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

October 27, 2017

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

Kauai

Annual Renewal of Revocable Permits on the Island of Kauai. See Exhibit 2 for list of Revocable Permits.

HRS CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject action is exempt from the preparation of an environmental assessment pursuant to Exemption Class 1, "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing." See Exhibit 1 attached.

BACKGROUND:

At the end of each calendar year, Land Division reviews its list of current revocable permits issued statewide and determines which ones to recommend to the Board of Land and Natural Resources (Board) for renewal for the upcoming year. Generally, those revocable permits in good standing will be recommended for renewal, unless the Board has approved a different disposition for the land covered by a particular permit.

In the past, staff has brought all revocable permits to the Board for renewal in one submittal. At its meeting on December 11, 2015, Item D-14, as amended, the Board directed staff to submit revocable permit renewals by county over four meetings, with an explanation of why a revocable permit is the appropriate disposition and how the rent was set. At its meeting on June 24, 2016, under agenda item D-7, as amended, the Board further approved the recommendations of the Department of Land and Natural Resources Revocable Permit Task Force requesting all divisions notate any non-compliance issues and pending litigation in the renewal template. In accordance with these directives, staff is submitting the Kauai revocable permits, including the additional information the Board requested.

REMARKS:

The list of revocable permits for Kauai that staff recommends be renewed for 2018 is attached as Exhibit 2. Included in the exhibit are the revocable permit number, permittee names, tax map keys, original commencement date of the permit, character of use, land area, annual rent, method by which staff set the rent and the rationale behind the issuance of a revocable permit. General location maps of the revocable permits to be renewed are attached as Exhibit 3.

Staff has procured a contract with CBRE, Inc. through James Hallstrom (Appraiser) for appraisal services to assist in valuing the rent to charge for the use of State lands underlying revocable permits statewide as of January 1, 2018, and ground rent discounts for tenancy and use restriction, if any. Upon receipt of the portfolio appraisal report(s) for these assets, staff will obtain the Chairperson's approval for the implementation of new rents, unless the Board would prefer that staff return to the full Board for review of the rents. With respect to the assets for which it did not make financial sense to appraise (i.e. the appraisal cost far exceeded the revenue anticipated to be generated), staff will increase these rents by a percentage recommended by the Appraiser, or by 1.5% if the Appraiser has no recommendation for a particular permit. In the event the portfolio appraisal report has not been completed and its recommendations approved by the Chairperson by the end of the calendar year, staff will apply a 1.5% increase over the previously adjusted 2017 rents, and implement the appraisal rents in 2018 after receipt and Chairperson approval of the portfolio appraisal report.

The following State and County of Kauai agencies were consulted on this action with the results indicated:

Agency:	Comment:
Division of Forestry and Wildlife	No Response by Suspense Date
Office of Conservation and Coastal Lands	See Attached Exhibit 4
State Parks	No Comments
Historic Preservation	Recommends continuation of revocable permits listed in Exhibit 2. Recommends approval of no immediate change in monthly rent provided BLNR reserves and delegates to the Chairperson the right to review and establish new rents to reflect market conditions or FMV. Requests the opportunity to review any permits with the potential to affect historic properties, especially any involving ground disturbing activities within the identified
English and a	subject parcels.
Engineering	No Comments
Kauai District Land Office	No Comments
Commission on Water Resource Management	No Response by Suspense Date

Division of Conservation and Resources	No Response by Suspense Date				
Enforcement					
Department of Hawaiian Home Lands	No Response by Suspense Date				
Department of Agriculture	No Comments				
Agribusiness Development Corporation	No Response by Suspense Date				
Office of Hawaiian Affairs	See Attached Exhibit 5				
County of Kauai Planning Dept.	No objection				
County of Kauai Dept. of Public Works	No Response by Suspense Date				
Department of Water Supply	No Response by Suspense Date				

RECOMMENDATION: That the Board:

- 1. Approve the continuation of the revocable permits listed in Exhibit 2 on a month-to-month basis for another one-year period through December 31, 2018, except for permits that are in arrears of rental payment for more than 60 days and/or have been approved for forfeiture by a separate Board action. Permits in arrears of rental for 60 days or more and/or approved by the Board for forfeiture shall not be renewed; and
- 2. Approve no immediate change in current monthly rent for revocable permits as listed in Exhibit 2, provided however, that the Land Board reserves and delegates to the Chairperson the right authority at any time to review and implement new rental charges for the revocable permits listed in Exhibit 2, effective any time from and after January 1, 2018, to incorporate the finding of the portfolio appraisal report. For any revocable permits not covered by the portfolio appraisal report, the Chairperson may make rental adjustments as recommended by the Appraiser, or in the event the Appraiser makes no recommendation, then a 1.5% increase for 2018. In the event the portfolio appraisal report has not been completed and its recommendations approved by the Chairperson by December 31, 2017, a 1.5% increase will be applied to all revocable permits over the previously adjusted 2017 rents, and the appraised rents will be implemented in 2018 after receipt and Chairperson approval of the portfolio appraisal report, to reflect market conditions or the fair market rental for the rights and privileges granted by such revocable permits and to best serve the interests of the State.

