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

DATE: FRIDAY, JUNE 22, 2018
TIME: 9:15 A.M. (Time Change)
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII 96813

MEMBERS

Suzanne Case
Stan Roehrig

Jimmy Gomes
Keone Downing

STAFF

Russell Tsuji/Land
Barry Cheung/Land
Maria Carnavale/DAR

Sam Lemmo/OCCL
Marigold Zoll-DOFAW
Ed Underwood/DOBOR

OTHERS

Bill Wynhoff/AG
Yvonne Izu/K3
Conrad Ng/K3
Ronald Higgins/D7
Alan Eagle/F1
Haunani Kane/F4
Neil Nakai/J4
Brock Berttleman/J5

Mary Jane Tabios/K3
Randy Cates/J5
Cedric Berttleman/J5
Darryln Higgens/D7
Charles Fletcher/F3
Louis Perez/J5
Michael Bells/K2
Gerald Higuchi/J5

Chair Case called the meeting to order at 10:35 a.m. and apologized for the delay and read the contested case statement.
ITEM K-1 Conservation District Use Application (CDUA) OA-3816 for a Portion of the Kamehameha Highway Wastewater Pump Station Force Main System Improvements by the City & County of Honolulu Department of Environmental Services located at Moanalua and Kalihi Streams, Vicinity of Ke‘ehi Lagoon, Kahauiki, Kalihi-Kai, O‘ahu, Tax Map Key: (1) 1-1-003: 138 and other submerged land.

Sam Lemmo, Office of Conservation and Coastal Lands. This project is for a new Force Main System.

Board Discussion-None

Public Testimony-None

MOTION
Approved as submitted (Gomes, Roehrig) unanimous.

ITEM D-3 Grant of Perpetual, Non-Exclusive Easement, Issuance of a Construction and Management Right-of-Entry to the City and County of Honolulu for Sewer Line Purposes, Kalihi Kai, Moanalua, Honolulu, O‘ahu, Tax Map Keys: (1) 1-1-003:003, 004, 138, 204, 205, 206, 207, 212, and 239; (1) 1-2-021:035, 036 and 037.

Russell Tsuji, Land Division. This is follow-up for an easement for the sewer line.

Board Discussion-None

Public Testimony-None

MOTION
Approved as submitted (Gomes, Roehrig) unanimous.

ITEM K-2 Conservation District Enforcement Case (ENF) KA-18-19 Regarding Alleged Unauthorized Landscaping and Tree Removal by Chardy North Shore, LLC, located in the Hanalei District, Island of Kauai, on Tax Map Key: (4) 5-9-002:052.

Sam Lemmo, OCCL. The chain of events, we received calls of alleged unauthorized land clearing prior to the recent floods. We inspected the property and observed there was unauthorized clearing.
Board Discussion
Roehrig asked if anyone from OCCL talk to the people and why they were doing this? Lemmo replied he did not recall having a conversation with his staff.

Public Testimony
*Michael Bellis*, Representative for the land owner. His client purchase the property this year. The violation that was inspected by the DLNR staff. We have worked closely with Staff and no additional work was done. We have proposed a landscape plan.

Bellis addressed Member Roehrig and noted that when the client purchased the property, the broker told him not to worry, he could clear the property. We will continue to work with the Staff and apologized for their error and agree completely with the Staff submittal.

Roehrig asked if the landowner was clear about the process of the conservation land. Balls said yes. They will not do anything without consulting OCCL.

**MOTION**
Approved as submitted (Gomes, Roehrig) unanimous.

**ITEM K-3**
Request that the Board of Land and Natural Resources authorize the appointment of a Hearing Officer for Contested Case OA-18-02 regarding the Board of Land and Natural Resources’ denial of Conservation District Use Application (CDUA) OA-3808 by the Doris Duke Foundation for Islamic Art for the Shangri La Breakwater Safety Initiative and Shoreline Stabilization Project at Kūpikipiki‘ō (Black Point), Waikīkī Ahupua‘a, Kona District, O‘ahu, Tax Map Key (1) 3-1-041:005; and that the Board delegate the authority for the selection of the Hearing Officer to the Chairperson.

Sam Lemmo, OCCL. This a routine request, approval to hire a Hearing Officer and delegate the selection of the Hearing Officer to the Chair.

