion of Parcel 1 to the City.

Pursuant to the preamble in Act 288, SLH 1993, it is Land Division's practice that formal documentation (i.e., quitclaim deeds) be issued on roads owned by the counties under Section 264-2, HRS, only when the county is going to subsequently dispose of any real property interests (fee conveyance or any interests less than fee) in at least a portion of the road to a third party. In all other cases, the State's position is that the fee simple interest in the road was passed to the counties by operation of law and documentation is unnecessary.

Staff understands that the City has no intent to convey any portion of the road to a third party.

Action 1: Staff recommends the Board amend its prior approval by removing the action of a quitclaim deed for the transfer, for housekeeping purposes.

2. Quitclaim of State if any, over remainder of the abandoned roadway parcel and portion of Parcel 1 to the Hawaii Health Systems Corporation (HHSC):

HHSC, its consultant, and the community have met and discussed the final

¹ Any interest the City may have parcel 1 will be included as portion of parcel to be conveyed to Hawaii Health Systems Corporation by the requested quitclaim deed.

design of the proposed parking area over HHSC's lot. Staff is working with HHSC and its consultant on the proposed subdivision map before an application can be submitted to the Department of Planning and Permitting.

The present makai lane of Keola Road (Makai Lane) will continue to serve as a public road. The Director of the City's Department of Transportation Services, through his email dated August 11, 2015, confirmed that the City, through the Department of Facility Maintenance, is anticipating continued maintenance of the privately owned Keola Street as well as the Kuakini Street extension.

Staff understands a subsequent road-paving project was conducted by the City over the Makai Lane.

At HHSC board meeting on November 29, 2007 [minutes attached as **Exhibit 3**], HHSC passed a motion to accept the transfer of the HHSC lot for use as an at-grade uncovered parking lot, and under the condition that no other structures shall be built except for security fencing not higher than six feet in height. These restrictive covenants shall be stipulated in the deed and run with the land to be conveyed.

Staff also recommends the Board authorize the issuance of an immediate management right-of-entry over the subject area 1 to HHSC. Upon issuance of the right-of-entry, staff understands HHSC will start using it as employee parking as planned, while the planning and construction of a permanent parking lot is moving along simultaneously.

Action 2: Staff recommends the Board amend its prior action by stipulating to the covenants described above, and issuing a right-of-entry to HHSC.

3. Acceptance of quitclaim of interests, if any, from the City over portions of parcel 1

The portion of Parcel 1 covered by this action was meant to be the portion of the previous road over the proposed HHSC's lot. Unless the subject portion is surveyed and legally subdivided from the rest of parcel 1, the quitclaim cannot move forward. Staff understands the City has no funding for the subject road project's survey and subdivision requirements as mentioned above. Nevertheless, this situation shall not affect the State's issuance of a quitclaim deed to HHSC.

Action 3: Staff recommends the Board amend its prior approval by removing the action of a quitclaim deed from the City, for housekeeping purposes.

4. Setting aside portion of encroaching stone wall to Hawaii Public Housing Authority

Staff understands the City is planning to enter into an agreement with Hawaii Public Housing Authority over the subject stone wall. Therefore, Recommendation 4 regarding setting aside is no longer needed. Staff recommends the Board rescind this recommendation.

Action 4: Staff recommends the Board amend its prior approval by removing the action of setting aside portions of the encroachment, for housekeeping purposes.

5. Issuance of right-of-entry to the City

The construction was completed and the new extension is open for public's use commencing around the end of 2016.

Action 5: None.

Public agencies, including Department of Transportation Services, Department of Planning and Permitting, Hawaii Health System Corporation, Office of Representative Ono, Office of former Senator Chun-Oakland, representative from the Neighborhood Board and the community participated in numerous meetings and discussions for this project. Concerns have been discussed and incorporated, if appropriate, in this request.

RECOMMENDATION: That the Board amend its prior action of October 26, 2007, under agenda item D-8, by:

A. Replacing the entire Recommendation 2 with the following:

“2. Authorize the quitclaim of interests the State may have, if any, in the remainder of the subject abandoned roadway parcel and portions of Parcel 1 to the Hawaii Health Systems Corporation 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 quitclaim deed form, as may be amended from time to time;
- B. Review and approval by the Department of the Attorney General;
- C. The subject area shall be used for at-grade uncovered parking;

- D. No improvements, except security fencing not exceeding six feet in height, shall be placed on the subject area;
 - E. The above restrictive covenants shall run with the subject area to be conveyed;
 - F. Issuance of an immediate management right-of-entry to HHSC, which shall expire upon the consummation of the transfer document; and
 - G. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.”
- B. Rescinding Recommendations 1, 3, and 4; and
- C. All other terms and conditions of the October 26, 2007 approval shall remain in full force and effect.

