From: Carl Smigielski

To: darlene.s.ferraira@hawaii.gov; DLNR.BLNR.Testimony

Subject: Fwd: The Kahala Resort and Hotel

Date: Wednesday, November 07, 2018 3:43:25 PM

Aloha Darlene,

As a next door neighbor, living at the Kahala Beach Apartments for the last 12 years, I wanted to encourage the BLNR to approve and if possible make a more permanent solution to the revocable permit situation at the Kahala Resort & Hotel. I have lived in Honolulu since 1971 and became aware back then of what a special place the Kahala Hotel is and was. Over the years if a friend, client or anyone who asked "where's the best place to stay when I come to Honolulu" I always tell them to stay at the Kahala Hotel. I even proposed to my wife of 40 years at the Maile Room in 1977 so the Kahala Hotel holds a very special place in my life. We still have the 2 silver engraved napkin rings they gave my wife and I when the Maile Room closed for being regular customers.

I, like most people on Oahu, never knew about the revocable permit situation until this year. I also have never had any problems or issues in the past 40 years from the staff or management unlike a few Kahala residents, who have decided that they don't care for the Kahala Hotel because of some petty reason that has now been blown completely out of proportion to the point where employees stand a good chance of being let go and lose their jobs because 4 people want to discredit the Hotel. At the last meeting one of the people who spoke at the meeting actually said that the hotel is "only for rich people" which I found totally out of line and wanting to pit rich vs poor, what kind of Aloha spirit is that?

I attend the Kahala neighborhood Board meetings and cannot believe what I am watching as these 4 people try to come up with stories and pictures, taken out of context, and acting like what they saw is so terrible they can't believe someone hasn't died because someone had a drink on the revocable permit area. The Hotel has been there for over 50 years and now all of a sudden those 4 people want to make the Hotel change how they have done business for over 5 decades, even getting the Sierra club involved to help them make people lose their jobs. I can guaranty you that there are over a hundred thousand people, who have stayed at the Kahala Hotel, who would be sending BLNR letters of support if they knew what was going on.

Finally I definitely support the Kahala Hotel and hope the BLNR board knows that the Hotel has bent over backwards to accommodate those 4 people and whoever else they have tried to enlist to discredit the hotel and cause jobs to be lost.

__

Carl Smigielski RB14955
President The Portfolio Group
4747 Kilauea Ave 201
Honolulu, Hawaii 96816
808-225-2400 cell 808-735-5598 fax
www.sandislehawaii.com web site
carl@sandislehawaii.com
Keller Williams Honolulu
Serving Hawaii's Real Estate community since 1978

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Chairperson Case and Members of the Board:

Re: Testimony in Opposition to Agenda Items D17-D19 Issuance of Revocable Permit for Recreational and Maintenance Purposes; Resorttrust Hawaii, LLC

I am a resident of Waialae Kāhala and serve as the Sierra Club point of contact on Kāhala Hotel and Resort issues before the Waialae Kāhala Neighborhood Board. I am also one of the group of concerned residents who, together with Neighborhood Board Chair Turbin, has been meeting with Resorttrust Hawai'i (RTH) management in efforts to resolve community concerns regarding public access to, and use of, the state land parcel between the Hotel's property and the beach, and the Hotel's use of the parcel for commercial purposes.

Background

At the September 14 Board meeting there was extensive discussion of community concerns over the vagueness of RP 7849 regarding what, if any, commercial activities should be allowed on the state land parcel and what measures should be taken to manage encroachment of hotel activities on the parcel. There was discussion of what a fair rental value would be if the Board does allow commercial uses of the state parcel, including the very lucrative rentals currently being charged for the rental of beach cabanas and other "recreational" items.

These are some of the issues which could be discussed in the context of the contested case hearing requested by David Kimo Frankel. I note that the staff has recommended denial of that request. Mr. Frankel is currently on the Mainland, and unable to defend his position in person. I support his right to seek a contested hearing and to appeal the Board's denial of his request.

I offer the following comments in the event the Board elects to proceed with amending or replacing RP 7849 at this time:

General Comments

While RTH and concerned residents agree on the need to clarify the provisions of the RP, RTH is requesting that the revised RP essentially grandfather in most, or all, of the current activities conducted by the hotel on the state parcel, as spelled out in Exhibit 7. This includes use of a portion of the parcel for restaurant activities.

This is the exact language from PAGE 6 of submittal D-18:

"RTH's counsel also agreed with the Division's comment that the character of use in the revocable permits at the subject location, which "recreational and maintenance" is too vague. It creates ambiguity in terms of possible enforcement actions. Therefore, RTH requests the Board agree to amend the permissible use of RP 7849 to include the specific items described on map marked as Exhibit I-A of Exhibit 7."

The staff recommendations appear to accept RTH's language without modifications, while failing to address concerns raised by concerned citizens for more specificity and enforceability in the RP.

The staff recommendations also do not take into account recent enforcement actions by the City and County of Honolulu Department of Planning and Permitting as detailed in their letter dated October 9,

2018 (Attachment A) to the hotel's attorney and cc'd to the DLNR OCCL. Note the following excerpt from Attachment A:

"September 7, 2018, for the above-referenced property. You provided valuable information regarding the original development and improvements on both the hotel property (Parcel 39) and the makai State-owned property (Parcel 41): However, we disagree with your conclusion. The cabana tents, clamshell loungers, tables, chairs, and beach chairs are within the Special Management Area (SMA) and are considered development, pursuant to Section 25-1.3, Revised Ordinances of Honolulu (ROH).

Without a SMA permit, they are not allowed under applicable City and State laws. Please remove them by November 1, 2018, or the Department of Planning and Permitting (OPP) will issue a Notice of Violation."

Unless and until the hotel obtains the required SMA permit, use of many of the items of Exhibit 7 would be a violation of City and State Laws.

Specific Recommendations:

If a Revocable Permit (RP) is issued

- 1. It must include specific, enforceable, permit conditions requiring an identifiable pathway to provide public access to, and across, the state parcel, including appropriate signage identifying the pathway as providing public access.
- 2. It must define what commercial uses, if any, are allowed on the RP parcel rather than inferring them from the listing of items provided by RTH. It should specifically state whether restaurant seating is allowable under a permit for recreational and maintenance purposes.
- 3. There should be some limits placed on the amount of encroachment allowed on the state parcel so as to not interfere with the right of the members of the public to traverse and enjoy the use of the parcel.
- 4. If commercial uses are allowed on the RP parcel the rental amount should include some portion of the revenues generated by the use of public property.