Respectfully Submitted,

Richard T. Howard

Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson

EXEMPTION NOTIFICATION

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

Project Title:

Annual Renewal of Revocable Permits on the Island of Kauai.

Project / Reference No.:

Not applicable

Project Location:

Various locations on the Island of Kauai

Project Description:

Renew existing revocable permits for a term of one year.

Chap. 343 Trigger(s):

Use of State Land

Exemption Class No.: In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject request for issuance for right-of-entry is exempt from the preparation of an environmental assessment pursuant to Exemption Class 1, "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing," and Item No. 51, "Permits, licenses, registrations, an rights-of-entry issued by the Department that are routine in nature, involving negligible impacts beyond that previously existing."

The annual renewal of existing revocable permits on State lands involves the continuation of existing uses on the lands. No change in

use is authorized by the renewal.

Consulted Parties

Agencies listed in submittal.

Recommendation:

That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt

from the preparation of an environmental assessment.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp3827	GAY & ROBINSON	(4) 1-8-3; 1-8-4	6/20/1965	Pasture	366.639	1143	•Rent increased by 27% on 1/1/17 as an interim measure subject to the Portfolio Appraisal Report's (PAR) completion and approval by the Chairperson. •Staff to explore the possibility of selling a lease at public auction. Permittee was the lessee under GL3005 (commenced 6/20/44), which encumbered 357.75 acres. 8.889 acres were added to this permit, including a portion of 1-8:004:013. The lands underlying the permit are in the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.
rp5188	COUNTY OF KAUAI	(4) 1-8-007:001-0000	8/1/1975	Landscaping - Beautification	1.62	0	Rent is gratis.Permit granted to a governmental entity.

consume	d (some water permits)						
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
rp5567	U H COLLEGE TROPICAL AG	(4) 4-2-1:8,10	8/15/1977	Agricultural	32	0	•Rent is gratis.
				Experimental			•Permit granted to a governmental
							entity. The lands underlying the
							permit are in the Conservation
							District. Staff will instruct permittee
							to apply for a CDUP or provide
							proof to OCCL that its use/structure
N N							is nonconforming.
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consume	d (some water permits)						
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why
Doc No. rp5983	Permittee Name SYNGENTA SEEDS, INC.	TMK (4) 1-2-002:040-0000	Permit From 1/1/1983	Char of Use Agriculture (Corn Seed Cultivation)	R.P. Area 43.6		•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Permittee uses only a portion of the parcel. At its meeting on 2/24/17, under agenda item D-2, the board approved the cancellation of rp5983 and the issuance of a new rp to Syngenta Hawaii, LLC. Litigation pending over the propriety of exempting the new permit from environmental assessment under HRS Chapter 343 (Ke Kauhulu O Mauna, et al v. Board of Land and Natural Resources, et al.). The lands underlying the permit are in the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCI
							that its use/structure is nonconforming.

consume	d (some water permits)						
Doc No.	d (some water permits) Permittee Name GAY & ROBINSON	TMK (4) 1-5-001:001-0001	Revocable Permit From 9/1/1987	Char of Use Pasture	R.P. Area 1,625.00	Annual Rent 670.56	Comments re rent amount and why no long-term disposition •Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •The permittee is using only a portion of the parcel. The parcel is
							within the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.

consume	d (some water permits))
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp6842	GAY & ROBINSON, INC.	(4) 1-8-6; 1-8-7; 1-8-8	4/16/1994	Sugar Cane Cultivation and Pasture	1,777.59	45,720.00	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Board approved amended cancellation and reissuance of RP reflecting lower rent and smaller area at its meeting on 2/22/13, item D-1. Staff waiting for new CSF map reflecting Veteran's Cemetery expansion and DLNR base yard. Once completed, staff will recalculate rent and explore the possibility of selling a lease at public auction. Small portions of two of the parcels are in the Conservation District. Staff were not able to find any evidence of permittee applying for a CDUP in its files. Staff will inform permittee that it needs to apply for a CDUP.

consume	d (some water permits)	(
Doc No.	Permittee Name	тмк	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
	MADRID, FRANCES C.	(4) 4-5-008:012-0000	11/1/1993	Home Garden	0.165	198.12	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •The parcel is adjacent to permittee's residence. Staff will continue in its efforts to have the CoK's Housing Agency take over the administration of the Division's residentially zoned parcels. The current disposition is appropriate at this time.
rp6893	MADRID, FRANCES C.	(4) 4-5-008:013-0000	11/1/1993	Residential	0.146		 Rent increased by 28.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Staff will continue in its efforts to have the CoK's Housing Agency take over the administration of the Division's residentially zoned parcels. The current disposition is appropriate at this time.