Board Discussion
Roehrig asked who makes up the selection committee? Lemmo said generally it is people from the Department who have familiarity with these types of things. Roehrig recommended having people outside the Department due to the sensitivity. Chair said she would be happy to take recommendations and noted that she will consider it.

Public Testimony
*Yvonne Izu* and *Conrad Ng*, for Doris Duke Foundation for Islamic Art. Ng stated that the Foundation submitted a letter quit-claiming the submerge lands fronting the Shangri-La to the Department. Case noted that for the contested case we are not going to take any action or pre-judge it.
Mary Jane Tabios, representing Fred Fong, provided suggested qualifications for a Hearing Officer.

**Amendment:**

*Recommendation to have a selection committee from outside the Department to select an appropriate Hearing Officer on behalf of the Chair.*

**MOTION**

Approved as amended (Roehrig, Gomes) unanimous.

**ITEM F-1**
Request for Authorization and Approval to Issue a Papahānaumokuākea Marine National Monument Education Permit to Mrs. Alana Eagle, Honolulu Civil Beat, for Access to State Waters to Provide Online Content Related to PMNM.

**ITEM F-2**
Request for Authorization and Approval to Issue a Papahānaumokuākea Marine National Monument Research Permit to Dr. Carl Meyer, Hawai‘i Institute of Marine Biology, University of Hawai‘i, for Access to State Waters to Conduct Research Activities to Quantify the Movements and Ecology of Top Predators.

**ITEM F-3**
Request for Authorization and Approval to Issue a Papahānaumokuākea Marine National Monument Research Permit to Dr. Charles H. Fletcher, University of Hawai‘i, Department of Geology and Geophysics, School of Ocean and Earth Science and Technology, for Access to State Waters to Assess the Effects of Sea Level Rise on Low Lying Atolls.

**ITEM F-4**

Maria Carnavale, PMNM Co-Manager, Division of Aquatics Resources. Presented Items F-1 through F-4 together.

**Board Discussion**
**Item F-4:** Gomes asked why do they go to Monument for Cultural Practices, why not do it on the main Hawaiian waters. Haunani Kane, applicant, we are also looking at the guts content and use it for outreach so we can better understand what we are eating. Gomes asked if they had any stats. Kane replied yes, it looked at fish from commercial fishermen and local fishermen.

**Public Testimony**
Randy Cates, commented on the cultural fishing practices in the main Hawaiian Islands. It happens more frequently than people know. He gets requests probably ten times a year to
provide fish to Halau’s where they are teaching the young how to prepare it. He brought up the restrictions that we are challenged with. He felt it was important to teach the young to be sustainable.

**MOTION**

Approved Items F-1 through F-4 as submitted (Downing, Gomes) unanimous.

**ITEM D-7** Termination of Revocable Permit No. 5169 to Hazel Higgins; Issuance of Revocable Permit to Roland W. Higgins, Jr. and Daralynn S. Higgins for Residential Purposes, Kuliouou, Honolulu, O’ahu, Tax Map Key: (1) 3-8-004:056.

Russell Tsuji, Land Division. The Higgins would like to take over the mother’s RP after the mother passed away. The history on these lots going back to Territory days, these lots were never subdivided. The lots were created by map. The Higgins are present to answer questions.

**Board Discussion**

Downing asked Barry Cheung how they came up with the appraisal price. There is no access and could not understand how they came up with half-million for a lot that is 8,000 square lot with no access. Roehrig said he had the same concern. This quite high.

Tsuji replied that they are working with the RP’s and looking to see what can go to leases. This is an unusual parcel that may have to stay on an RP as the Statue does not allow for direct lease.

Case asked when the existing rent was set? Cheung replied some time ago. It was $332.74 and CPI it every year. The Board’s sentiment is that it needs to be looked at given the circumstances.

*Ronald & Daralynn Higgins,* applicants. They are very grateful to be able to live on this lot. We have been able to maintain it. We have a long history on the parcel. Our position as well is that we have no access, and have been living in limbo for a while. We can’t really do the rent hike. The property needs a lot of work. We understand the State wants to buffer the cave and we are a buffer now. We would like a win-win situation.

