

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

July 12, 2019

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

PSF No. 19HD-030

HAWAII ISLAND

Set-aside to County of Hawaii, for Affordable Housing Purposes and Issuance of Immediate Management Right-of-Entry to County of Hawaii, Waiakea, South Hilo, Hawaii, TMK: (3) 2-4-024:157.

APPLICANT:

County of Hawaii.

LEGAL REFERENCE:

Sections 171-11, -13, -26 and -55, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands situated at University Heights Residential Lots, Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-4-024:157, as shown on the attached Exhibit A.

AREA:

0.235 acre.

ZONING:

State Land Use District: Urban
County of Hawaii Zoning: RS - 10

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act.
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Currently unencumbered.

PURPOSE:

Affordable housing purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the “Exemption List for the Department of Land and Natural Resources, reviewed and concurred upon by the Environmental Council on June 5, 2015,” the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 43 which states “Transfer of management authority over state-owned land, such as setting aside of state lands to or from other government agencies through a Governor’s executive order.” (Exhibit B)

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Provide survey, maps, and descriptions, etc., according to State DAGS standards as needed and requested at Applicant’s own cost.

REMARKS:

BACKGROUND:

Lot #59 of the University Heights Residential Subdivision was sold for \$11,995 at public auction on 05/01/1975 to Jon K. De Mello and Beverly G. De Mello, husband and wife, as tenants by the entirety (Patentees), Special Sale Agreement S-5300. Subsequently, Land Patent Grant (LPG) S-15,324 was executed on 06/04/1976. A condition of the grant required construction of a residence within 3 years of initial sale of property. A residence was constructed in 1977. LPG S-15,324 contained a provision giving the State the option to repurchase the property within the first 10 years of sale, should Patentees decide to sell subject property within this time frame.

In 1981, Patentees divorced and decided to sell subject property. The Land Board approved repurchase of the subject property for \$73,745 (meeting on 09/25/1981, agenda item F-8), Land Office Deed S-27,297. After the subject property was repurchased, the Hawaii District Land Office (HDLO) received a number of letters expressing an interest to purchase subject property. However, prevailing State policy no longer supported the sale of subject property nor its lease for residential purposes. As such, no subsequent disposition was made. Over the course of some 32 years the subject property fell into a state of disrepair due to vacancy. Photos of portions of premises are attached as Exhibits

C, D, and E.

On December 11, 2013, a Phase I Environmental Site Assessment was completed on the subject property in anticipation of demolition of residence.

On January 12, 2018, HDLO received correspondence from a neighboring property owner regarding concerns over deteriorating condition of premises and related safety issues from portions of metal roof falling into neighboring property. Said neighbor suggested demolition of property as the most prudent solution.

On February 22, 2019, HDLO received correspondence signed by 10 neighboring property owners expressing concerns regarding deteriorating condition of property and related safety issues. Said group requested that their concerns be addressed.

REQUEST:

On March 08, 2019, HDLO received a request from the County of Hawaii, Office of Housing and Community Development (County) to set-aside subject property. It is the County's intent to renovate the residence. Once renovated, the County will collaborate with an appropriate non-profit organization to shelter parties in need such as homeless persons and those experiencing domestic family violence.

County of Hawaii Mayor, Harry Kim, is supportive of set-aside and has indicated that project:

- Will be community friendly;
- Will benefit the citizens of our island; and
- Will fit the lifestyle of our island.

A request for comments was sent to the following State and County agencies, with the following responses as listed below:

Agency	Response/Comments
State of Hawaii	
DOH	No Response
DHHL	Objection
DLNR - Historic Preservation Division	No Objections
Office of Hawaiian Affairs	No Response
County of Hawaii	
Planning	No Objections
Parks & Recreation	No Objections
Public Works	No Response
Water Department	No Objections
Environmental Division	No Response

In response to request for comments, the Department of Hawaiian Home Lands (DHHL) submitted a letter in opposition of subject set-aside. A copy of letter attached as Exhibit F. DHHL opposition is based on Act 14 as passed by the State Legislature in 1995. The purpose of Act 14 was to resolve DHHL land claims against the State. The issue was a shortage of 16,518 acres in land inventory compared to the amount designated in the Hawaiian Homes Commission Act of 1920 (203,500 acres). It is DHHL's contention that 817 acres are still owed DHHL under Act 14. As such, DHHL believes the subject premises should be transferred to DHHL as part of the above settlement agreement.