consume	d (some water permits)					-
Doc No.		TMK (4) 1-9- 10:34,35,38;11:7	Revocable Permit From 2/1/2001	Char of Use Parking, Storage and/or Access	R.P. Area 0.825	Comments re rent amount and why no long-term disposition •Rent increased by 24% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff to explore the possibility of selling a lease at public auction. There was previously no public interest in the parcels when the permit was issued.
rp7259	SANTOS, FRANK & ABIGÂIL	(4) 1-9-7:5,7,28,29,30	5/1/2001	Plant Nursery, Caretaker Residence, Landscaping and Pasture	16.09	 Rent increased by 24% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Board approved transfer to DOA per Act 90.

consume	d (some water permits)		1				
Doc No.	Permittee Name	тмк	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7302	CONTRADES, FRANKLIN M. & PATRICIA	(4) 4-8-008:002-0000	7/1/2002	Home Garden	0.344		•Rent increased by 22.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •This R-4 zoned parcel is adjacent to DHHL lands. It was formerly encumbered by a Certificate of Occupation, which was cancelled by the Board on 6/8/01, item D-4, for failure to keep property taxes current. Staff to explore the possibility of quitclaiming this parcel
rp7376	FERNANDEZ, ROSS K.	(4) 1-2-002:032-0000	11/1/2004	Pasture and Hog Pen	44.713	2,222.76	•Rent increased by 19.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Permittee using only a portion of the parcel. At its meeting on 10/28/94, the Board approved the transfer of 20 acres from the subject parcel to DHHL as part of a larger land transfer. No long term disposition of the property is possible until DHHL has completed the subdivision of this parcel.

consume	d (some water permits)			3			
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7386	NONAKA, DEAN H. AND NICOL U.	(4) 1-9-1:2;1-9-2:2	4/26/2004	Pasture	6.247		 Rent increased by 19.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. No legal access from public road.
rp7466	ABIGANIA, RICHARD	(4) 4-5-15:17,30	12/15/2008	Pasture	37.057	1,947.72	 Rent increased by 13.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. The permit was issued when GL5344 ended. Staff to seek the Board's approval to sell a lease at public auction.
rp7471	COUNTY OF KAUAI	(4) 3-8-005:001-0000	3/1/2010	Vehicle Storage	0.344	0	Rent is gratis.Permit granted to a governmental entity.
rp7480	ANDRADE, MANUEL H.	(4) 2-3-007:013-0000	7/1/2010	Pasture	32.55	198.12	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff will seek Board approval to sell a lease at public auction.

consume	d (some water permits)						
Doc No.	Permittee Name	тмк	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7498	KAMANAWA FOUNDATION	(4) 1-9-012:013-0000	1/1/2010	Cultural and Educational	1.84		•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff to enter into a direct lease with this 501c3 entity.
rp7507	THATCHER, STEVE	(4) 4-5-009:043-0000	4/1/2010	Commercial - Storage and Display Lot for Inventory	0.172	9,646.92	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •At its meeting on 1/14/94, item F-13, the Board approved the sale of a 35-year lease at public auction and issuance of a revocable permit. Staff to update submittal, if necessary, and resubmit to Board for approval.
rp7509	BANK OF HAWAII, REAL ESTATE MANAGER	(4) 1-9-005:049-0000	3/1/2010	Commercial	0.81	23,101.20	 Rent increased by 15% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Staff to seek Board approval to sell a lease at public auction.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
rp7516	MORI, GEORGE M.	(4) 1-8-007:015-0000	1/1/2010	Driveway	0.026		•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Permittee is using only a portion of the premises. Staff to convert to access easement.
rp7521	AKI, MICHAEL	(4) 2-5-5:4,5,6	8/1/2010	General Agriculture, Employee Residence	7.54	3,307.08	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •At its meeting on 4/12/91, item F-5, as amended, the Board approved the sale of a 20-year lease for general agriculture/employee residence. Staff to update the submittal, if necessary, and resubmit to Board for approval.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7584	GAY & ROBINSON	(4) 1-8-003:011-0000	4/1/2010	Pasture	4.3	198.12	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff will explore the possibility of selling a lease at public auction. The parcel is within the Conservation District, but staff could not find a CDUP in permittee's files. The parcel has been in pasture use since at least 12/1/43. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.
rp7627	SANCHEZ, SR, WILLIAM J.	(4) 4-1-009:017-0002	12/15/2008	Pasture	11.796	585.72	•Rent increased by 13.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Board approved the sale of a 15-year lease at public auction and issuance of a revocable permit at its meeting on 5/8/09, item D-2. Staff to prepare auction package.

consume	d (some water permits)						
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7628	SANCHEZ, SR, WILLIAM J.	(4) 3-9-5:19,20	12/15/2008	Pasture	21.33		•Rent increased by 13% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Board approved the sale of a 30-year lease at public auction and issuance of a revocable permit at its meeting on 5/8/09, item D-1. Staff to put together auction package for sale of lease.
rp7641	SOARES, BERNADINE A.	(4) 4-5-015:045-0000	3/1/2011	Storage and Landscaping	0.115	523.2	 Rent increased by 9% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. No access to parcel from public road.

