

SEP 28 2018 *du*

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

DATE: FRIDAY, JULY 13, 2018
TIME: 9:15 A.M. (Time Change)
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAI'I 96813

MEMBERS

Suzanne Case
Jimmy Gomes
Keone Downing

Chris Yuen
Stan Roehrig
Sam Gon

STAFF

Russell Tsuji-Land Division
Carty Chang-Engineering
Ed Underwood-DOBOR

Curt Cottrell-Parks
Marigold Zoll-DOFAW

OTHERS

David Day/AG
Wendy Oda/D9
Gordon Leslie/E1
Andy Bohlander/D6
James Manaku/C1
Edward Kahilimoku/E1

Ross Smith/DOТА
OHCRA/D8
Haunani Fu/D1
Natalie Waters/D10
Naleen Andrade/E1

Chair Case called the meeting to order at 9:19 a.m. Stated that Items C-2 and D-7 have been withdrawn from today's agenda. Board Member Yuen read the contested case statement.

ITEM A-1 Approval of BLNR Meeting minutes for April 13, 2018.

ITEM A-2. Approval of BLNR Meeting minutes for April 27.2018.

Board Discussion

Member Gon recused from voting on Item A-2. He was not present at the meeting.

Public Testimony-None

MOTION

Approved Items A-1 and A-2 as submitted (Gomes/Oi) unanimous.

ITEM D-9 Grant of Perpetual, Non-Exclusive Easement to Hawaiian Electric Company, Inc. for Utility Purposes and Issuance of Construction Right-of-Entry Permit at Waikiki, Honolulu, O'ahu; Tax Map Key: (1) 2-7-020:011 portion and (1) 2-7-021:038 portion.

Russell Tsuji, Land Division provided the specifics of the submittal. HECO Representative is present to answer any questions.

Board Discussion- None

Public Testimony- None

MOTION

Approved as submitted (Gon/Oi) unanimous.

ITEM D-8 Issuance of a Right-of-Entry Permit for Five (5) Days to Oahu Hawaiian Canoe Racing Association Hawaii for the Duke Kahanamoku Long Distance Canoe Race Event to be Held One Day Each Year in August 2018, August 2019, August 2020, August 2021 and August 2022, at Waikiki, Honolulu, O'ahu, Tax Map Key: (1) 2-3-037: portion of 021.

Russell Tsuji, Land Division provide the specifics of the submittal.

Board Discussion- None

Public Testimony- None

MOTION

Approved as submitted (Gomes, Gon) unanimous.

ITEM E-1. Request approval of a Revocable Permit to Hanalike Ohana LLC DBA Moana Ocean Adventures, to moor a Double Hulled Canoe and use of Napo'opo'o Landing, for the embarking and disembarking of patrons for Commercial Tours, at Kealakekua Bay State Historical Park (KBSHP), Hawaii Island.

Curt Cottrell, Division of State Parks. He made an amendment to the Recommendation Section of the submittal to add that this project will have no significant effect on the environment and Declare It Exempt from the preparation of an Environment Assessment. He provided a summary of how this would re-introduce canoes as an interpretive vessel for visitors and the community. This will be incorporated into the Master Plan.

Board Discussion

Downing asked why is there was no "Base Rent"? Cottrell replied, they are going with a flat rate of 5% gross. Added he did not know how to establish a base rent, same as the mooring. He only has only two moorings. Moving forward after assessing income stream over a year we may be able to establish a base rent or 5% whatever is greater.

Yuen asked what the what the Kayaker's paying. Cottrell said 5% or \$5.00/head, whichever is greater. Yuen asked if he knew how many patrons they have had. Cottrell replied he did but did not have that information at the moment, he gets monthly reports. Yuen asked about the Kayakers that conduct tours that launch outside the bay, do they pay a commercial boating fee? Cottrell noted that the way they are set-up to protect the integrity of the community and landing at Napo'opo'o, there are only (3) Kayak vendors authorized to use the landing. The other Kayakers have a permit to transit the bay but are not able to land. Right now, we have approximately 108 permitted kayaks.

Public Testimony

Bob Masuda, provided additional information and was in support of the Master Plan. This plan has been developing for many years.

Gordon Leslie, this is a project started in 1979. He gave the background of what has happened over the years and stated he did not charge anyone until 1983. He has a maritime background but not a tour business background. Tour operations will be managed by his nephew, Ed Kahilimoku.