Mahalo	for the	onnortunity	ı t∩	suhmit the	se comments.
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Dave Raney

Attachment A follows:

DEPARTMENT OF PLANNING AND PERMITTING

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813 PHONE: (808) 768-8000 • FAX: (808) 768-6041 DEPT. WEB SITE: <u>www.honoluludpp.org</u> • CITY WEB SITE: <u>www.honolulu.gov</u>



KIRK CALDWELL MAYOR



KATHY K. SOKUGAWA ACTING DIRECTOR

TIMOTHY F. T. HIU DEPUTY DIRECTOR

EUGENE H. TAKAHASHI DEPUTY DIRECTOR

October 9, 2018

2018/ELOG-1757(ST)

Ms. Jennifer A. Lim Mr. Jon T. Yamamura Carlsmith Ball, LLP ASB Tower, Suite 2100 1001 Bishop Street Honolulu, Hawaii 96813

Dear Ms. Lim and Mr. Yamamura:

SUBJECT: Kahala Hotel & Resort – Beachfront Operations 5000 Kahala Avenue and State-owned Parcel Tax Map Keys 3-5-023: 039 and 041

This responds to the position statement and request for assistance dated September 7, 2018, for the above-referenced property. You provided valuable information regarding the original development and improvements on both the hotel property (Parcel 39) and the makai State-owned property (Parcel 41). However, we disagree with your conclusion. The cabana tents, clamshell loungers, tables, chairs, and beach chairs are within the Special Management Area (SMA) and are considered development, pursuant to Section 25-1.3, Revised Ordinances of Honolulu (ROH). Without a SMA permit, they are not allowed under applicable City and State laws. Please remove them by November 1, 2018, or the Department of Planning and Permitting (DPP) will issue a Notice of Violation.

Section 25-1.3, ROH, defines the SMA as the land extending inland *from the shoreline* to the point established on the maps established by the Council. The regulatory shoreline is dynamic as it is based on the shoreline certification issued by the State. Given that nearly all of the uses, activities, structures, and items discussed above and are located inland (mauka) of the most recent established shoreline (certified in 2014), they are considered within the SMA and subject to its regulation.

You attached the 1985 SMA Ordinance Map as Exhibit F to your submittal and asserted that it shows Parcel 41 outside of the SMA. However, in our comment letter, dated May 23, 2017, on the withdrawn Draft Environmental Assessment (EA), we emphasized that portions of Parcel 41 are within the SMA boundary. In our letter, we said, "It is the fill-land extending beyond the shoreline on Parcel 41 that is not within the SMA." In other words, only the areas makai (seaward) of the shoreline are not under our administrative responsibility; those areas are in the State Land Use Conservation District, under the purview of the Department of Land and Natural Resources (DLNR).

Our Draft EA comment on the location of the SMA boundary was intended to reflect that because Parcel 41 is not depicted on the 1985 SMA Ordinance Map, the SMA boundary was only "roughly depicted on Figure 5, Appendix B" (i.e., as a straight SMA boundary line across Parcel 39). Since SMA boundaries are adopted by ordinance maps (Ordinance No. 85-105 on December 2, 1985), it reflects a point-in-time makai location for all shoreline properties. Therefore, the regulatory SMA boundary necessarily coincides with the dynamic movement of the shoreline pursuant to Section 25-1.3, ROH. As such, the SMA boundary would be better illustrated as an undulating dotted red line, similar to the one shown in Figure 7 of the Draft EA (see attached).

We note that the hotel's public shoreline access to and along the beach was a requirement imposed by the City Council in its approval of SMA Use Permit No. 94/SMA-22 (Resolution 94-231) for the renovation of the hotel lobby, the Maile Restaurant, and ground level of the Hala Terrace Restaurant. The resulting shoreline access Signage Plan was reviewed and approved by the DPP (fka Department of Land Utilization) on September 13, 1996.

During the review of the Signage Plan in 1996, some patio tables and chairs, ocean recreation equipment, and beach chairs on Parcel 41 were noted and their authorization under the State Revocable Permit (No. S-6317) was questioned. Unfortunately, no further action was taken at that time. Our review of all SMA approvals, including the last Major SMA Use Permit (No. 2001/SMA-10) for the spa expansion, third floor suite additions, open air poolside snack bar addition, tennis court and back-of-house expansion, and swimming pool expansion, reveals that none of the approvals or minor modifications show cabana tents or outdoor seating under the shade cloth stretched between the coconut trees, or makai of the renovated poolside Snack Bar.

Shoreline Setback - Chapter 23, ROH

In your September 7, 2018, letter, you asserted that the cabana tents, which sit on large paver blocks, are allowed within the 40-foot shoreline setback pursuant to Chapter 23, ROH, because they are not "structures." We disagree. The 10 cabana tents occupy fixed locations both on Parcel 39 and 41, and their presence could certainly affect shoreline processes during extreme tides, high wave events, or if the shoreline were to recede sufficiently. Our site inspection on September 10, 2018, confirmed that these structures are within the 40-foot shoreline setback and cannot be retained without a Shoreline Setback Variance (SV). While the clamshell loungers, lawn chairs, and towel caddies are portable elements which do not require SV approval, commercial activity within the shoreline setback and within the SMA is still subject to approval.

Although the cabana tents may have preceded Resorttrust Hawaii's ownership, we have not located any records that indicate their placement within the 40-foot shoreline setback was authorized. We can confirm, however, that the only improvements officially allowed within the 40-foot shoreline setback were the underground irrigation lines and sprinkler heads, landscaping fixtures and conduits approved on March 25, 1996, under Minor SMA Permit No. 96/SMA-22 and Minor Shoreline Structure Permit Nos. 96/MSS-3 and 96/MSS-5. These approvals, which involved both Parcel 39 and 41, were authorized to allow the continuation of the Kahala Mandarin Hotel renovations that were not covered by SMA No. 94/SMA-22. The file record indicates that irrigation heads were allowed within 12 feet of the shoreline and the landscape light fixtures followed along the pathway that lead to the peninsula at the east end of the lagoon.