consume	d (some water permits)						
	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7664	KILLERMANN, ADAM P.	(4) 1-8-005:021-0000	5/1/2011	Pasture	45.11	523.2	 Rent increased by 9% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Staff will explore the possibility of selling a lease at public auction. A portion of the parcel is within the Conservation District. The parcel was previously encumbered by GL3707, which commenced 7/1/62. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7669	BRUN, TONY T.	(4) 1-8-006:003-0000	5/1/2011	Pasture	287.13		•Rent increased by 25.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. A portion of the lands underlying the permit are in the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming. •Board approved the sale of a 20-year lease at public auction at its meeting on 7/23/99, item D-4. Staff to update submittal, if necessary, and resubmit to Board for approval.
rp7679	WU, DARIUS T. AND VAN T.L.	(4) 4-5-13:26, 32	5/1/2011	Parking and Landscaping	0.14	627.84	 Rent increased by 9% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Parcel unsuitable for long term lease as DOT might need drainage for bypass road Mauka of property.

consume	d (some water permits)					v v	
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
rp7683	KAGAWA-WALKER, MARY A.	(4) 1-6-004:015-0000	6/1/2011	Residential and Home Business	0.339	15,193.68	•Rent increased by 18% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff will continue in its efforts to have the Kauai County Housing Agency take over the administration of the Division's residentially zoned parcels.
rp7695	KAONA, CLARENCE E.	(4) 5-5-006:005-0000	4/1/2012	Taro Cultivation	0.4		 Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. The land is used to grow taro. The parcel's small size makes the sale of a lease impracticable.

consume	d (some water permits)						
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7701	VASQUES, STANLEY	(4) 4-6-005:005-0000	7/1/2011	Pasture and Home Gardening	2.6		 Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Board approved sale of a 20-year lease at public auction and the issuance of a revocable permit upon expiration of prior lease on 3/13/98, item D-5. Staff to update submittal, if necessary, and resubmit to Board for approval.
rp7702	YASUTAKE, KENNETH K. & SYLVIA K.	(4) 1-9-002:014-0000	7/1/2011	Pasture	0.61	198.12	 Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. No access to parcel from public road.
rp7710	FERNANDES, MICHAEL J.	(4) 4-1-009:008-0000	8/1/2011	Pasture	11.746	552	•Rent increased by 15% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •The property was previously encumbered by GL5117. Staff to seek Board approval to sell a lease at public auction.

consume	d (some water permits)						
Doc No. rp7712	Permittee Name MARTINS, JEANNETT VIRGINIA	TMK (4) 4-6-005:010-0000	Revocable Permit From 7/1/2011	Char of Use Pasture	R.P. Area 6.24	Annual Rent 186.48	Comments re rent amount and why no long-term disposition •Rent increased by 19.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Sale of a 20-year lease at public auction deferred by Board at its meeting on 3/27/98, item D-6. Staff to revise submittal and resubmit to Board for approval.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7721	FALKO PARTNERS, LLC	(4) 4-6-9:28,44,45	8/1/2011	Natural Recreational	77.13	3,660.48	•Rent increased by 24% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •The permittee is the current owner of the Valley House property adjacent to the subject parcels. These parcels were formerly a quarry, consisting largely of steep and unusable terrain. The permittee has left the parcels in their natural state, which acts as a buffer between its property and the Makai neighbors. Staff to explore the possibility of selling a lease at public auction.

consume	d (some water permits)		-				
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7727	RAPOZO, MERVIN L. & FAY T.	(4) 4-1-3:48; 4-1-2:23	9/1/2011	Pasture	15.309	198.12	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Sale of a 20-year lease at public auction deferred by Board at its meeting on 3/27/98, item D-6. Staff to revise submittal and resubmit to Board for approval. The lands underlying the permit are in the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.

consume	d (some water permits)						
	Permittee Name FALKO PARTNERS, LLC	TMK (4) 4-6-009:046-0000	Revocable Permit From 8/1/2011	Char of Use Pasture	R.P. Area 6.5		Comments re rent amount and why no long-term disposition •Rent increased by 22.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Board approved the sale of a 20-year lease at public auction and issuance of a revocable permit on
							1/28/00, item D-9, and amended the prior action on 2/9/01, item D-1, authorizing a 1-year holdover of GL5116 and the issuance of a revocable permit upon its expiration. Staff to prepare auction package for sale of lease.
rp7734	JASPER, RICHARD	(4) 4-5-013:029-0000	9/1/2011	Landscaping and Parking	0.113	777.24	•Rent increased by 27% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Permittee owns adjacent parcels. No ingress or egress to or from the parcel is allowed from State highway per DOT.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why
rp7739	LANEY, LANCE	(4) 5-4-2:33, 42	9/1/2011	Pasture	7.3	191.16	•Rent increased by 22.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Board approved the sale of a 20-year lease at public auction and issuance of a revocable permit on 1/28/00, item D-9, and amended the prior action on 2/9/01, item D-1, authorizing a 1-year holdover of GL5122 and the issuance of a revocable permit upon its expiration. Staff to prepare auction package for sale of lease. Both parcels are within the Conservation District. The parcels were originally encumbered by GL2702, which commenced 1/5/39. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.