However, at its meeting on October 28, 2010, under agenda item D-12, the Board approved, as amended, the conveyance of +/- 817 acres to DHHL as full and final settlement, under the terms and conditions of Act 14. Representing DHHL at this meeting was Kaulana Park, Director of DHHL, and staff. A copy of the Board submittal, approved as amended, is attached as Exhibit G, and a copy of the approved minutes of the meeting as they relate to Item D-12 is attached as Exhibit H.

The County of Hawaii is also requesting the Land Board's favorable consideration for a right-of-entry permit for management purposes. This will allow the County and their consultants to start the necessary property evaluations, initiate repairs to the structure, etc.

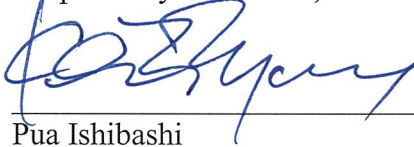
RECOMMENDATIONS:

That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS and Chapter 11-200, Hawaii Administrative Rules, this project will probably have minimal or no significant effect on the environment and is therefore exempt from preparation of an environmental assessment.
2. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject property to the County of Hawaii under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

3. Authorize the issuance of an immediate management right-of-entry permit to the County of Hawaii covering the subject land under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time,
 - B. The right-of-entry permit shall remain in force until the set-aside is complete; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


fr Pua Ishibashi
Land Agent

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson

EXHIBIT A (3 Items)