Based on these findings, should your client intend to retain the cabana tents and their paver foundations, the Applicant would have to obtain approval of a new SV, which also requires an Environmental Assessment, under Chapter 343, HRS. Also, to comply with SMA regulations, all of the new and/or unauthorized structures and uses would require either a new SMA Permit or possibly a minor modification to the hotel's existing SMA Use Permit. Under either scenario, the application would have to contain sufficient information for the DPP to find that this use and the proposed structures would not have a significant impact on SMA resources, including recreation and shoreline access. Please note that since most of these cabana tents are located on the State-owned parcel (Parcel 41), the applications for the SV and SMA would have to be authorized (signed) by the State Department of Land and Natural Resources. Please note that cabana tents, which remain on location for more than 14 days, is a tent structure and will need a building permit.

Should you have any questions, please contact Steve Tagawa, of our staff, at 768-8024.

Very truly yours,

Kathy K. Sokugawa Acting Director

cc: State of Hawaii – Department of Land and Natural Resources – Office of Conservation and Coastal Lands Corporation Council



- ---- Certified Shoreline
- ---- Shoreline Setback
- --- Ocean Recreation Management Areas
 - Possible Wedding Site
- Canopy Tent
- Cabana Lounger

Source: City and County of Honolulu (2014). Pictometry Aerial (2013). Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary





BRUCE S. ANDERSON, Ph.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH

P. O. BOX 3378 HONOLULU, HI 96801-3378

08003EBT.18

In reply, please refer to:

August 2, 2018

CERTIFIED MAIL NO.
RETURN RECEIPT REQUESTED
7017 0660 0001 1844 7389

Mr. Gerald Glennon General Manager Resorttrust Hawaii, LLC 5000 Kahala Avenue Honolulu, Hawaii 96816

Dear Mr. Glennon:

Subject: National Pollutant Discharge Elimination System (NPDES)

Kahala Hotel and Resort

Honolulu, Island of Oahu, Hawaii

Permit No. HI 0021890

The Department of Health (DOH), Clean Water Branch (CWB) is providing this correspondence as a notice of a potential violation of your National Pollutant Discharge Elimination System (NPDES) Permit No. HI 0021890. On July 3, 2018, the DOH-CWB received a complaint that the Kahala Hotel and Resort's (Facility) discharge pipe was damaged and releasing cooling water near the Facility's shoreline. A review of DOH records indicate that on July 21, 2016, the DOH-CWB conducted a Compliance Evaluation Inspection of the Facility. During the July 21, 2016 inspection, the DOH-CWB observed a crack in the Outfall 001 discharge pipe. As documented in a DOH inspection report, the Facility Representative stated that a consultant had been retained to repair the discharge pipe.

Section 9 of the Standard NPDES permit conditions requires the Permittee to properly operate and maintain all systems of treatment and controls used by the Permittee. As such, you must properly maintain the Facility's discharge pipe as required by your NPDES permit. Failure to make appropriate and adequate corrective actions may elicit an enforcement action.

Within 30 calendar days of this letter, please provide a response addressing the concerns detailed in this notice. In your response, include actions planned or taken to correct the deficiency and a date certain for completion of corrective actions.

Please be aware that the Hawaii Revised Statues, Chapter 342D-30, provides for penalties of up to \$25,000 per day per violation. The DOH reserves its right to seek full penalties for any violations.

Should you have any questions, please contact Ms. Bobbie Teixeira of the Enforcement Section, CWB, at (808) 586-4309.

Sincerely,

ALEC WONG, P.E., CHIEF

Clean Water Branch

BT:na

DEPARTMENT OF PLANNING AND PERMITTING

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813 PHONE: (808) 768-8000 • FAX: (808) 768-6041 DEPT. WEB SITE: <u>www.honoluludpp.org</u> • CITY WEB SITE: <u>www.honolulu.gov</u>



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Should you have any questions, please contact Steve Tagawa, of our staff, at 768-8024.

Very truly yours,

Kathy K. Sokugawa Acting Director

cc: State of Hawaii – Department of Land and Natural Resources – Office of Conservation and Coastal Lands Corporation Council



- ---- Certified Shoreline
- ---- Shoreline Setback
- --- Ocean Recreation Management Areas
 - Possible Wedding Site
- Canopy Tent
- Cabana Lounger

Source: City and County of Honolulu (2014). Pictometry Aerial (2013). Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary



From: John Shockley Jr
To: DLNR.BLNR.Testimony

Cc: Linda Wong; David Kimo Frankel Atty; Rafael (Surfrider) Bergstrom; SierraClubOahuGroup@gmail.com; Defend

O"ahu Coalition; "Donna Wong (Hawaii's Thousand Friends)"; Ronald (FOK) Iwami; Surfrider Foundation Oahu

Chapter; Stuart Coleman

Subject: LIVE NOTE: Opposition to Kahala Hotel continuing to receive public beach concessions.

Date: Wednesday, November 07, 2018 8:56:55 AM

Aloha Board!

The Free Access Coalition of non-profits and involved citizens need the BLNR to respect public access to Kahala Beach and remove the private for-profit use of the public land for hotel use. We stand with David "Kimo" Frankel and his group.

"We oppose Agenda Items numbered 17, 18 and 19 entered on the November 9, 2018 BLNR Agenda and support the Contested-Case Hearing filed by David Kimo Frankel September 14, 2018."

Mahalo for your time and consideration,

John & Rita Shockley www.freeaccesscoalition.weebly.com 672-6535

From:

mitzi gold

To: Subject: DLNR.BLNR.Testimony; MItzi gold

Date:

URGENT. I oppose agenda Items 17,18,19..... Wednesday, November 07, 2018 3:21:38 PM

Sent from my iPad

[&]quot;I oppose Agenda Items numbered 17, 18 and 19 entered on the November 9, 2018 BLNR Agenda and support the Contested-Case Hearing filed by David Kimo Frankel September 14, 2018."

From: <u>Sanj Sappal</u>

To: <u>DLNR.BLNR.Testimony</u>

Cc: Lee Donohue; Spike Denis; Romero, Ray (ray.romero01@gmail.com); Gene Stoudt

Subject: The Kahala Hotel- Renewal permit with clarification of recreational uses such as cabana tents and lounge chairs

Date: Tuesday, November 06, 2018 12:07:50 PM

Attachments: <u>image001.png</u>

Aloha,

I am writing this email in support for the Kahala Hotels conditional use for recreational activities on the Kahala Beach.

The Kahala hotel have allowed my family and guests (local and from all over the world) to utilize their facilities whether I stayed at the hotel or not. They have treated all guests/visitors with the utmost respect and have been a good steward of our land.

Please considered this testimony in favor for The Kahala Hotel and the extension of their permit(s).