Kahilimoku gave a brief background of his experience in tour operations. Downing asked him if he was running his business on Oahu? Kahilimoku replied, yes. Downing noted that Leslie is trusting him to run the bay operations. Downing asked how do you intend to manage it from Oahu? Kahilimoku said he will be moving back to the Big Island.

He presented a video (<https://www.youtube.com/watch?v=Kegg-eEIOIU>) of his family's connection to the bay. He provided a handout on how the canoe operated.

Downing asked Leslie what he expected of Kahilimoku? Leslie said to oversee the general operations, booking, monitoring, marketing. The reason Downing asked is that they are family and he wanted it to be clear everyone understood what the expectations were.

Gon commented he was on the Board when this came before the Board and he remembers the

consideration of the capacity of the family to carry on this legacy and it heartens him to see this capacity built and is happy to see this capacity built and management built, and all pieces more or less aligned, working with State Parks in the completion of this Master Plan to incorporate this continued legacy.

Yuen was concerned regarding the how the passengers would get to the boat. Leslie said by motor boat. He is concerned about the snorkelers swimming around. Leslie takes it very seriously and we have been taking to State Park at the commercial user groups. They are planning to put prop-guards on.

Noleen Andrade, conveys her strongest support for this double-hulled canoe at the bay. She provided testimony on how Leslie has perpetuated the history of the area and the families connections to the area. Provided a written testimony.

Gon asked Leslie who in the family will he convey the kuleana to? Leslie said he will have an educational program for his crew and anyone who wants to learn about the area.

David Day, AG, noted for the record that a document he was returning to Leslie, dated November 19, 1997, looks like a CDUA application was passed around for the Board to review and returned to the applicant.

Amendment:
Exempt from Chapter 343

MOTION
Approved as amended (Gomes, Gon) unanimous.

10:43 am: Break

10:55 am: Back in Session

ITEM D-1 Amend Prior Board Actions of April 28, 2017, Item D-2, *Set Aside and Immediate Management Right-of-Entry Permit to County of Kauai for Affordable Housing, Por. of Kapaa Town Lots, Kawaihau, Kauai, Tax Map Key: (4) 4-5-008:008.*

Purpose of the amendment is to: 1) Change the intended use of the set aside from Affordable Housing Purposes to Community Needs Related purposes, and 2) Include Tax Map Key: (4) 4-5-008:009 to the set aside.

Russell Tsuji, Land Division. The request came from the Mayor to change the use of the set-aside.

Board Discussion

Oi commented that this has been in discussion since 2017, has the EO been signed for housing? Tsuji said, "no". The AG raised a question in the Title as it does not include the Right of Entry for Community Needs.

Yuen noted they had a Right of Entry from a previous submittal, but it was for affordable housing. They have a Right of Entry to secure the area. Oi said it is important for the County get on the property due to homelessness and drug users.

AG Day disagrees due to Sunshine issues with recommendation #3 and I recommend amending this submittal to strike it. The previous submittal provided for a Right of Entry, this one expands on that Right of Entry and adds additional terms.

Tsuji asked if it was limited to the original Right of Entry at least there is a presence on the property. AG Day said that whatever is in the prior submittal is valid.

Public Testimony

Kalani Fu, County of Kauai, provided a time frame history on the property. The County never executed the Right of Entry on the previous submittal because we recognized that we were not going to do affordable housing as iw'i were found on these parcels and met with various agencies and it was decided to not build affordable housing. We asked if we could use the existing building and refurbish it use it to do in-takes.

After much discussion among the Board and participants they agreed to amend the submittal and brought back to the Board.

Amendment:

The title and text of the submittal to state that the purpose of the set aside is for "community needs and social services", and to amend Recommendation 3 to read as follows:

Acknowledges the prior Authorization to Grant an Immediate Management and Construction Right-of-Entry, as applied to the amended purpose of the set aside, to the County of Kauai, its Consultants, Contractors, and/or persons acting for or on its behalf.

MOTION

Approved as amended (Oi, Gon) unanimous.

ITEM C-1 Request for Delegation of Authority to the Chairperson to 1) Negotiate, Approve, Execute, Amend, and Extend Right-of-Entry, Long-term License and Release of Liability Agreements for the Division of Forestry and Wildlife to conduct management, including but not limited to Invasive Species and Fire Control, restoration or introduction of Native Species, infrastructure installation and

maintenance, and monitoring; 2) Declare these Agreements exempt from the preparation of an Environmental Assessment (EA) or approve an Environmental Assessment and issue a Finding of no Significant Impact (FONSI), if appropriate.