PHOTO 1: 1215 Kalili Place, Waiakea, South Hilo, Hawaii,
TMK: (3) 2-4-024:157

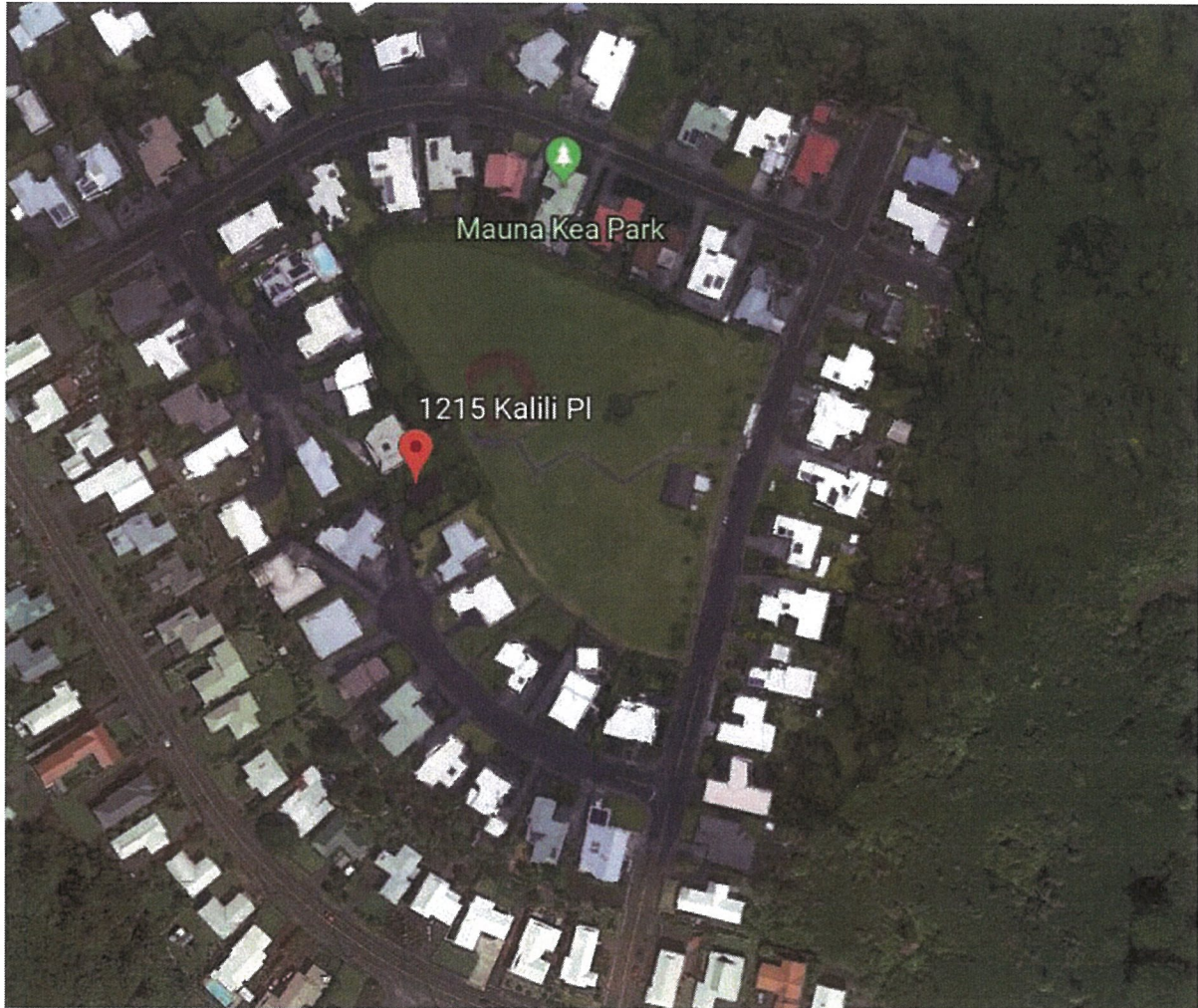


PHOTO 2: 1215 Kalili Place, Waiakea, South Hilo, Hawaii,
TMK: (3) 2-4-024:157

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

July 12, 2019

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

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

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

EXEMPTION NOTIFICATION

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

Project Title:	Set Aside to the County of Hawaii for Affordable Housing Purposes.
Project / Reference No.:	PSF 19HD-054
Project Location:	Portion of Government lands situated at University Heights Residential Lots, Waiakea, South Hilo, Hawaii, identified by Tax Map Key: (3) 2-4-024:157.
Project Description:	Subject premises are currently unencumbered. County of Hawaii has requested that the subject premises be set aside to the County of Hawaii, for affordable housing purposes. County of Hawaii is also requesting issuance of immediate management right-of-Entry to County of Hawaii.
Chap. 343 Trigger(s):	Use of State Land
Exemption Class No. and Description:	In accordance with Hawaii Administrative Rule Sections 11-200-8(a)(1) & (4) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item 43 that states " <u>Transfer of management authority over State-owned lands, such as setting aside of State lands to or from other government agencies through a Governor's Executive Order</u> ".
Cumulative Impact of Planned Successive Actions in Same Place Significant?:	No. The set-aside of the premises to the County of Hawaii for affordable housing purposes is a single transaction. Staff believes there are no cumulative impacts involved.

Exhibit B

**Action May Have
Significant Impact
on Particularly
Sensitive
Environment?:**

No. There are no particularly sensitive environmental issues involved with the proposed use of the property located in a developed residential subdivision.

Analysis:

Subject premises are currently unencumbered. County of Hawaii has requested that subject premises be set aside to the County of Hawaii, for affordable housing purposes. DLNR is no longer facilitates residential dispositions. Both parties feel this project will be mutually beneficial and ultimately have a positive impact on the community. The set-aside of the premises and right-of-entry for the same to the County will have minimal or no significant effect on the environment. The County will be required to comply with Chapter 343, HRS, with respect to any future use of the land that is not exempt from Chapter 343, HRS, if any.

Consulted Parties:

State of Hawaii Department of Health (DOH), Department of Hawaiian Home Lands (DHHL), Department of Land and Natural Resources - Historic Preservation Division, and Office of Hawaiian Affairs (OHA). County of Hawaii, Planning Department, Parks and Recreation, Public Works, Water Department, and Environmental Division. Note, the above agencies are listed in Board Submittal along with responses and comments.

Recommendation:

That the Board find that this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

EXHIBIT C



PHOTO 1: Southwest Side (2019)



PHOTO 2: Nothwest Side (2019)



PHOTO 3: Northwest Corner (2019)



PHOTO 4: Northeast Corner (2019)

EXHIBIT D



PHOTO 1: First floor open air lanai.



PHOTO 2: First floor open air car port. Stairs can be seen on the left.

EXHIBIT E



PHOTO 1: Living and Kitchen Area



PHOTO 2: Hallway



PHOTO 3: Bathroom (one of two upstairs)

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

May 31, 2019

Mr. Pua Ishibashi, Land Agent
Department of Land and Natural Resources
Land Division
75 Aupuni Street, Room 204
Hilo, Hawai'i 96720

Dear Ms. Ishibashi:

Subject: Request for Set Aside for Public Housing Purposed and Immediate
Management Right-of -Entry