Gomes commented to Tsuji, that being said is there an opportunity to look into this and really decide what is going to be in the best interest of the State. Tsuji said they would have to consult with the AG’s and was not sure on a time frame as they have many and each one is a little different. As far as the RP, we were going to come back and make a recommendation.

Gomes said he would like to see the rent remain the same until a long-term disposition can be decided. Roehrig agrees with Gomes.

**Amendment:**

*Recommended rent to $332.74 per month.*
MOTION
Approved as amended (Downing, Gomes) unanimous.

ITEM D-6 Consent to Sub-Sublease under General Lease No. S-4513, Oahu Special Schools Association, Lessee, Special Education Center of Hawaii, Sublessee/Sub-Sublessor to Franciscan Care Services, Sub-Sublessee, Honolulu, O‘ahu, Tax Map Key: (1) 3-1-042:034.

Tsuji, Land Division, presented the submittal and did not have any more to add.

Board Discussion
Case asked to confirm the location. Cheung replied that it is located in Kahala area. It is surrounded by private residences.

Public Testimony-None

MOTION
Approved as submitted (Gomes, Downing) unanimous.

ITEM M-1 Issuance of a Revocable Permit for Administrative Offices, Alaska Airlines, Inc., Daniel K. Inouye International Airport, Tax Map Keys: (1) 1-1-003: 057 (Portion) & (1) 1-1-003: 058 (Portion).

ITEM M-2 Issuance of a Revocable Permit for Aircraft Parking to Aviate Hawaii LLC, Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-76: Portion of 23.

ITEM M-3 Issuance of a Revocable Permit for Two Retail Sales Spaces, DFS Group, L.P., Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-003: 1 (Portion).

ITEM M-4 Issuance of a Revocable Permit for Employee Parking for Cargo Operations, Federal Express Corporation, Daniel K. Inouye International Airport, Tax Map Keys: (1) 1-1-76: 12 and (1) 1-1-003: 001 (Portion).

ITEM M-5 Issuance of a Revocable Permit for Office and Storage Space to Robert’s Hawaii Tours, Inc. dba Paradise Hawaii Airline Services, Daniel K. Inouye International Airport, Tax Keys: (1) 1-1-003: 058 (Portion), (1) 1-1-003: 059 (Portion), and (1) 1-1-003: 195 (Portion).

ITEM M-7 Issuance of a Revocable Permit for a T-Hangar for Storage and Maintenance of Aircraft, Aloha Helicopter Tours LLC, Lihue Airport, Tax Map Key: (4) 3-5-01: Portion of 8.
Ross Smith, DOTA presented the submittals for **Items M-1 to M-5 and M-7.**

**Board Discussion**
**Item M-3:** Roehrig as if it was adjacent to their current location? Smith said, it is among other stores where space is available. Roehrig asked what are the duty-free fees. It would not be subject to Federal tax to the consumer. Roehrig’s concern was the effect on the retail neighbors.

**Public Testimony - None**

**MOTION**
**Approved as submitted Items M-1 through M-5, and Item M-7 (Gomes, Downing) unanimous.**

**ITEM D-8** Approval of Lease between Department of Health and the Department of Land and Natural Resources for Baseyard and Parking Purposes; Consent to Lease of Land under Governor’s Executive Order No. 1020; Pearl City, Ewa, O‘ahu, Tax Map Key: (1) 9-7-025: portions of 001.

**Board Discussion**
Gomes confirmed that the base-yard is on-going. Cheung said for DOCARE it is on-going for DOFAW has a portion of it and are planning to expand.

Marigold, DOFAW, this is a house-keeping item, where the DLNR base-yard was established and there was not agreement put into place for our presence to be there. Over the years we needed additional parking area. It will help house some of our operations.

**Public Testimony - None**

**MOTION**
**Approved as submitted (Downing, Gomes) unanimous.**

**ITEM D-9** *Request to Amend the Board’s Prior Approvals for the Setting-Aside of State Lands Located at the Pearl City Educational Complex to the Department of Education to Serve Public School Purposes.*

The purpose of this submittal is to amend the following Board Actions of: February 14, 1969 (Item F-11), “Amend Board Action of August 23, 1968 Relating to Set-Aside of Lands of Waimano to Department of Education”.