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

Board Discussion

Gomes asked what kind of activities are you going to do for animal control on private lands? Zoll replied typically it would place like watershed partnership areas or cat control where there are endangered seabirds.

Yuen wanted to clarify that this is to enter onto State lands. Zoll replied yes.

Public Testimony

James Manaku, Sr. opposed this as he felt this has significant impact on our resources. He feels everyone should be responsible for our resources.

There was a robust discussion about hunting and the different methods of gathering. Downing asked Zoll when was the last time they partnered with hunters? Zoll replied she did not know Statewide, although when they fenced off the Pomoaho Reserve they contacted every hunter who had a license to see if they wanted to come in and help us. Downing asked if they reached out to hunters when they did the goat eradication in Waianae. Zoll replied they did in the beginning and they did not have much response till after. Downing suggested staying in touch with Mr. Manaku when they need hunters.

The Board Members all agreed to support outreach for the hunters.

MOTION

Approved as submitted (Roehrig, Gon) unanimous.

- ITEM M-1** Issuance of a Revocable Permit for Warehouse Space for the Operation and Maintenance of an Import/Export Business of Marine Ornamentals, Hawaiian Sealife Inc., Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-4: 21 (Portion).
- ITEM M-2** Issuance of a Revocable Permit for a Marketing and Visitor Information Counter, Hilton Grand Vacations Company, LLC, Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-003: 053 (Portion).
- ITEM M-3** Issuance of a Revocable Permit for Storage of Materials and Equipment, Oxford Electronics, Inc. dba Oxford Airport Technical Services, Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-076: Portion of 020.

- ITEM M-4** Issuance of a Revocable Permit for Aircraft Parking, Raja M. Segaran, Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-76: Portion of 23.
- ITEM M-5** Issuance of a Revocable Permit for Training Room, Office and Exclusive Use of Hallway to Swissport USA, Inc., Daniel K. Inouye International Airport, Tax Map Keys: (1) 1-1-003: 066 (Portion) & (1) 1-1-003: 001 (Portion).
- ITEM M-6** Issuance of a Revocable Permit for Exclusive Use of Restroom, TM Designers, Inc., Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-03: 001 (Portion).
- ITEM M-7** Issuance of a Revocable Permit for Spaces in the Main Terminal for Airline Operations, Alaska Airlines, Inc., Kahului Airport, Tax Map Key: (2) 3-8-01: Portion of 19.
- ITEM M-8** Final Approval for the Acquisition of Privately-Owned Lands and Set Aside to the Department of Transportation for Addition to Kahului Airport, Situate at Kahului, Island and County of Maui, Hawaii, Tax Map Key Nos.: (2) 3-8-001-005, -015 and 0135.
- ITEM M-9** Issuance of a Revocable Permit for Main Terminal Floor Space for Airline Operations, Southwest Airlines Co., Ellison Onizuka Kona International Airport at Keahole, Tax Map Key: (3) 7-3-43: Portion of 40.
- ITEM M-10** Issuance of a Revocable Permit for Aircraft Parking, William Wilton, Ellison Onizuka Kona International Airport at Keahole, Tax Map Key: (3) 7-3-43: Portion of 40.
- ITEM M-11** Issuance of a Revocable Permit for Card Machines that Converts Cash to a VISA or Mastercard Prepaid Card to Ready Credit Corporation, Daniel K. Inouye International Airport, Tax Map Key: (1) 1-1-003: portion HNL; Ellison Onizuka Kona International Airport at Keahole, TMK: (3) 7-3-43: portion of KOA; Kahului Airport, Tax Map Key (2) 3-8-01: portion OGG; and Lihue Airport, Tax Map Key: (4) 3-5-01: portion of LIH.

Ross Smith, DOT-Airports. Present to answer any questions on **ITEMS M-1 through ITEMS M-11**.

Board Discussion

Item M-11: Downing asked if this is the only Card Machine company that offers this service is this something that should go out to bid? Smith said, this is the first time they have been approached to do a vending machine like this.

Item M-1: Gon asked what the nature of the business was. Smith replied, for the past 5-years they export of live sea life and as part of their operations they provide tours for school children. Gon asked if the source Hawaiian waters? If so, are they in compliance with DAR requirement? Smith said yes.