The Department of Hawaiian Home Lands (DHHL) opposes this request for set aside to the County of Hawai'i. The DHHL concurs that there is a benefit to the neighborhood and the State to renovate the structure located on a portion of Government lands situated at Lot #59 of the University Heights Residential Subdivision on TMK (3)2-4-024:157. However, to settle past claims for breaches of trust, the State of Hawai'i and DHHL agreed to a settlement of cash and land (Act 14, SpLH 1995). There is a balance of land (approximately 817 acres) still owed to DHHL by the State of Hawai'i under this settlement agreement. Until the debt of land to DHHL is repaid in full, DHHL should be notified about the opportunity to receive this property and other properties like it that are suitable for residential use prior to the State offering these parcels to other government entities. The structure and parcel located at Lot #59 would provide a homesteading opportunity to one of the 5,861 native Hawaiian applicants on the Hawai'i Island Residential waitlist. DHHL has four existing homestead lessees in the University Heights area as a result of previous transfers of land under the Act 14 Settlement.

EXHIBIT F

Mr. Pua Ishibashi
May 31, 2019
Page # 2

For these reasons, DHHL opposes this request for set aside and recommends the land instead be transferred to the Hawaiian Home Lands Trust. In addition, should similar parcels that are suitable for homestead use become available, we request that they are offered to DHHL first prior to other government entities until the balance of land owed to DHHL under the Act 14 Settlement is repaid in full.

Mahalo for the opportunity to provide comments. If you have any questions, please contact Malia Cox, at 620-9485 or via email at malia.m.cox@hawaii.gov.

Aloha,



William J. Aila Jr., Chairman
Hawaiian Homes Commission



AMENDED

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LAND
Honolulu, Hawaii 96813

October 28, 2010

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii 96813

PSF No: 10SD-193

Statewide

Conveyance of Portions of Government Lands State-Wide from the State of Hawaii, by its Board of Land and Natural Resources, to the Department of Hawaiian Home Lands, Tax Map Key: (1) 2-3-09:01(portion); (2) 4-5-21:23(portion), 3-8-08:8 and 35, 4-4-01:15, 4-4-02:38, 5-2-04:46, 4-9-02:01(portion), 4-9-02:01(portion), 5-3-01:2, 97 and 100; (4) 1-2-02:01(portion), 3-9-06:16 and 20, 4-5-11:26, 4-5-04:02(portion); (3) 2-2-58:27 and 28, 7-3-10:44, and 7-3-10:42(portion).

Withdrawal of Approximately 5.334 Acres of Land from Governor's Executive Order No. 0101 to the Department of Education, for McKinley High School Purposes, Honolulu, Oahu, Tax Map Key: (1) 2-3-09:01(portion).

Withdraw Approximately 50 Acres of Land from Governor's Executive Order No. 4007 to Agricultural Development Corporation for Agricultural Related Purposes, Kekaha, Waimea, Kauai, Tax Map Key: (4) 1-2-02:01(portion).

APPLICANT:

Department of Hawaiian Home Lands ("DHHL")

LEGAL REFERENCE:

Sections 171-95 and 171-11 Hawaii Revised Statutes, as amended,
Act 14, Special Session Laws of Hawaii, 1995 ("Act 14")

LOCATION:

Portions of Government lands State-wide, further identified on Exhibit A, attached.

AREA:

817.072 acres, more or less (Exhibit A), as a full and final settlement of land owed to DHHL, pursuant to a 16,518-acre Settlement Agreement between DHHL and the Department of Land and Natural Resources (DLNR).

ZONING:

As Amended
APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON
October 28, 2010

D-12

EXHIBIT G

Various

TRUST LAND STATUS:

Identified on Exhibit A, attached

CURRENT USE:

Various

CONSIDERATION:

Gratis, the proposed conveyances are part of the final comprehensive resolution, addressing DHHL land and title claims, passed by the Legislature and signed into law as Act 14, Special Session Laws of Hawaii, 1995.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board proposes to transfer the fee simple interest of the government lands listed on Exhibit A to DHHL and does not constitute a use of State land or funds. Therefore, this action is exempt from the provisions of Chapter 343, HRS, as amended, relating to environmental impact statements. Inasmuch as the Chapter 343 requirements apply to DHHL's future use of the lands, DHHL shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

DHHL shall be required to:

- 1) Process and pay for any and all costs associated with effectuating the land transfers, including but not limited to any and all costs associated with any county subdivision that may be required.
- 2) Address any issues regarding the cancellation of existing Governor's Executive Orders.

BACKGROUND:

In 1990 a governor's task force was formed to investigate the land and title claims by the Department of Hawaiian Home Lands (DHHL). The task force was composed of representatives from DHHL, the Department of the Attorney General, the Department of Land and Natural Resources, the Office of State planning, and a court appointed independent representative.