Issuance of an Immediate Right-of-Entry to the Department of Education and Also to the Department of Health; Waimano-Uka, Ewa, O‘ahu, Tax Map Key: (1) 9-7-025: 004.

Russell Tsuji, Land Division, presented Items D-8 and D-9.
Board Discussion: None

Public Testimony: None

**MOTION**
Approved as submitted (Downing, Gomes) unanimous.

**ITEM C-1**
Request to Amend a Grant from the Legacy Land Conservation Program to Ka Huli O Hāloa (Contract No. 63824) by Substituting Hoʻāla ᑲūpono Corporation for Ka Huli O Hāloa as the Grant Awardee, Koʻolaupoko, Oʻahu, Tax Map Key Numbers (1) 4-9-003:003 and (1) 4-9-003:004.

Marigold Zoll, Division of Forest and Wildlife, presented the submittal.

Board Discussion: None

Public Testimony: None

**MOTION**
Approved as submitted (Roehrig, Gomes) unanimous.

**ITEM D-5**
Amend the Grant of Non-Exclusive Easement Recorded at the Office of the Assistant Registrar, Land Court as Document No. 1943271 for Public Pedestrian Shoreline Right-of-Way Purposes, Kaluahole, Honolulu, Oʻahu; Tax Map Key: (1) 3-1-037: 013.

Russell Tsuji, Land Division, presented the submittal. This was an easement from private property to the State which required the land owner to maintain the easement and insuring it.

Board Discussion
Downing, went out to look at it and there was no naupaka and one that had naupaka. Somehow it needs to be maintained.

Roehrig said the easement is in perpetuity. He feels that the land owner can ask for Declaratory Relief.

Public Testimony
*Eric Kawatani*, Attorney representing Mr. Tanimura. The language is very confusing. This does not require the owner to come to the Board because the easement belongs to the State if they sell the property. The language does not say what you are hoping it would say, no matter what, this easement document says the property owner must maintain it. It is not when people sell
and buy the property. The State can go at any time an enforce the easement. I just wanted to point out, that it is what the State does, not what the property owner does.

Case said you could buy and sell this property anytime, we are not selling our easement. It just creates confusion. He felt it did not make sense here. He thought the most efficient way is to remove it.

There continued to be a robust discussion on the language. Roehrig commented that there is always a dispute of where the high wash of the waves end and is usually measured by the vegetation line. He suggested doing a current shoreline certification.

It was suggested that a deferral would be in order to allow Land Division and the Applicant to work out new language and bring it back to the Board.

**MOTION**
Deferred (Downing, Roehrig) unanimous.

**ITEM J-5** Termination of Boating Lease No. B-11-01, dated April 1, 2011 Between the State of Hawaii, Lessor, and The Sandbar Group, Inc., Lessee; located at Heeia Small Boat Harbor, O‘ahu, Hawai‘i, Tax Map Key: (1) 4-6-006:067 (por).

Ed Underwood, DOBOR. Presented the submittal and as directed by the Board investigated various issues as listed in the submittal. It was determined that the lease had been assigned without Board approval. There was inconsistency providing fuel. The above fuel lines where installed per code, the below ground fuel lines were not replaced. There was no evidence that the store was being used as a residence. The rift between the vendor and the community has remains unresolved. Ice is available in limited quantity (capacity 2,000 lbs.) and has to be scooped. The surveillance video tapes were not available. SGI said the cameras were broken and do not have any saved video.

**Board Discussion**
Roehrig noted that paragraph 13, of the lease does not allow the assignment or transfer of the lease or any interest unless you have written approval from the Board. Exhibit D, of the lease, paragraph 3, prior to giving their consent to an Assignment DLNR must 1) receive name, legal composition, address of any proposed assignee; 2) complete copy of the purchase agreement and proposed assignment agreement, including the total consideration paid by the assignee for the assignment; 3) best financial statement of the proposed assignee.