Mahalo,

Sanj Sappal, Area Vice President • Securitas USA

Pacific Region / Hawaii/Guam Area / Honolulu Office • 888 N. Nimitz Highway, #105 • Honolulu, HI 96817

808.539.5056 (office) • 808.539.5057 (fax) • 808.265.2195 (cell)

sani.sappal@securitasinc.com • www.securitasinc.com • www.securitasiobs.com



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November 9, 2018

Tyler Ralston's STRONG OPPOSITION to the denial of a contested case hearing, to the renewal of revocable permit S-7849, and to the issuance of a new revocable permit for Resorttrust Hawaii, LLC, or the Kahala Hotel & Resort (Items 17, 18, & 19 related to previous items D-13 and D-17, on the November 9, 2018 BLNR agenda).

Dear Chair Case and Members of the Board,

Attached is an October 9, 2018 letter from the City Department of Planning and Permitting Acting Director, Kathy Sokugawa, to the Carlsmith Ball attorneys for Ressorttrust Hawaii, LLC (RTH) (Kahala Hotel and Resort) informing them that the cabanas, clamshell lounges, tables, chairs, beach chairs, and towel caddies that they have on the State parcel between the beach and the hotel property, which is a Shoreline Management Area (SMA), are indeed illegal and need to be removed.

This is significant because the hotel has, during this process, emphatically claimed that these structures and items have been there for decades (plural), which they have not, and that they are permitted uses, which they are not. If these items and structures are allowed as RTH has purported them to be, then how come RTH has asked permission at the September 14, 2018 BLNR meeting, to place and use these structures on the State parcel? If its allowed, then there would be no need to ask for permission. RTH denies that their use of the State parcel was against the terms of their RP, and denies that anything was illegal, and yet they are now asking for permission to use the State parcel in these same, and even intensified ways. This is in itself an admission that their use of the State parcel was and is, against the terms of their RP and illegal in numerous ways.

RP S-7849 explicitly states in:

- -item A1. That the permittee is to occupy and use the land for recreational and maintenance purposes only.
- -item A7. That the permittee is to "..comply with all laws, rules, ordinances and regulations, of all governmental authorities."
- -item A9. That the permittee is to "Obtain the prior written consent of the Board before making any major improvements."
- -item B11. "The use and enjoyment of the Premises shall not be in support of any policy which discriminates upon any basis or in any manner that is prohibited by any applicable federal, state, or county law."

- -item B12. "The permittee shall not cause or permit the escape, disposal, or release of any hazardous materials except as permitted by law."
- -item B17. "Permittee shall not, without the prior written approval of the Chairperson of the Board place improvements within the Premises, and/or preset beach equipment or conduct surf instruction within the public beach fronting the Premises."

A sampling of RTH behavior with regard to the State parcel shows that they:

- 1. Pre-set chairs on the sandy beach ILLEGALLY, and when asked to remove them, they continued for months if not years, to pre-set chairs on the beach ILLEGALLY. When they finally moved all the pre-set chairs off the beach, they moved them onto the State parcel, further intensifying their ILLEGAL use of the State parcel.
- 3. Set up and continued to operate a restaurant on the State parcel (the Seaside Grill) ILLEGALLY.
- 4. Sold and served large amounts of alcohol ILLEGALLY without a proper liquor license, all over on the State parcel for years. They even placed "no alcohol beyond this point" signs in several locations on the boundary between the State parcel and State beach, rather than correctly on the boundary between RTH property and the State parcel, thereby further misleading liquor commission inspectors, hotel guests, and the public. When specifically instructed by Chair Case in a letter dated July 11, 2016 (attached) that no commercial activities (selling and serving alcohol are commercial activities) are to be conducted on the State parcel without authorization from the Land Board, RTH disregarded her explicit instruction and continued to serve copious amounts of alcohol every day all over the State parcel for at least two more years.
- 5. Performed many weddings and other corporate events on the State parcel ILLEGALLY. When specifically instructed by Chair Case in the same letter dated July 11, 2016, to immediately "cease conducting any wedding ceremonies", RTH disregarded her explicit instructions and continued to hold weddings and corporate events.
- 6. Continued to pump large volumes of cooling water from their AC system onto the beach and into the ocean swimming lagoon ILLEGALLY through gaps in their large pipe running under the State parcel (photo attached). On July 21, 2016, they were informed by the State Dept. of Health CWB that they need to fix this, and an RTH "facility representative stated that a consultant had been retained to repair the discharge pipe." Over two years later now, the pipe has still not been repaired, and it's continued to ILLEGALLY pump discharge onto the beach and into the public swimming area 24/7. The State CWB, via a letter dated August 2, 2018 (attached) has asked them again for a plan to repair it, or face penalties up to \$25,000 per day per violation. RTH responded but has yet to repair the discharge leaks.

- 7. Via the State parcel, RTH has facilitated the operations of independent contractors (a surf school and sailing canoe company) both of which were engaged in ILLEGAL actions. The surf school runs its business with SUPs, canoes, kayaks, etc. in the Eastern 3/4 of the HAR §13-256-89 designated swimming-only lagoon, and the sailing canoe was moored for over a year to a mooring that was not permitted by the ACOE nor by the BLNR. While the sailing canoe has been removed, the illegal mooring chain, rope, and buoy remains to this day. RTH is asking the BLNR for permission to store the surf school paddling canoe at the Eastern end of the State parcel, just above the beach, far from the lagoon area that it can be used in, and that will if approved, most assuredly result in the continued ILLEGAL use of the surf school canoe in the designated swimming-only Eastern 3/4 of the ocean lagoon.
- 8. Claimed to "always have welcomed" the public on the State parcel and never excluded the public in any way, with their GM Gerald Glennon even saying this again in verbal testimony at the September 14, 2018 BLNR hearing. Photo evidence shows otherwise, with a roped-off Sea Side Grill on the State parcel for years until September of 2018, "Reserved" placards (photo attached) on ILLEGAL cabana lounges and clamshell lounges on the State parcel for over a month after the September 14, 2018 BLNR meeting, and numerous signs placed at the boundary of the beach and other public areas and at the boundary of the SSG restaurant, saying the area is for hotel guests only. To this day, RTH still has a sign up on the State parcel far from hotel property, that any reasonable person would interpret to mean that the area and gardens beyond the sign are only for hotel guests, when in fact just about all of the large grassy area behind the sign is the State parcel (photo attached). While RTH has recently removed some of these signs, they were clearly telling this Board one thing and doing another on the State parcel all along even during and beyond the September 14, 2018 BLNR hearing.
- 9. ILLEGALLY erected and maintained approximately ten large heavy commercial cabana structures on heavy pavers sunk into the ground on the State parcel and SMA with IIIEGAL double lounges for commercial rent to hotel guests only, in each cabana. These cabanas, pavers, and heavy timber lounges violate several DPP, SMA, LUPD rules / laws.
- 10. ILLEGALLY placed and maintained heavy timber clamshell double lounges for commercial rent to hotel guests only on the State parcel in the SMA.
- 11. ILLEGALLY placed and maintained a large towel caddy structure, various large trash bins, and "pool safe boxes" for hotel guest use, all elements of RTH non-allowed commercial activity, on the State parcel.
- 12. When explicitly instructed by the City DPP Acting Director Kathy Sokugawa in the same letter mentioned above, dated October 9, 2018, and attached, to remove ILLEGAL cabanas, clamshell lounges, pavers, beach chairs, towel caddy, and other elements of commercial activity by November 1, 2018 or notice of violation will be issued. RTH still did not comply. They removed some structures and items but left