Item M-8: Yuen raised the question of designation of important agriculture lands. DOT wants to purchase this to buffer the airport from incompatible development, will DOT use this for airport expansion? Smith said this land is between the existing airport and the highway, the master plan use for that would-be part of the second runway.

Public Testimony-None

MOTION

Approve Items M-1 through M-11 as submitted (Oi, Yuen) unanimous.

ITEM D-6 Amend Prior Board Action of August 25, 2017, Item D-10, *Grant of Term, Non-Exclusive Easement to Kahanu Family Limited Partnership for Seawall Purposes, Kuuu, Hamakuapoko, Maui, Tax Map Key: (2) 2-6-010: Seaward of 017.*

The purpose of the amendment is to 1) Add a third encroachment area to the Easement, 2) Reduce the previously approved 1600 square feet (estimated Easement Area) to 1390 square feet (surveyed Easement Area), and 3) Approve an After-the-Fact Right of Entry for the Easement Area.

Ian Hirokawa, Land Division presented the submitted.

Board Discussion-None

Public Testimony-None

MOTION

Approved as submitted (Gomes, Downing) unanimous.

ITEM D-10 Issuance of Construction Right-of-Entry to the City and County of Honolulu for Drainage Purposes, Honolulu, O'ahu, Tax Map Key: (1) 3-9-003: seaward of 028.

Russell Tsuji, Land Division. Natalie Waters consultant to the County present to answer any questions

Board Discussion- None

Public Testimony-None

MOTION

Approved as submitted (Downing, Gomes) unanimous.

ITEM L-1 Delegation of Authority to the Chairperson to:

- (1) Procure, Award and Enter into Professional Service Consultant Contracts for Capital Improvement Program Projects Appropriated by the Legislature as Listed in Exhibit 1 or Program Operating Funds;
- (2) Declare a Construction Project Exempt from the Preparation of an Environmental Assessment or Approve an Environmental Assessment and Issue a Finding of No Significant Impact, if Appropriate; and
- (3) Approve, Procure and Enter Construction Contracts for Capital Improvement Program Projects Appropriated by the Legislature as Listed in Exhibit 1 or Program Operating Funds.

Carty Chang, Engineering. Provide background on CIP projects approved by the Legislature.

Board Discussion

Roehrig said there are several projects for Pohiki that can be reallocated somewhere else as; the lava seems to be heading that way and there is not access there. Chang said only the Legislative can make changes to the allocations.

Yuen said we might want to wait on executing on any contracts for that area. Once the roads reopen you may be able to use it there.

Gon said that OHA was in opposition to some of the projects. Chang said it looked more like Land Division. They indicated that they wanted input. He wanted to be sure that they are not left out.

Chair said OHA was worried about the FONSI process. Chang replied that there is public process before a FONSI is issued. Gon wanted to be sure this does not preclude OHA's involvement that they have interest in.

Public Testimony-None

MOTION

Approved as submitted (Oi, Gomes) unanimous.

ITEM L-2 Delegation of Authority to Chairperson to Approve, Award and Enter into a Construction Contract for Job No. G54CO51A, Ala Wai Dredging and Improvements, Honolulu, O'ahu, Hawai'i.

Carty Chang, Engineering, presented the submittal.

Board Discussion

Downing asked questions regarding the bidders and the base contract. Do they pad it? He asked what the mind-set to go through the project? Chang explained the process. It is based on the additives and which are the most important. There was a robust discussion among the members on the bid process with Chang.

Public Testimony-None

MOTION

Approved as submitted (Oi, Gomes) unanimous.

1:15 pm: Break

1:37 pm: Resume session

ITEM J-2 Request Approval to Issue a Five-Year Concession Contract with an Option to Renew for One Additional Five-Year Term for Operating a Parking Concession Situated at Lahaina, Island of Maui, Hawai'i, Tax Map Key (2) 4-6-001: (002).

and;

Declare Project Exempt from Requirements of Chapter 343, HRS, and Title 11, Chapter 200, Hawaii Administrative Rules.

Ed Underwood, Division of Boating and Recreation. Made an amendment to include Exemption 53, per AG's suggestion

Board Discussion

Downing asked what happens if someone else besides Diamond does not get the bid and they do not have a track record? Downing noted that as long as they follow the rules they get another 5-years, they have the option not DOBOR to renew. Underwood replied that it was a mutual agreeable thing, if we do not want to renew we do not have to.

Public Testimony-None

Amendment:

Add Exemption 53.

MOTION

Approved as amended (Yuen, Downing) unanimous.