consume	d (some water permits)	I					
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Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7744	SUMMERS, TOM	(4) 4-5-008:004-0000	9/1/2011	Maintenance and	0.402		•Rent increased by 28.5% on 1/1/17
TP//44	SUMMERS, TOW	(4) 4-5-008.004-0000	9/1/2011	Beautification	0.402	200.52	as an interim measure subject to the PAR's completion and approval by the Chairperson. •The permittee owns the adjacent property and uses this parcel for beautification purposes. Staff will continue its efforts to have the CoK's Housing Agency take over the administration of the Division's residentially zoned parcels. Prior to any turnover, staff will consult with SHPD concerning any cultural and historic properties on the site.
							,

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7749	JURASSIC KAHILI RANCH LLC	(4) 5-1-2:4,6	9/1/2011	Pasture	200.93		•Rent increased by 19.5% on 1/1/17
							as an interim measure subject to the PAR's completion and approval by the Chairperson. •No legal access to parcel, permittee owns adjacent parcel. At its meeting on 8/10/90, item F-19, the Board set aside these parcels to DOFAW. At its meeting on 3/25/04, item D-7, the Board rescinded the set aside due to a survey backlog and lack of access to parcels. Both parcels are within the Conservation District, and Staff could find no evidence of permittee applying for a CDUP in its files. Staff will instruct permittee to apply for a CDUP. Current disposition appropriate in the event DOFAW requires the property.
rp7753	SPECIALTY LUMBER, INC.	(4) 4-5-011:029-0000	9/1/2011	Parking and Landscaping	0.016		 Rent increased by 19.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Staff to cancel RP for this road right of way.

consume	d (some water permits)						
Doc No	Permittee Name	тмк	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
rp7770	CHING, LINCOLN Y.T.	(4) 4-5-015:029-0000	9/1/2011	Pasture	0.987	170.04	•Rent increased by 9% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •At its meeting on 4/8/88, item F-8, the Board approved the sale of a 15-year lease. Staff to update the submittal, if necessary, and resubmit to Board for approval.
rp7785	JINTA, LLC	(4) 1-9-010:042-0000	9/1/2011	Landscaping and Business Parking	0.281		•Rent increased by 18% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Jinta, LLC has sold property next door and KDLO is in the process of cancelling this RP and issuing a new RP to new land owner. New owner understands that in future, this parcel will go to public auction for a long term lease.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7790	CHING, LINCOLN Y.T.	(4) 4-5-15:10, 28	9/1/2011	Pasture	30.353	552	 Rent increased by 15% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Board approved the sale of a 20-year lease at public auction at its meeting on 9/14/07, item D-1. Staff to prepare auction package for sale of lease.
rp7795	ISHIDA, ERIC AND GRACINDA	(4) 4-6-008:030-0000	9/1/2011	Landscaping and Maintenance	0.005	193.2	 Rent increased by 15% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. No access to parcel from public road, permittee using only a portion of the parcel.
rp7798	AJIMURA, CLYDE	(4) 1-9-005:038-0000	11/1/2011	Home Garden	0.232	640.92	 Rent increased by 9% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Vacant parcel zoned General Commercial in Hanapepe. Staff will seek Board approval to sell a lease at public auction.

consume	d (some water permits)						
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
rp7805	GARDEN ISLE RACING ASSOCIATION	(4) 1-2-002:36, 40	2/1/2012	Motorized Sports	80.5	1,935.00	•Rent increased by 7.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Permittee uses only a portion of both parcels. The dragstrip was built by the State DOT using an appropriation by the Legislature as part of the Kauai Recreational Facility Phase I. It was to be set aside to the CoK, but the County declined due to its reluctance to accept control and management of the site. The lands underlying the permit are in the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.

consume	d (some water permits)					6	
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7818	NUNES-HOOPII, DONNA	(4) 4-5-011:010-0000	7/1/2012	Residential	0.189	4,011.96	•Rent increased by 7.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff will continue in its efforts to have the CoK's Housing Agency take over the administration of the Division's residentially zoned parcels. The current disposition is appropriate at this time.
rp7821	HASHIMOTO, JUNEDALE	(4) 5-3-007:005-0000	2/1/2012	Residential	1.735	5,856.60	 Rent increased by 7.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Staff will continue in its efforts to have the CoK's Housing Agency take over the administration of the Division's residentially zoned parcels. The current disposition is appropriate at this time.