numerous vinyl strapped beach chairs on the State parcel in the SMA, as well as the large towel caddy, and heavy trash cans as evidenced in the attached photos taken on November 1, 2018, after the deadline RTH was given.

The 12 points above are a sampling of the numerous ways that RTH has violated, often knowingly, with intention, and egregiously, the terms of their RP S-7849, and the rules and laws of our City and State.

A comparison of the certain RP S-7849 terms listed above shows that related to:

- -item A1, the permittee occupied and used the land for far more than for "recreational and maintenance purposes".
- -item A7, the permittee did not and still has not complied "with all laws, rules, ordinances and regulations, of all governmental authorities". Instead, the permittee violated both City and State rules and laws in numerous egregious ways, intentionally, and for years.
- -item A9, the permittee did not "Obtain the prior written consent of the Board before making any major improvements."
- -item B11, the permittee intentionally, actively, and flagrantly discriminated who could use certain portions of the State parcel, in violation of the law.
- -item B12, the permittee has caused and permitted the escape, disposal, or release of a hazardous material onto the beach and into the swimming lagoon via a large discharge pipe that runs under the State parcel.
- -item B17, the permittee has, without the prior written approval of the Chairperson of the Board placed improvements within the Premises, and preset beach equipment and facilitated the conduct of surf instruction within the public beach fronting the Premises.

What RTH has done, and in some cases continues to do right now, is in violation of their RP at a minimum. One has to wonder what purpose an RP with specific terms and conditions serves, if those terms and conditions can be so egregiously violated, and for so long.

It would have been most appropriate had RP S-7849 been revoked long ago, but instead RTH was able to manipulate and cheat the public, relevant State and City depts., inspectors, and even this Board, in order to make millions in commercial profit from illegal activity on the State parcel, all the while paying the State less than \$16k annually for the RP fee. RTH not only got away with what they are doing, they actually increased their illegal use of the State parcel, even as they came under increasing scrutiny by City and State depts., and the public.

RTH's illegal use of the State parcel wasn't accidental, nor was it something that they quickly realized was wrong and swiftly remedied. This was, and is, intentional and flagrant disregard for the terms and conditions of their RP, and the very laws and rules that are in place to protect the natural resources of the area and our public enjoyment of these resources.

It's appalling that RTH would ask to increase their use of the State parcel when they won't even abide by the terms of their current RP unless large amounts of City and State resources are used to force them to comply. Furthermore, it's baffling and even incredible, that DLNR would recommend to the BLNR that RTH be granted a renewed RP, or a new RP with increased usage, given the circumstances.

Please protect our natural resources, and our ability to freely use and enjoy the State parcel without commercialization of the area. Please do not deny the contested case hearing, do not renew RP S-7849, and not issue a new RP to RTH. If you choose to renew RP S-7849 or issue a new RP, please ensure that it is truly for recreational and maintenance purposes only, as was intended with RP S-7849.

Thank you for your consideration,

/Tyler Ralston/ Tyler Ralston

Attachments:

- -October 9, 2018 letter from Kathy Sokugawa, Acting Director, C&C DPP
- -July 11, 2016 letter from BLNR Chairperson Suzanne Case
- -November 1, 2018 photo of AC cooling pipe discharging onto beach
- -August 2, 2018 letter from Alec Wong, PE Chief, State Clean Water Branch
- -October 11, 2018 photo of "Reserved" placard on cabana and clamshell lounges
- -November 1, 2018 photo "...gardens are for exclusive use of registered guests"
- -November 1, 2018 photo of large towel caddy on beach / State parcel
- -November 1, 2018 photo of trash can on Eastern half of State parcel
- -November 1, 2018 photo of trash can on Western half of State parcel
- -November 1, 2018 photo of vinyl strapped beach chairs on State parcel

DEPARTMENT OF PLANNING AND PERMITTING

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWA!I 96813 PHONE: (808) 768-8000 • FAX: (808) 768-6041 DEPT. WEB SITE: <u>www.honoluludpp.org</u> • CITY WEB SITE: <u>www.honolulu.gov</u>



KIRK CALDWELL MAYOR



KATHY K. SOKUGAWA ACTING DIRECTOR

TIMOTHY F. T. HIU DEPUTY DIRECTOR

EUGENE H. TAKAHASHI DEPUTY DIRECTOR

October 9, 2018

2018/ELOG-1757(ST)

Ms. Jennifer A. Lim Mr. Jon T. Yamamura Carlsmith Ball, LLP ASB Tower, Suite 2100 1001 Bishop Street Honolulu, Hawaii 96813

Dear Ms. Lim and Mr. Yamamura:

SUBJECT: Kahala Hotel & Resort - Beachfront Operations

5000 Kahala Avenue and State-owned Parcel

Tax Map Keys 3-5-023: 039 and 041.

This responds to the position statement and request for assistance dated September 7, 2018, for the above-referenced property. You provided valuable information regarding the original development and improvements on both the hotel property (Parcel 39) and the makai State-owned property (Parcel 41). However, we disagree with your conclusion. The cabana tents, clamshell loungers, tables, chairs, and beach chairs are within the Special Management Area (SMA) and are considered development, pursuant to Section 25-1.3, Revised Ordinances of Honolulu (ROH). Without a SMA permit, they are not allowed under applicable City and State laws. Please remove them by November 1, 2018, or the Department of Planning and Permitting (DPP) will issue a Notice of Violation.