ITEM J-3 Request Approval to Issue Five-Year Concession Contracts with an Option to Renew for One Additional Five-Year Term for Operating Fuel Dispensing Trucks at Maalaea Small Boat Harbor, Maui, Tax Map Key: (2) 3-6-001:002; Keauhou Small Boat Harbor, Hawai'i, Tax Map Key: (3) 7-8-012:055; Kailua-Kona Small Boat Harbor, Hawai'i, Tax Map Key: (3) 7-5-006:039; and Kawaihae Small Boat Harbor, Hawai'i, Tax Map Key: (3) 6-1-003:023

and;

Declare Project Exempt from Requirements of Chapter 343, HRS, and Title 11, Chapter 200, Hawaii Administrative Rules.

Ed Underwood, Division of Boating and Recreation. Contracts will be bid on a base rent.

Board Discussion-None

Public Testimony-None

MOTION

Approved as submitted (Gon, Oi) unanimous.

Item D-5 Set Aside to the Department of Agriculture for Pasture Purposes, Pahinahina-Kiokalani, Makiloa, Kalala Mauka, North Kohala, Hawai'i, Tax Map Keys: (3) 5-9-001:004; 5-9-003:002 & 004; 5-9-004:001 & 008; (3) 5-9-002:006; (3) 5-8-002:002.

Russell Tsuji, Land Division presented the submittal along with Bob Masuda providing background information.

Board Discussion

Chair clarified the recommendations for the EO. Yuen was concerned regarding the lease for Game Management. Tsuji said they can add language that DOA will work with DOFAW and Ponoholo Ranch regarding Game Management.

Gomes noted that he spoke to "Girlie" and asked how the elements from the volcano was affecting the cattle. She has taken in 200 more cattle from Kapoho onto her farm to help them out but, she is taxed now with upgrading water systems. But she will not know for her cattle until the calf crop come out. In 2007, she had problems. He wants to make sure that when we start looking at that, we provide some assistance to her in the future.

Public Testimony-None

AMENDMENT:

The recommendation section was amended in the following manner:

- (a) The first sentence in the section was amended to read “[T]hat the Board, subject to the DLNR’s express reservations and requests noted above, including but not limited to the existing and future game management areas and subject to the Applicant fulfilling the Applicant Requirements above:”**
- (b) Recommendation 2C was amended to read: “Continuation of the Kahua /Ponoholo Cooperative Hunting Area agreement and other future agreements with future lessees, to be maintained as a public hunting area for game birds, pursuant to HAR 13-122-11.”**
- (c) The Department of Agriculture shall work cooperatively with the Division of Forestry and Wildlife (DOFAW) on any future requests for additional game mammal/hunting opportunities on the land.”**

MOTION

Approved as amended (Gomes, Yuen) unanimous.

- ITEM D-11** Issuance of Right-of-Entry Permit to Hawaii Explosives & Pyrotechnics, Inc. for Aerial Fireworks Display on Encumbered State lands off Ko Olina Beach on August 20, 2018, Honouliuli, Ewa, O’ahu, Tax Map Key: (1) 9-1-057: seaward of 006.

Board Discussion-None

Public Testimony-none

MOTION

Approved as submitted Downing, Yuen) unanimous.

- ITEM D-3** Approve a 10-Year Term Extension of General Lease No. S-3999, MS Auto, Inc., Lessee, Pursuant to Act 207, Session Laws of Hawaii 2011; Waiakea, South Hilo, Hawai’i , Tax Map Key: (3) 2-2-058:029 & 030.

- ITEM D-4** Amendment of General Lease No. S-5513, Hospice of Hilo, Lessee, Piihonua, South Hilo, Hawai’i, Tax Map Key: (3) 2-3-032:011.

The purpose of the amendment is to set the annual rent for the remainder of the lease term, from October 1, 2017 until the expiration of the lease on September 30, 2062, at minimum rent, as previously established by the Board.

Russel Tsuji, Land Division, had nothing else to add to Items D-3 & D-4 and will answer any questions the Board may have.

Board Discussion-None

Public Testimony-None

MOTION

Approved as submitted (Gomes, Gon) unanimous.

Motion to adjourn (Gomes, Gon) unanimous.

There being no further business, Chairperson Suzanne Case adjourned the meeting at 2:15 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,



Darlene S. Ferreira
Land Board Secretary

Approved for submittal:



Suzanne D. Case
Chairperson
Department of Land & Natural Resources