Roehrig asked Underwood if he received any of these in 2016 or 2017? Underwood replied noted that they did not know it had been assigned. Noted he had a long history of meetings with them and asked them if they wanted to come before the Board to request a consent to assign. Their stand was the ownership was not changing.
Roehrig commented that all the transfers listed are null and void. The Board has to approve it. It appears that they have not complied with the mandatory terms of the lease when they transferred interest in the property they should have submitted all this paper work. Underwood said he never got it. Roehrig mentioned that we are entitled to a premium when a transfer was made. Underwood noted that they never received a premium, when we asked if there were any assignments they were told no. We became aware of the assignments when we came before the Board on March 9, 2018, noting the default of the lease.

Underwood stated that the Sandbar Group said they had sent a letter requesting an assignment which was not received by our office. SGI provided a copy of the unsigned letter to us.

Louis Perez, Sandbar Group, Inc., paraphrased his response regarding the Notice of Default. The issues of curing the following items; Assignments, Ice House, Convenience Store, Fuel Service and Fire and Extended Insurance policy provided in their written testimony. Noted that they did not intend to become Equity owners. The balance sheet is negative so there is no premium. We were trying to get past the problems but ran into capitol issues. He went on to present the business plan they had in place.

Downing asked how long Perez was in business. Perez said 2005 the focus is Community Economic Development and Finance Education. Downing asked when did he start with the SGI? I am guessing late 2013. Downing said for 8-years you have been in this Community Economic Development business. Perez said they have been working on two projects, their main focus is finance education. Downing asked how did you get involved? Perez replied he also works with an investment bank. Downing pointed out that Perez has been doing this for 8-years, you should have understood the details and have benchmarks.

Public Testimony
Neil Nakai, Contractor who worked on the fuel line. He asked if the Board would consider help in recovering the money Sandbar owed.

Roehrig commented that the Board is a quasi-judicial body, we cannot give private legal advice. His concern that there is a discrepancy in invoices. Nakai clarified which invoice was correct. Roehrig made reference to an invoice for $27,794.95. Nakai noted that the invoice appeared to be altered. The fonts, the amounts, were different.

Randy Cates, he has had DLNR leases before. It is very clear in the language of the lease that you have to pay a premium when you sell any shares, which he did, even though the company was in debt and come before the Land Board for consent. Noted that the responsibility is upon the company, not DOBOR or the Board. I think it is unfair for anyone who has a lease with the State to think that a company can get away with that. When we here last, the Land Board made it clear to the company to repair relations with the community. My son sent me a video of the Manager fist fighting with his employee in full view of the parking lot. That’s not what you want to see.
We go down there for recreation. Once the fight happened, I told my kids not to go back down there. It is not a good situation down there.

*Gerald Higuchi*, confirmed the fight as a witness.

*Cedric Bertleman*, it has been 3-months since they were told to provide an ice machine. There is a total lack of maintenance on the fuel equipment. We are not going to risk putting contaminated fuel in our tanks. I have 750 signatures on a petition to terminate this lease as well as written testimony. The community is really tired of this.

*Leimana Demonte*, on behalf of Rocky Kaluhiwa, concerns the connections that the people from Heeia have to that bay and that whole fishing area and the historic and traditional connection. The people feel it is being threatened. The local people who frequent the boat harbor and have for generations takes its well-being seriously.

*Brock Bertleman*, the biggest thing is we have lost trust in the Sandbar Group.

Perez commented that he wanted to apologize to the community, what he heard at the last meeting and today is news to him He addressed Mr. Nakai, and said he did not know he was not paying him, Rodrigues said he had set up a payment plan. I did not know he got into a fight. He tells me the relationships are good and shows me the “Yelp” reviews which are pretty decent. He apologizes for not being there more frequently and talking to you.

Roehrig noted that for the following reasons, there have been obvious and substantial failure on the part of the Lessee to follow the mandatory provisions of the lease, in particular paragraph 13, relating to the transfer of any interest in the premises. Under the circumstances those transfers are null and void because the Land Board never approved them. They have not followed the terms of the lease. In addition, there have been substantial failures in the exercise of the Lessee’s obligation mandated by Exhibit 10 attached to the lease. It lists the mandatory requirements and they were not met. There has been substantial non-compliance with the transfer provisions of paragraph 13 and Exhibit 10. Paragraph 6, notes that the Lessee shall not commit any improper or offensive use of the premises (reference made to fist fight). As a condition of this cancellation of lease, he requests the AG’s office address the questions of criminal fraud.