Section 25-1.3, ROH, defines the SMA as the land extending inland *from the shoreline* to the point established on the maps established by the Council. The regulatory shoreline is dynamic as it is based on the shoreline certification issued by the State. Given that nearly all of the uses, activities, structures, and items discussed above and are located inland (mauka) of the most recent established shoreline (certified in 2014), they are considered within the SMA and subject to its regulation.

You attached the 1985 SMA Ordinance Map as Exhibit F to your submittal and asserted that it shows Parcel 41 outside of the SMA. However, in our comment letter, dated May 23, 2017, on the withdrawn Draft Environmental Assessment (EA), we emphasized that portions of Parcel 41 are within the SMA boundary. In our letter, we said, "It is the fill-land extending beyond the shoreline on Parcel 41 that is not within the SMA." In other words, only the areas makai (seaward) of the shoreline are not under our administrative responsibility; those areas are in the State Land Use Conservation District, under the purview of the Department of Land and Natural Resources (DLNR).

Our Draft EA comment on the location of the SMA boundary was intended to reflect that because Parcel 41 is not depicted on the 1985 SMA Ordinance Map, the SMA boundary was only "roughly depicted on Figure 5, Appendix B" (i.e., as a straight SMA boundary line across Parcel 39). Since SMA boundaries are adopted by ordinance maps (Ordinance No. 85-105 on December 2, 1985), it reflects a point-in-time makai location for all shoreline properties. Therefore, the regulatory SMA boundary necessarily coincides with the dynamic movement of the shoreline pursuant to Section 25-1.3, ROH. As such, the SMA boundary would be better illustrated as an undulating dotted red line, similar to the one shown in Figure 7 of the Draft EA (see attached).

We note that the hotel's public shoreline access to and along the beach was a requirement imposed by the City Council in its approval of SMA Use Permit No. 94/SMA-22 (Resolution 94-231) for the renovation of the hotel lobby, the Maile Restaurant, and ground level of the Hala Terrace Restaurant. The resulting shoreline access Signage Plan was reviewed and approved by the DPP (fka Department of Land Utilization) on September 13, 1996.

During the review of the Signage Plan in 1996, some patio tables and chairs, ocean recreation equipment, and beach chairs on Parcel 41 were noted and their authorization under the State Revocable Permit (No. S-6317) was questioned. Unfortunately, no further action was taken at that time. Our review of all SMA approvals, including the last Major SMA Use Permit (No. 2001/SMA-10) for the spa expansion, third floor suite additions, open air poolside snack bar addition, tennis court and back-of-house expansion, and swimming pool expansion, reveals that none of the approvals or minor modifications show cabana tents or outdoor seating under the shade cloth stretched between the coconut trees, or makai of the renovated poolside Snack Bar.

Shoreline Setback - Chapter 23, ROH

In your September 7, 2018, letter, you asserted that the cabana tents, which sit on large paver blocks, are allowed within the 40-foot shoreline setback pursuant to Chapter 23, ROH, because they are not "structures." We disagree. The 10 cabana tents occupy fixed locations both on Parcel 39 and 41, and their presence could certainly affect shoreline processes during extreme tides, high wave events, or if the shoreline were to recede sufficiently. Our site inspection on September 10, 2018, confirmed that these structures are within the 40-foot shoreline setback and cannot be retained without a Shoreline Setback Variance (SV). While the clamshell loungers, lawn chairs, and towel caddies are portable elements which do not require SV approval, commercial activity within the shoreline setback and within the SMA is still subject to approval.

Although the cabana tents may have preceded Resorttrust Hawaii's ownership, we have not located any records that indicate their placement within the 40-foot shoreline setback was authorized. We can confirm, however, that the only improvements officially allowed within the 40-foot shoreline setback were the underground irrigation lines and sprinkler heads, landscaping fixtures and conduits approved on March 25, 1996, under Minor SMA Permit No. 96/SMA-22 and Minor Shoreline Structure Permit Nos. 96/MSS-3 and 96/MSS-5. These approvals, which involved both Parcel 39 and 41, were authorized to allow the continuation of the Kahala Mandarin Hotel renovations that were not covered by SMA No. 94/SMA-22. The file record indicates that irrigation heads were allowed within 12 feet of the shoreline and the landscape light fixtures followed along the pathway that lead to the peninsula at the east end of the lagoon.

Based on these findings, should your client intend to retain the cabana tents and their paver foundations, the Applicant would have to obtain approval of a new SV, which also requires an Environmental Assessment, under Chapter 343, HRS. Also, to comply with SMA regulations, all of the new and/or unauthorized structures and uses would require either a new SMA Permit or possibly a minor modification to the hotel's existing SMA Use Permit. Under either scenario, the application would have to contain sufficient information for the DPP to find that this use and the proposed structures would not have a significant impact on SMA resources, including recreation and shoreline access. Please note that since most of these cabana tents are located on the State-owned parcel (Parcel 41), the applications for the SV and SMA would have to be authorized (signed) by the State Department of Land and Natural Resources. Please note that cabana tents, which remain on location for more than 14 days, is a tent structure and will need a building permit.

Should you have any questions, please contact Steve Tagawa, of our staff, at 768-8024.

Very truly yours,

Kathy K. Sokugawa Acting Director

cc: State of Hawaii -- Department of Land and Natural Resources -- Office of Conservation and Coastal Lands Corporation Council