Respectfully Submitted,


Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:


Suzanne D. Case, Chairperson

EXHIBIT 1

AMENDED

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

October 26, 2007

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

PSF No.: 04OD-327

OAHU

Quitclaim of State's Interests, if Any, in the Proposed Kuakini Street Extension Road and Adjacent Lands to the City and County of Honolulu and Hawaii Health Systems Corporation; Acceptance of a Quitclaim Deed from the City and County of Honolulu, and Set Aside to Hawaii Public Housing Authority for Stonewall Encroachment, Kapalama, Oahu, Tax Map Key: (1) 1-6-9:1 and Proposed Kuakini Street Extension Road.

APPLICANT:

City and County of Honolulu (City) whose business and mailing address is 250 South King Street, Honolulu, Hawaii 96813.

Hawaii Health Systems Corporation (HHSC) whose business and mailing address is 3675 Kilauea Avenue, Honolulu, Hawaii 96816.

Hawaii Public Housing Authority whose business and mailing address is 1002 North School Street, Honolulu, Hawaii 96817.

REQUEST:

1. Quitclaim State's interest, if any, in the proposed Kuakini Street Extension Road and adjacent lands to the City and County of Honolulu.
2. Quitclaim State's interest, if any, on the adjacent lands to the Hawaii Health Systems Corporation.
3. Accept a quitclaim deed from the City and County of Honolulu for portions of Parcel 1 (roadway).
4. Set aside to Hawaii Public Housing Authority for two (2) stonewall encroachments.

LEGAL REFERENCE:

Sections 171-11, 95(a)(5) and 264-2, Hawaii Revised Statutes, as amended.

as Amended
APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON
October 26, 2007

EXHIBIT "1"

LOCATION:

Portion of Government lands of Kapalama situated at Honolulu, Oahu, identified by Tax Map Key: (1) 1-6-9:1 and Proposed Kuakini Street Extension Road, as shown on the attached map labeled Exhibit A.

AREA:

To be determined by survey.

ZONING:

State Land Use District: Urban
City & County of Honolulu CZO: R-5

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:

Portions of the Proposed Kuakini Extension Road is an existing County road and vacant. Portions of Parcel 1 is an existing County road and vacant.

CONSIDERATION:

Not applicable.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is merely a transfer of ownership and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements. 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.

APPLICANT REQUIREMENTS:

Applicant (City) shall be required to:

- 1) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.
- 2) Subdivide the current parcel into two parcels while also carving out the stonewall encroachments.

BACKGROUND:

At its December 10, 2004 meeting, under Item D-22, the Land Board approved the conveyance of State lands to the City and County of Honolulu for the City's Department of Transportation Services for their Proposed Kuakini Street Extension Project. The project involves the construction of a roadway connecting Kuakini Street to Hala Street and creating a 4-way intersection at Kuakini Street and Lanakila Avenue. (Exhibit A) The Board's approval also included a construction and management right-of-entry to be issued to the City. No further action was taken by the City pursuant to the Board's December 10, 2004 approval.

On March 31, 2006, staff met with City Director Melvin Kaku from the Department of Transportation Services and Mr. Reid Yamashiro, Deputy Corporation Counsel to inquire if the City was going to proceed with the Project. Mr. Kaku indicated this Project does not meet the Mayor's three (3) points, is under funded (short \$800,000) and is a low priority due to other emergencies. The City would consider an easement without the remnants as maintenance of the remnants would be costly for the City. Staff informed Mr. Kaku that the State would not accept having remnants left behind for the State to maintain and be potentially liable for.

Our meeting ended with the understanding the State would recommend that the Land Board rescind its December 2004 approval. The State would then step in and secure, clean-up and maintain the State property upon cancellation of the prior Board action. At its April 13, 2006 meeting, under Item D-10, the Land Board rescinded its prior approval of December 10, 2004. Land Division paid a contractor to clean-up the property.