consume	d (some water permits)					
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area	Comments re rent amount and why no long-term disposition
rp7833	AIWOHI, LORRIN J.	(4) 4-6-6:28, 29	8/1/2013	Pasture	9.17	•Rent increased by 6% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson •At its meeting on 5/15/98, item D-5, the Board authorized the sale of a 20-year lease and the issuance of a Revocable Permit to R.J. Farias. Subsequent Board action on 9/25/98, item D-24, rescinded approval of the RP and approved the issuance of a new rp to K.C. Ching. Further Board action on 2/26/99, item D-12 rescinded the approval of the rp issued to Mr. Ching and approved the issuance of an rp to Mr. Edwin Martin. Staff to update submittal re sale of lease at auction, if necessary, and resubmit to Board for approval.

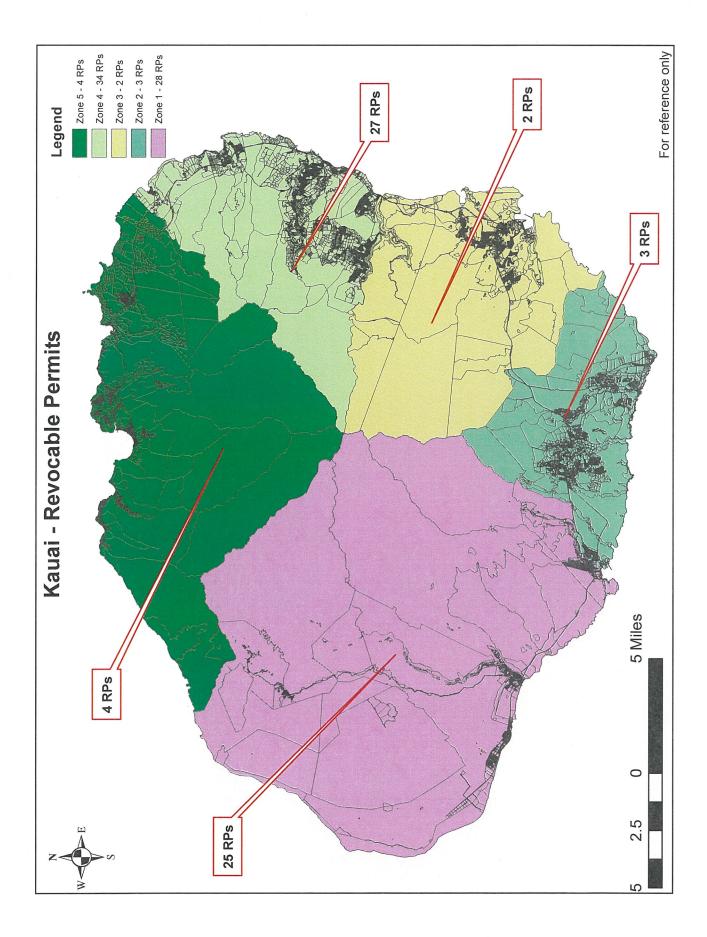
consume	d (some water permits)						
Doc No.	Permittee Name	TMK	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
	HORNER, DARRELL	(4) 1-9-007:046-0000	5/1/2014	Aquaculture	1		•Rent increased by 4.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Parcel lacks legal access from public road. Permittee's previous permit was cancelled so the Div. of Aquatic Resources could develop a consolidation and resubdivision master plan for State property. Lack of funding prevented this from happening and the permit was reissued.
rp7842	SOUZA, VERNON AND CHARLETTE	(4) 4-1-002:020-0000	12/1/2013	Pasture	3.99	508.8	•Rent increased by 6% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff will seek Board approval to sell a lease at public auction. The lands underlying the permit are in the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.

consume	d (some water permits)	-					
Doc No.	Permittee Name	тмк	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
rp7845	MEDEIROS, WILLIAM D.	(4) 2-7-4:11,12	12/2/2013	Pasture	5.916	508.8	 Rent increased by 6% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Staff will seek Board approval to sell a lease at public auction.
rp7848	G & K KALAHEO SHELL REPAIR SHOP, LLC.	(4) 1-9-005:007-0000	2/14/2014	Automotive Repair Shop	0.158		•Rent increased by 4.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Staff will seek Board approval to sell a lease at public auction.
rp7865	KAPAA KI-AKIDO CLUB, INC.	(4) 4-1-009:018-0000	8/1/2015	Clubhouse	0.358		 Rent increased by 3% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. Staff to enter into a direct lease with Hawaii Ki Federation, a 501c3 entity.