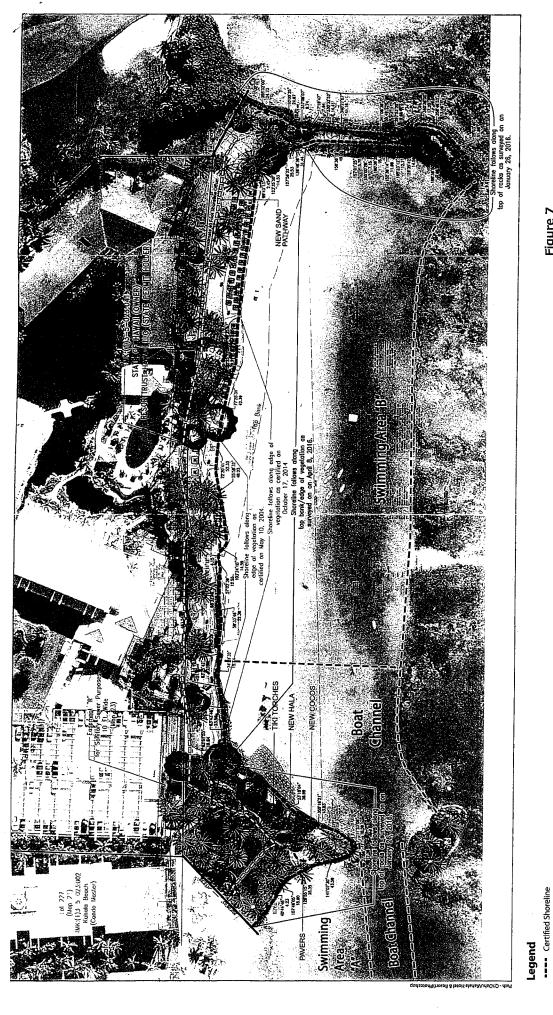


Figure 7 Site Plan

The Kāhali Hotel & Resort
The Kāhali Hotel & Resort
The Kāhali Hotel & Resort
Lincol Scale (Inc.) Sand of Oallu
North

Canopy TentCabana Lounger

--- Ocean Recreation Management Areas

opposition Setback

Possible Wedding Site

Source: City and County of Honolulu (2014). Pictometry Aerial (2013). Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary Interpr





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

July 11, 2016

PROFESSION T. TEARSON, P.E. DEVICE DESCRIPTION WATER

AQUATIC ESSOURCES
DOATED AND OCEAN EXCREATION
RUBEAU OF CONVEYANCES
CHARGOON OF WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANCE
CONSERVATION AND RESOURCES DEGOSCIONENT
ENGINEER PARTIES DEGOSCIONENT
ENGINEER PARTIES DEGOSCIONENT
ENGINEER PARTIES DEGOSCIONENT
ENGINEER PARTIES
ENGINEER PA

ENGREEN DO
FORESTRY AND WIDLING
MISTORY PRESERVATION
KAHOOLAWE BLAND RESERVE COMMISSION
LAND
STATE PARKS

Ref: RP 7849

Tim Lui-Kwan, Esq. Carlsmith Ball LLP ASB Tower Suite 2100 Honolulu, Hawaii 96813

Dear Mr. Lui-Kwan:

Subject:

The Kahala Hotel & Resort - Revocable Permit No. 7849; Wanalae, Honolulu, Oahu, TMK (1),3-5-023:041

Thank you for your letter dated June 30, 2016 regarding the collection of fees for weddings conducted at the subject location:

The subject parcel its encumbered by Revocable Permit No. 7849 for recreational and maintenance purposes, and no other commercial activities shall be conducted thereon without authorization from the Land Board.

We understand wedding ceremonies on the premises are an activity that is intended by both sides to be covered in a long term disposition. However, weddings are not currently authorized under the subject revocable permit. Therefore, we do not believe the remittance to the State of fees collected by your cuent for the weddings conducted on the subject premises is proper.

We request you to cease conducting any wedding ceremonies planned at the subject premises immediately, until proper authorization as obtained from the Land Board. In the meantime, please continue to work with our staff toward a long term disposition.

For any further questions, please contact Russell Tsuji at 587-0422 or Barry Cheung at 587-0430.

Sincerely

Suzanue D. Case

(Chaingueston

DAVID Y. IGE



BRUCE S. ANDERSON, Ph.D.
DIRECTOR OF HEALTH

STATE OF HAWAII DEPARTMENT OF HEALTH

P. O. BOX 3378 HONOLULU, HI 96801-3378

08003EBT.18

In reply, please refer to:

File:

August 2, 2018

CERTIFIED MAIL NO.
RETURN RECEIPT REQUESTED
7017 0660 0001 1844 7389

Mr. Gerald Glennon General Manager Resorttrust Hawaii, LLC 5000 Kahala Avenue Honolulu, Hawaii 96816

Dear Mr. Glennon:

Subject:

National Pollutant Discharge Elimination System (NPDES)

Kahala Hotel and Resort

Honolulu, Island of Oahu, Hawaii

Permit No. HI 0021890

The Department of Health (DOH), Clean Water Branch (CWB) is providing this correspondence as a notice of a potential violation of your National Pollutant Discharge Elimination System (NPDES) Permit No. HI 0021890. On July 3, 2018, the DOH-CWB received a complaint that the Kahala Hotel and Resort's (Facility) discharge pipe was damaged and releasing cooling water near the Facility's shoreline. A review of DOH records indicate that on July 21, 2016, the DOH-CWB conducted a Compliance Evaluation Inspection of the Facility. During the July 21, 2016 inspection, the DOH-CWB observed a crack in the Outfall 001 discharge pipe. As documented in a DOH inspection report, the Facility Representative stated that a consultant had been retained to repair the discharge pipe.

Section 9 of the Standard NPDES permit conditions requires the Permittee to properly operate and maintain all systems of treatment and controls used by the Permittee. As such, you must properly maintain the Facility's discharge pipe as required by your NPDES permit. Failure to make appropriate and adequate corrective actions may elicit an enforcement action.

Within 30 calendar days of this letter, please provide a response addressing the concerns detailed in this notice. In your response, include actions planned or taken to correct the deficiency and a date certain for completion of corrective actions.

Please be aware that the Hawaii Revised Statues, Chapter 342D-30, provides for penalties of up to \$25,000 per day per violation. The DOH reserves its right to seek full penalties for any violations.

Should you have any questions, please contact Ms. Bobbie Teixeira of the Enforcement Section, CWB, at (808) 586-4309.

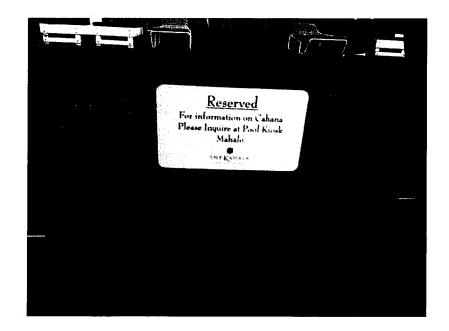
Sincerely,

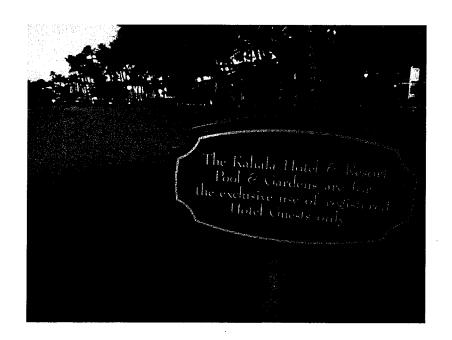
ALEC WONG, P.E., CHIEF

Clean Water Branch

BT:na















From: Day, David D

To: Ferreira, Darlene S

Cc: Wynhoff, Bill J; Weston, Amanda J

Subject: FW: Resorttrust Hawaii, LLC - Kahala Hotel & Resort Date: Thursday, November 08, 2018 7:50:24 AM

Attachments: Kahala Hotel.pdf

This is David Kimo Frankel's testimony for Item D-17. Also, include the attached letter.