Since then, discussions have continued with participation from Senator Suzanne Chun-Oakland, Representative Corrine Ching, Councilman Rod Tam, and other community stakeholders. The main objective was to find workable solutions that would allow for the construction of the Kuakini Street extension while not requiring the State to maintain any remnant portions of the parcel.

ANALYSIS:

It is our understanding that the City does not want to accept the conveyance of the entire State parcel for the Kuakini Street Extension Project primarily for two reasons. First, the City's Department of Transportation Services (DTS) does not want to be responsible for two (2) small stonewall encroachments situated makai of the planned road because they believe those walls might collapse during construction. Second, DTS claims that it does not have the financial resources or staffing to improve and maintain any areas of land outside of the area necessary for the road itself. DTS ideally only wants sufficient lands for the physical road on the ground, thus creating two (2) small remnant parcels mauka and makai of the planned road. This is unacceptable to the State as this would raise

maintenance and liability concerns for the State.

Lengthy discussions continued into 2007 between government officials, HHSC representatives, and the area residents to develop a win-win proposal. On October 11, 2007 a letter was sent to Mr. Jeff Coelho, Director of Customer Services, (Exhibit B), which proposed the following:

1. Proceed with subdividing the parcel into two pieces of which the makai right-of-way area which will then be conveyed to the City together with the lands necessary for the planned road realignment (the Kauakini Extension project). This subdivision would allow DTS to proceed with its plans on constructing the improvements for the Kuakini Street Extension project.
2. From the makai portion of the parcel, the two (2) small stonewall encroachments would be subdivided out. These stonewall encroachments are part of the existing stonewall located on lands encumbered by Governor's Executive Order No. 1274 to Hawaii Housing Authority (now Hawaii Public Housing Authority) for the Lanakila Emergency Homes. Recommend to the Governor a set aside to Hawaii Public Housing Authority. This will ensure the integrity of the stonewall and that it is properly cared for by Hawaii Public Housing Authority.
3. HHSC has expressed an interest in accepting the mauka remnant parcel next to Keola Road to be used as additional parking for Maluhia Hospital staff. The area residents have requested that certain covenants be placed in the deed to HHSC restricting its use of the parcel to parking purposes only. The Board of Directors of HHSC is expected to approve these covenants at its next meeting. Staff has no objections to processing such a conveyance to HHSC.
4. Within the mauka remnant, intended for conveyance to HHSC, is a portion of Keola Road that is currently laid out as an existing road which is paved and maintained by the City. Within this mauka parcel is a portion of Keola Road that will not be needed as a result of the Kuakini Street extension project. The City will need to quitclaim its interest in this portion of Keola Road to the State prior to the State's conveyance to HHSC.
5. At least 10 feet or more of Keola Road, representing approximately one-half of the current roadway, is located in the State mauka remnant parcel. This portion of the current roadway that is on the State parcel will be conveyed to the City as it is laid out as an existing road that is paved and maintained by the City. The other half of Keola Road, i.e. the adjacent 10 feet or so of Keola Road, is private property. The two-lane road needed by the residents for ingress and egress will be satisfied by this combination of private and

City road.

CONCLUSION:

This proposal allows the City to proceed with the Kuakini Street Extension Project. Maluhia Hospital will have nearby additional lands for a small parking lot for its employees.

Staff has provided for the issuance of a right-of-entry to the City and County of Honolulu. This will allow the City to proceed with due diligence tasks (survey, subdivision, etc.) necessary to complete the conveyance and to commence their project.

RECOMMENDATION: That the Board:

1. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the quitclaim of interests, if any, the State may have in the subject roadway parcel and portions of Parcel 1 to the City and County of Honolulu 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 quitclaim deed (roads) 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.
2. Authorize the quitclaim of interests, if any, the State may have in the remainder of the subject roadway parcel and portions of Parcel 1 to the Hawaii Health Systems Corporation 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 quitclaim deed 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.
3. Authorize the acceptance of a quitclaim of interests, if any, the City and County of Honolulu may have in the subject roadway parcel located on a portion of Parcel 1 to the State of Hawaii, subject to the following:
 - A. Review and approval by the Department of the Attorney General;

and

- B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
- 4. Approve of and recommend to the Governor the issuance of an executive order setting aside a portion of the subject lands to Hawaii Public Housing Authority under the terms and conditions cited above, which are by this reference incorporated herein and subject further 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.
- 5. Authorize the issuance of a right-of-entry permit to the City and County of Honolulu 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 right-of-entry permit form, as may be amended from time to time and
 - B. Such other terms and conditions as may be prescribed by

Respectfully Submitted,



Charlene E. Unoki
Assistant Administrator

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson

m Approved As Amended. In response to all letter dated October 22, 2007 from Mr. Melvin Kaku, Director for Department of Transportation Services, staff proposed and the Board approved the following amendments to the written submittal:

Added to Page 4 Number 3. "On October 18, 2007, the HHSC Board authorized to accept the transfer of the mauka remnant for use as an at-grade parking lot, which will be built in compliance with City & County of Honolulu building codes, no other structure shall be built on the property except for security fencing."