Gomes added Staff recommendations 2, 3 & 4.

**Motion**
Approved with conditions (Roehrig, Gomes) unanimous.
ITEM D-1.  After-the-Fact Approval for Issuance of Right-of-Entry Permit to MC&A, Inc., for Commercial Beach Activity Purposes, Wailea, Honuaula, Maui; Tax Map Key: (2) 2-1-023: seaward of 007.

ITEM D-2.  Issuance of Right-of-Entry Permit to MC&A, Inc., for Commercial Beach Activity Purposes, Hulopoe, Lanai; Tax Map Key (2) 4-9-017: seaward of 002.

ITEM D-4.  Issuance of Right-of-Entry Permit to Hawaii Explosives & Pyrotechnics, Inc. for Special Event Aerial Fireworks Display at Duke Kahanamoku Lagoon on July 3, 2018, Waikiki, Honolulu, O'ahu, Tax Map Key: (1) 2-3-037:021 (Portion).

Russel Tsuji, Land Division. Presented the ITEMS D-1, D-3 and D-4.

Board Discussion-None

Public Testimony-None

MOTION
Approved ITEMS D-1, D-3 and D-4. as submitted (Gomes, Downing) unanimous.

ITEM L-1  Appointment of Susan Liberlal to Serve as a Director of the Waiakea Soil and Water Conservation District.

ITEM L-2  Appointment of Leanne Okamoto and Atto Assi to Serve as Directors of the Puna Soil and Water Conservation District.

Carty Chang, Engineering. Had nothing more to add to Items L-1 and L-2.

Board Discussion-None

Public Testimony-None

MOTION
Approved ITEMS L-1 and L-2 as submitted (Gomes, Downing) unanimous.

ITEM J-1  Issuance of a Revocable Permit to John's World Famous Hot Dogs, LLC, for a Mobile Food Concession, Located at the Ala Wai Small Boat Harbor, Honolulu, O'ahu, Tax Map Key: (1) 6-2-003:012 (Por).

Ed Underwood, DOBOR, gave a summary of the submittal
Board Discussion
Downing would prefer to not to have them in a free public parking stall? Can you put them in the paved lot across from the current location? Underwood said they would look at that.

Public Testimony-None

Amendment:
Move vendor across the street to the paved parking lot until a permanent location can be decided on.

MOTION
Approved as amended (Gomes, Downing) unanimous.

ITEM J-2 Declare an Existing Offshore Mooring Exempt from Requirements of Chapter 343, Hawaii Revised Statues, and Title 11, Chapter 200, Hawaii Administrative Rules, and Approve Installation Outside of an Established Offshore Mooring Area, Kihei, Island of Maui, Hawai‘i, for Shawn Wynne.

ITEM J-3 Declare an Existing Offshore Mooring Exempt from Requirements of Chapter 343, Hawaii Revised Statues, and Title 11, Chapter 200, Hawaii Administrative Rules, and Approve Installation Outside of an Established Offshore Mooring Area, Reed’s Bay, Hilo, Island of Hawaii, Hawai‘i, for Donald Kegler.

ITEM J-4 Declare an Existing Offshore Mooring Exempt from Requirements of Chapter 343, Hawaii Revised Statues, and Title 11, Chapter 200, Hawaii Administrative Rules, and Approve Installation Outside of an Established Offshore Mooring Area, Keauhou, Island of Hawaii, Hawai‘i, for William Murtagh.

Ed Underwood, DOBOR, presented J-2, J-3 and J-4.

Board Discussion
Item J-3. Roehrig disclosed he knew Donald Kegler, he felt it would not affect his vote

Public Testimony-None

MOTION
Approved Items J-2, J-3 and J-4 as submitted (Roehrig, Gomes) unanimous.

Motion to adjourn (Downing, Gomes) unanimous.

There being no further business, Chairperson Suzanne Case adjourned the meeting at 2:30 pm. Recording(s) of the meeting and all written testimonies submitted at the meeting are filed in the
Chairperson’s Office and available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interest parties present.

Respectfully submitted,

[Signature]
Darlene S. Ferreira
Land Board Secretary

Approved for submittal:

[Signature]
Suzanne D. Case
Chairperson
Department of Land & Natural Resources