consume	d (some water permits)						
Doc No.	Permittee Name	тмк	Revocable Permit From	Char of Use	R.P. Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7870	MANUEL, CHARMAINE	(4) 1-3-002:030-0000	4/1/2016	Pasture	0.4	487	•Rent increased by 1.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Wedge-shaped, residentially zoned remnant parcel from GL4222 to Kekaha Sugar Company. Staff will continue in its efforts to have the CoK's Housing Agency take over the administration of the Division's residentially zoned parcels, although it is not clear if this parcel is buildable. The current disposition is appropriate at this time.
rp7872	SILVA, KEITH A.	(4) 1-2-006:018-0000	4/1/2016	Pasture	50.264	3,057.24	•Rent increased by 1.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •Sloped rocky hillside parcel with only a limited area suitable for pasture use. Staff will explore the possibility of selling a lease at public auction.

consume	d (some water permits)						
Doc No.	Permittee Name	ТМК	Revocable Permit From	Char of Use	R.P. Area		Comments re rent amount and why no long-term disposition
rp7881	FERNANDES, MICHAEL	(4) 4-1-009:020-0000	6/1/2014	Pasture	25.60	487.20	•Rent increased by 1.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. •The permittee was the lessee under GL5584, which ended 5/26/14. Staff will seek Board approval to sell a lease at public auction. The lands underlying the permit are in the Conservation District. Staff will instruct permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming.
rp7882	FERNANDES, MICHAEL	(4) 4-1-9:7; 4-1-10:16	6/1/2014	Pasture	7.452		 Rent increased by 1.5% on 1/1/17 as an interim measure subject to the PAR's completion and approval by the Chairperson. The permittee was the lessee under GL5582, which ended 5/26/14. Staff will seek Board approval to sell a lease at public auction.

consume	d (some water permits)						
			Revocable				Comments re rent amount and why
Doc No.	Permittee Name	TMK	Permit From	Char of Use	R.P. Area	Annual Rent	no long-term disposition
rp7897	ENOKA, KATHERINE	(4) 1-9-005:053-0000	2/1/2017	Business	0.136	13,404.00	•Rent carried over from the rent
							reopening of GL5822, set by
			a a				appraisal dated 3/29/10.
							•At its meeting on 4/22/16, under
							agenda item D-1, the Board
			v.				approved the sale of a lease at
							public auction.



DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA FIRST DEPUTY

JEFFREY T. PEARSON, P.E.

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

2017

COR: KA-18-35

MEMORANDUM

TO: Richard T. Howard, Kaua'i District Land Agent

DLNR – Land Division (Kaua'i)

FROM: Samuel J. Lemmo, Administrator

DLNR - Office of Conservation and Coastal Lands

SUBJECT: REVOCABLE PERMIT REVIEW – ISLAND OF KAUA'I

Various Districts, Island of Kaua'i *TMK: Various (listed in document)*

Dear Mr. Howard,

REF: OCCL: AJR

The Office of Conservation and Coastal Lands (OCCL) is in receipt of your memo regarding a review of Revocable Permits located on State Lands on the Island of Kaua'i.

A number of RPs were previously determined to be located within the Conservation District, they were presented via COR: KA-16-253; please review that correspondence for OCCL requirements or comments for the following RPs:

RP3827; RP5983, RP6511; RP6842; RP7584; RP7664; RP7727; RP7739; RP7749; RP7805; RP7842

Additionally, the following RPs were also determined to be located, or partially located within the Conservation District; these RPs have not been reviewed previously:

- RP5567; (4) 4-2-001:008 & (4) 4-2-001:010; Resource Subzone; No permits found in OCCL database,
- RP7669; (4) 1-8-006:003; 5-10% Resource Subzone; No permits found in OCCL database; and

EXHIBIT"4"

REF: OCCL: AJR COR: KA-18-35

• RP7881; (4) 4-1-009:020; 90% Limited Subzone & 10% Protective Subzone; No permits found in OCCL database.

The OCCL would like to take this opportunity to remind those persons or entities that utilize parcels located within the SLU Conservation District that permittees/applicants are required to inform this office of any proposed land uses that may occur in the Conservation District.

Additionally, any of the RPs listed above with the label "No Permits Found in OCCL database" indicate that no record of any permit/authorization/approval was listed in our (OCCL) database for that specific TMK.

If you have any questions regarding this correspondence please contact Alex J. Roy, M.Sc. of our Office of Conservation and Coastal Lands staff at 808-587-0316 or via email at alex.j.roy@hawaii.gov

CC: Chairperson

Russell Y. Tsuji, Administrator – Land Division



STATE OF HAWAI'I OFFICE OF HAWAIIAN AFFAIRS

560 N. NIMITZ HWY., SUITE 200 HONOLULU, HAWAI'I 96817

HRD17-8284

September 18, 2017

Richard T. Howard Land Agent Department of Land and Natural Resources Land Division P.O. BOX 621 Honolulu, HI 96809

Re: Annual Renewal of Revocable Permits for Kaua'i

Aloha e Mr. Howard:

The Office of Hawaiian Affairs (OHA) received your draft submittal to the Board of Land and Natural Resources (BLNR), dated August 21, 2017. The Department of Land and Natural Resources (DLNR) Land Division is recommending to the BLNR renewal of 61 month-to-month revocable permits (RPs) held on Kaua'i for a period of one year. The Revocable Permit Master List (master list) included as Exhibit 2 of the draft submittal, provides a table of the subject RPs. At this time, there is insufficient information to determine whether the requested renewals are appropriate in light of the BLNR's constitutional and public trust obligations.