DEPARTMENT OF CUSTOMER SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 302-A, HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4740 FAX: (808) 527-6682
<http://www.honolulu.gov>

MUFI HANNEMANN
MAYOR



JEFF J. COELHO
DIRECTOR

HUBERT P. MINN
SENIOR ADVISOR

October 9, 2007

The Honorable Rod Tam
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Councilmember Tam:

The following is provided in response to your question for a timeline regarding the Kuakini Street Extension. We are awaiting the proposal from DLNR regarding minimum land requirements for the roadway construction.

In order to possibly encumber existing funds by December 31, 2007, we need to complete the bid process by December 16, 2007, with advertising for the project placed by November 6, 2007. To begin the bid process, we require completion of the conveyance of the proposed right of way.

In summary:

- Receive the DLNR proposal by October 12, 2007.
- Review with comments and return to DLNR by October 22, 2007.
- Receive final acceptable offer from DLNR by October 26, 2007.
- All documentation completed prior to advertisement of bid.
(November 6, 2007)

Any attempt to place new monies for FY09 would need to be done by November 15, 2007. While this would meet the CIP cutoff date for submittal by the administration, it is unclear if the project would make it to the recommended CIP list for FY09.

Yours truly,

A handwritten signature in black ink, appearing to read "Jeff Coelho", followed by a horizontal line.

Jeff J. Coelho
Director

cc: Senator Suzanne Chun-Oakland

EXHIBIT "B"

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

OCT 11 2007

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Mr. Jeff J. Coelho
Director of Customer Services
City and County of Honolulu
539 S. King Street, Room 302A
Honolulu, Hawaii 96813

SUBJECT: Kuakini Street Extension Project

Dear Mr. Coelho:

It is my understanding that the City and County of Honolulu (County) desires to obtain a portion of the State parcel identified as TMK: (1) 1-6-9:1 (Parcel 1) for use in constructing the Kuakini Street Extension Project. It is also my understanding that Hawaii Health Systems Corporation (HHSC) has expressed an interest in the portion of the above identified parcel on the mauka side of the Kuakini Street Extension Project next to Keola Road. Upon approval by the County and HHSC, Land Division's staff will recommend to the Board of Land and Natural Resources (Board) the following:

1. Convey to the County the portion of Parcel 1 necessary for the proposed Kuakini Street extension on the ground and any other areas makai of the extension for the City's project. This area is shaded on the attached map in red. This area would not include any of the rock wall adjoining Parcel 1 which are currently located on the adjoining parcel. There are currently two minor encroachments of the rock wall onto Parcel 1. These encroachments, shaded in blue, will be subdivided out from Parcel 1 prior to conveyance of the portion of Parcel 1 to the County. This conveyance would be subject to the following conditions:
 - a. The County will be required to process and obtain subdivision at Applicant's own cost; and
 - b. Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.
 - c. The County would be required to remove all construction materials and debris from the surrounding areas upon completion of the roadway.

EXHIBIT "C"

2. Convey to HHSC the remaining portion of Parcel 1 mauka of the proposed Kuakini Street Extension Project upon terms acceptable to HHSC and the area residents. This area is shaded on the attached map in yellow.

The conveyance to HHSC would be subject to the condition that the County execute a quitclaim deed to a portion of the existing Keola Road to the State so that the State may in turn convey the entire remaining portion of Parcel 1, including access to the parcel, to HHSC. The portion of the existing Keola Road which the State would require to be quitclaimed is shaded in green. There is still a portion of Keola Road that would be retained by the County which is along the mauka boundary of Parcel 1. This would enable the portion of Keola Road that services the local residents to remain as a two lane road. The portion that is to be retained by the County is shaded in purple. The remainder of Keola Road that is not shaded is believed to be the private property of the area residents.