From: David Kimo Frankel [mailto:davidkimofrankel@gmail.com]

Sent: Wednesday, November 07, 2018 10:25 PM

To: Day, David D <david.d.day@hawaii.gov>

Cc: Terry Revere <terry@revereandassociates.com>; Jennifer A. Lim <jlim@carlsmith.com>; Jon T. Yamamura <jyamamura@carlsmith.com>; Jeannie A. Hirabara <jhirabara@carlsmith.com>; Wynhoff, Bill J <Bill.J.Wynhoff@hawaii.gov>; Chow, Linda L <Linda.L.Chow@hawaii.gov>

Subject: Re: Resorttrust Hawaii, LLC - Kahala Hotel & Resort

As you know, I am visiting my son in Spain and am unable to respond in person to the staff submittal, which I just read. Please provide this brief response to the BLNR. The staff analysis as to whether a contested case hearing is necessary suffers from several flaws. I do not have the time to respond to all the points raised in the submittal.

First, the staff submittal blithely claims that HRS chapter 171 is not a law relating to environmental quality. The legislature disagrees. It cited HRS chapter 171 in both HRS 607-25(c) and 604A-2 (as a part of title 12). The Ala Loop court specifically looked at HRS 607-25 to determine that HRS chapter 205 is a law "relating to environmental quality." Moreover, the submittal overlooks the fact that in rendering any decision pursuant to HRS chapter 171, the BLNR must also comply with HRS chapters 205A and 343, which are laws relating to environmental quality. The property right protected by the constitution is shaped by these laws.

Second, the staff submittal confuses the requirements in its petition form that a petitioner identify the "interests that may be affected" with the identification of the constitutional rights to a contested case hearing. While there is a clear overlap between the two, BLNR's rules do not require that a petitioner identify with specificity the legal basis upon which a request for a contested case hearing is made.

Third, the staff submittal ignores the Honolulu Department of Planning and Permitting October 9, 2018 letter, which determined that the hotel's uses of the revocable permit parcel violated HRS chapter 205A — and that a proposed use requires the preparation of an environmental assessment or environmental impact statement pursuant to HRS chapter 343. The city sent a copy of this letter to DLNR. I have sent a copy to David Day and Bill Wynhoff and I request that they provide a copy of that letter to the Board.

Fourth, the staff submittal ignores the Hawai'i Supreme Court's October 30, 2018 decision in the Mauna Kea case. The Hawai'i Supreme Court re-affirmed the principal that "any balancing between public and private purposes must begin with a presumption in favor of public use, access and enjoyment." Given the BLNR's trust duties, the BLNR requires much more information — which a contested case would provide (as outlined in my October 2 analysis) — before it can authorize this use of public land.

Fifth, the staff submittal exaggerates the administrative burden in holding a contested case hearing. I have served as an attorney in several BLNR contested case hearings (Haleakala, Paoo, Kaloi Gulch, Papipi Drainage, Kahuku windmills). None of the hearings that I have been involved in have lasted

five days. The comparison to the Mauna Kea hearing is absurd. Assuming, however, that conducting
a contested case hearing would be burdensome, please consider the burden BLNR will face if a
contested case hearing is denied and I sue on the merits. The dissent in Maui Electric makes it clear
that absent a contested case hearing, members of the public can sue. Would it be less of a burden for
the BLNR to face a trial (as it did in the Pohakuloa litigation) on issues such as its compliance with
its public trust duties?

Aloha.

David Kimo Frankel

To: The Chairwoman

The Hawaii Board of Land and Natural Resources

From: Paul Skellon

Event Chair Hawaii Invitational of Polo; local resident of Kahala

Subject: The Kahala Hotel and Resort August 29, 2018

Dear Ms. Case,

As a resident of Kahala, I have been a frequent visitor to the Kahala Hotel and Resort where I have always been welcomed warmly and genuinely. This beautiful 'old world' resort is very much part of the rich history and tapestry of this wonderful seaside neighborhood where residents from all over the island, and guests from all corners of the world, come and mix effortlessly.

I was not here when the resort was built but some years ago after a conversation with a neighbor, I learned the fascinating story of the creation of this gem and how the vision of its developers transformed a muddy tidal part of Oahu's south shore into the beautifully, cared for resort that islanders and visitors enjoy today and return to time and again.

Almost daily I walk my dog along the beautiful Kahala neighborhood beaches and love the fact that, while not a resort guest, I have always been welcomed by the staff and am able to use the resort's bathroom, get fresh water for my dog or pull up a beach lounger and enjoy a coffee. I may not have been a registered guest, but I was certainly always welcomed as one and was reminded by staff many times that the beach belonged to everyone.

The evenings are also a special time on the hotel's Verandah where guests and residents come to relax, enjoy a sunset drink and listen to beautiful music. I usually bump into someone I haven't seen in a while, and I love that about this magical venue, and visitors love this interaction with the local community.

Perhaps the highlight of the year for me is when the hotel graciously hosts its Oahu O'hana for the annual lighting of the Christmas Tree. Families from across the island come and inevitably recount the stories of when they first came with their parents and grandparents, and how that tradition has endured and grown. Food, beverages, music, fun, laughter and generous hospitality are served up lovingly for this 'all hands-on deck' annual event that the resort's staff, and we locals, wouldn't miss for anything. It's a wonderful sense of community that exemplifies the spirit of Christmas and the very essence of what the Kahala resort represents – the genuine spirit of aloha and community.

Just ask the firefighters and first responders in the neighborhood who for four decades have enjoyed a strong bond with the resort, and whose service to the community is recognized by the resort and its staff who prepare and deliver hundreds of delicious complimentary meals every Thanksgiving.

There are many other examples of the resort's giving and being an integral part of our community, and I am glad to have this opportunity to share my gratitude and appreciation for all they do, day after day, decade after decade.

Most sincerely,

Paul K Skellon