Given the lack of information provided in the master list, OHA has several concerns regarding renewal of the RPs. We again reiterate, as we have done in prior comment letters and testimonies regarding annual renewals the prior year and for other islands, that the master list fails to include pertinent information as required by the DLNR Revocable Permit Task Force (Task Force) recommendations adopted by the BLNR. As stated in your letter, Task Force recommendations were approved by the BLNR at its meeting on June 24, 2016.

The adopted Task Force recommendations include providing justification for rental amounts, standardizing the Division's submittal template to include a checklist for revocable permits and to provide supporting detail for their review, and developing a timeline for follow up for RPs. The standardized submittal template checklist includes important information such as the parcel's trust land status, an explanation as to why the rent charged is fair under the circumstances, an explanation as to why month-to-month tenancy is more appropriate than long-

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Richard T. Howard, Land Agent, DLNR Land Division September 18, 2017 Page 2

term disposition, the history of the parcel, and information regarding whether other applicants requested the same parcel.

According to your draft submittal, DLNR-Land Division has procured appraisal services to assist in valuing the rent to charge for the use of state lands and ground rent discounts for tenancy and use restrictions, if any. Upon receipt of the appraisal report(s), DLNR-Land will obtain the Chairperson's approval for implementation of the new rents or will return to the BLNR for review of the rents. As an interim measure, subject to completion of the Portfolio Appraisal Report (PAR), Land Division proposes a rent increase for each RP, which ranges from 1.5% to 28.5%. The master list does not include a justification for the rent increase amount. Further, there is no timeline for the completion of the PAR. Given the lack of information, it is unclear as to how the rent for the different subject parcels was determined and appears arbitrary. For example, the annual rent for RP7744, RP7701, RP7712, and RP7727 is \$156.00 each. According to the master list, all three parcels are used for pasture and but vary in size, ranging from 0.402 acres to 15.309 acres.

Several of the RPs are located in Conservation Districts and appear to involve unpermitted uses. For example, the comment section for RP 3827, RP 6511, and RP 6842 states, "Staff will instruct Permittee to apply for a CDUP or provide proof to OCCL that its use/structure is nonconforming." According to the master list, RP 3827 has existed since July 20, 1965. There is no express condition that approval of these RPs are contingent on compliance with OCCL rules and there is no timeline for these RPs to come into compliance.

OHA again asks that the recommendations include an indication as to the "ceded" and public land trust status of each parcel. OHA has a substantial stake in the appropriate use and disposition of the State's "ceded" lands, which were acquired without the consent of the Native Hawaiian people, and most of which are classified as public land trust lands held in trust for the benefit of Native Hawaiians and the public. As the trustee of the "ceded" lands and the public land trust, the BLNR also has a specific fiduciary and moral obligation with respect to the use and disposition of such lands. Accordingly, an indication of the ceded and public land trust status of parcels being recommended for RPs may assist both OHA and the BLNR in applying an appropriate level of scrutiny.

OHA also reiterates its request that RP renewal recommendations include explicit, substantive considerations relevant to the BLNR's primary, public trust duties to conserve and protect Hawai'i's natural and cultural resources. Such duties include the fulfillment of the constitutional mandate that the state "conserve and protect Hawai'i's . . . natural resources . . . and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the state. All public natural resources are held in trust by the state for the benefit of the people." The BLNR also holds a constitutional duty to protect cultural resources, as well as the practices which rely upon them.

¹ Haw. Const. Art. XI Sec. 1

² HAW. CONST. ART. XII SEC. 7; Ka Pa'akai o ka 'Āina v. Land Use Comm'n, 94 Hawai'i 31 (2000).

Richard T. Howard, Land Agent, DLNR Land Division September 18, 2017 Page 3

The draft master list does not provide sufficient information for the Board to make an informed decision on whether to approve renewal of the RPs and for OHA and other interested agencies to provide comments on the proposed RP renewals. As requested in past comment letters and testimonies, we ask that the RP master list be revised to include the Task Force's recommendations and additional information that would assist the BLNR in upholding its public trust duties including, the date of the last affirmative review of the permit holder's compliance with the most recent permit terms; a discussion of pending challenges to the land uses contemplated under each permit, if applicable; and the amount of water diverted for RPs involving water.

Mahalo for the opportunity to comment. Should you have any questions, please contact Teresa Kaneakua, OHA Lead Compliance Specialist, at (808) 594-0231 or teresak@oha.org.

'O wau iho nō me ka 'oia 'i'o,

Kamana'opono M. Crabbe, Ph.D.

Ka Pouhana, Chief Executive Officer

KC:tk