Based on the Board's prior action of December 10, 2004, in which the Board approved the conveyance of the entire parcel to the County for purposes of the Kuakini Street Extension Project, it is likely that the Board will approve this modified conveyance.¹

If the above conceptual plan is acceptable to the County, contact Charlene Unoki of our Land Division at 587-0426 to complete the transaction as outlined above. Thank you.

Sincerely,


for Laura H. Thielen
Chairperson

Cc:

¹ The approval of the conveyance of the entire parcel was subsequently rescinded on April 13, 2006, upon request from the County.

EXHIBIT 2

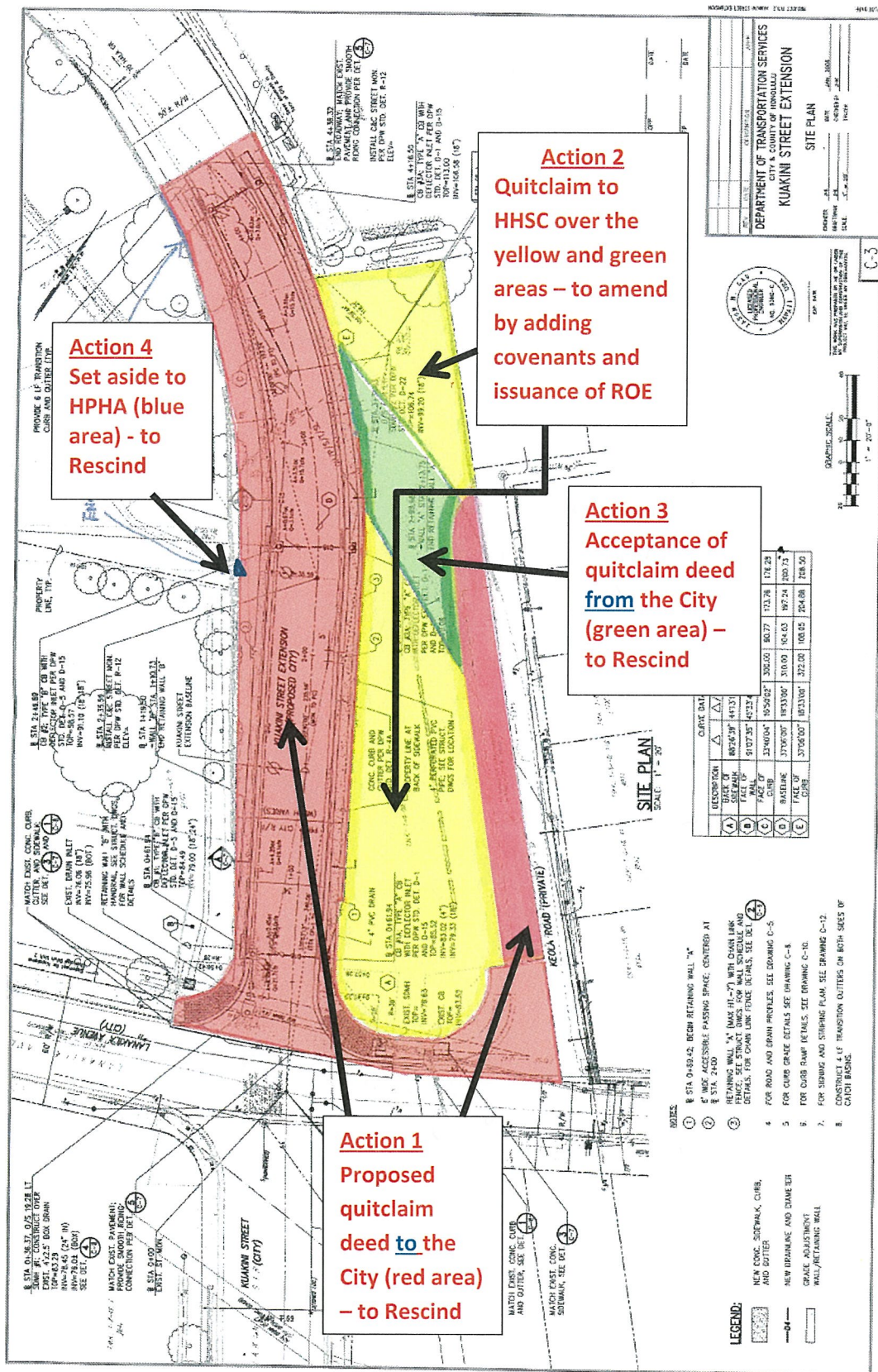


EXHIBIT 3



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

**HAWAII HEALTH SYSTEMS CORPORATION
CORPORATE BOARD OF DIRECTORS MEETING MINUTES**

DATE: November 29, 2007

TIME: 10:00 a.m. – 3:00 p.m.

PLACE: Kona Community Hospital

PRESENT: Andrew Don, M.D., Maui – Governor Appointed Member, Chair
Avery Chumbley, Maui Region Member
Barry Mizuno, East Hawaii Region Member
Catherine Nobriga Kim, Maui Region Member, (via VTC Maui Memorial Medical Center)
Chiyome Fukino, M.D., Ex Officio Member
Gerald S. Tomory, M.D., Physician Member
Jean Odo, Kauai Region Member
Judge Clifford Nakea, (Retired), Kauai Region Member
Raymond Ono, Oahu Region Member, Secretary/Treasurer
Richard Vidgen, West Hawaii Region Member
Rosanne Harrigan, EdD, Oahu Region Member
Shannon Cannon, West Hawaii Region Member

EXCUSED: Roger Godfrey Oahu – Governor Appointed Member
Barry Taniguchi, East Hawaii Region Member
William L. Shankel, M.D., Physician Member

STAFF: Thomas M. Driskill, Jr., President & CEO
Barbara Kahana, Vice President & CIO (via VTC)
Ed Chu, Corporate Controller
George Apter, Esq. (via VTC)
Janice Wakatsuki, Vice President & Dir, Human Resources
Kelley C. Roberson, COO & CFO
Miles Takaaze, Vice President & Chief, Public Affairs
Rene McWade, Esq., Vice President & General Counsel
Ululani Wally, Recording Secretary

FACILITIES: Donald Lewis, Regional CEO, West Hawaii Region
Nathan Yim, Regional CFO, Oahu Region (Via VTC)
Orianna Skomoroch, Regional CEO, Kauai Region (Via VTC)
Pat Saka, Regional CFO, Maui Region
Ronald Schurra, Regional CEO, East Hawaii Region
Wesley Lo, Regional CEO, Maui Region
Lance Segawa, Interim Administrator, Kahuku Hospital
Rich McDowell, M.D., Chief of Staff, Kona Community Hospital

GUESTS: Linda Chu Takayama, Legislative Consultant

I. **Call to Order.** Chair Don called the HHSC Corporate Board of Directors meeting to order at 10:10a.m. A quorum was present.

EXHIBIT " 3 "

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU
www.hhsc.org <<http://www.hhsc.org>>

V. Open Session - Discussion Agenda

Kuakini Street Extension

Nathan Yim, CFO, Oahu Region explained to the Board that a motion for the Kuakini Street Extension was approved during the October 18, 2007 HHSC Board meeting, however, Senator Chun Oakland asked for the motion to be slightly revised based upon input from the local neighborhood board. The motion passed on October 18, 2007 reads as follows:

I move that the Board authorize management to accept transfer of title of approximately 23,000 square feet of property in Honolulu, bounded by Keola Street and Lanakila Avenue, nearly abutting Maluhia, to Hawaii Health Systems Corporation, for use as an at-grade parking lot, which will be built in compliance with City and County of Honolulu building codes, no other structure shall be built on the property except for security fencing. HHSC agrees to accept transfer of the property from DLNR when funding for the Kuakini Street Extension project is secured.

MOTION: "The Board of Directors unanimously approved a motion made by Dr. Harrigan and seconded by Dr. Fukino to rescind the Kuakini Street Extension motion passed at the October 18, 2007 HHSC Board of Directors meeting.

A new motion for the Kuakini Street Extension was made by Chair Don and seconded by Dr. Harrigan as follows:

MOTION: "The Board authorizes management to accept transfer of title of approximately 23,000 square feet of property in Honolulu, bounded by Keola Street and Lanakila Avenue, nearly abutting Maluhia, to Hawaii Health Systems Corporation (HHSC), for use as an at-grade uncovered parking lot, which will be built in compliance with City and County of Honolulu building codes. No other structures shall be built on the property except for security fencing not higher than six feet in height. These covenants shall run with the land and be included in the deed transferring title. HHSC agrees to accept transfer of the property from DLNR when funding for the Kuakini Street Extension project is secured."

The motion was passed by unanimous vote.