In 1995 the State Legislature passed Act 14 to resolve the DHHL land claims. One of DHHL's claims was that its land inventory contained 16,518 acres less than the 203,500 acres designated by the Hawaiian Homes Commission Act of 1920.

Pursuant to Act 14, at its October 28, 1994 meeting, under agenda item H-6, the Board approved a list of State lands (Exhibit B-1), mutually agreed upon by both departments, to be conveyed to DHHL. DHHL would select 16,518 acres from the list for transfer to its land inventory. The addition of these State lands to DHHL's land trust represents the shortfall between the 203,500 acres designated as Hawaiian Home lands by the Hawaiian Homes Commission Act of 1921 and its land trust inventory of 186,982 acres, as verified by the governor's task force.

Because the likelihood was great that not all of the lands selected by DHHL could be transferred for various reasons, it was agreed between the departments that any shortfall in the 16,518 acres would be replaced with State lands of up to 2,100 acres that would be withdrawn from the Palekoki Ranch lease in Lalamilo, island of Hawaii.

In early 2000 unexploded military ordnance from WWII was discovered within the 2,100 acres at Lalamilo, Hawaii. Consultation with the Army Corp of Engineers indicated the ordnance to be randomly scattered through out the 2,100 acres. Concerned about the liability in developing these lands and with the original list from which DHHL chose State lands exhausted, DHHL began selecting lands Statewide to make up the balance of acres still owed making it necessary to return to the Board another five (5) times for approval of the selections. A summary of the additional Board actions follows below.

Meeting Date (Agenda Item)	Summary of Approvals
April 9, 1998 (D-24)	The gratis conveyance of the fee simple interest, together with all existing encumbrances, in five parcels located in Kapalama, Kalawahine, Waimanalo, and Waianae, pursuant to Section 171-95, HRS, under the standard terms and conditions used for conveyances to government agencies. Moreover, BLNR added the condition that "[t]here shall be no further amendments to the 16,518 acre conveyance of property to DHHL, except for the transfer of the Wong lease in Waimanalo, and the transfer of an existing DOT lot along Nimitz highway next to the Kapalama property."
September 25, 1998 (D-17)	Authorizes the fee simple conveyance of a 34-acre portion of land in the Waimanalo Agricultural Subdivision, provided to the said 34 acres be subject to the operation of an existing lease and any subsequent withdrawal(s) affecting the area be made only with the prior written consent of the lessee.
August 27, 2004 (D-8)	(1) Authorizes the conveyance of the remaining 523.852 acres at the Villages of Laiopua to DHHL; (2) approves of and recommends to the Governor the issuance of an executive order canceling EO 3895 to HCDCH.

September 24, 2004 (D-14)	Authorizes the conveyance of 318 acres of land at East Kapolei
October 14, 2005 (D-5)	Amended action of August 27, 2004 by deleting approximately 172 acres of non-ceded land at the Villages of Laiopua from the conveyance to DHHL and authorizing the conveyance of land to HCDCH for development of affordable housing.

Copies of the Board action and meeting minutes are attached as Exhibits B-2 through B-6.

Both departments, recognizing this approach would add considerable time to completing this long standing issue, agreed that a final list of 817 acres, more or less (balance owed DHHL), of State lands would be developed and brought to the Board for its approval and final resolution to the shortage of lands contained in DHHL's land trust. A copy of the final list is attached as Exhibit A.

REMARKS:

Prior to DHHL's selection of the Subject Lands, DLNR notified DHHL that certain Subject Lands requested by DHHL are currently encumbered by Governor's Executive Order, setting aside those lands for specific public purposes, and/or not legally subdivided.

Notwithstanding the above, DHHL is requesting BLNR approve recommending to the Governor the issuance of executive orders withdrawing certain lands from existing public purposes. Accordingly, DHHL shall be solely responsible to address any inquiries that may arise during the processing of the Governor's Executive Order, including but not limited to working with any agency or department that may be affected by any withdrawal of lands from an existing Executive Order. Moreover, DHHL shall be solely responsible for the processing and all costs associated with any required subdivision of land as a result of this BLNR action, including but not limited to all costs of infrastructure that may be required by the appropriate County or other government agency.

Subject to BLNR approval, the conveyance of the Subject lands shall commence as soon as possible, subject to any subdivision approvals and/or Governor's Executive Orders.

Although comments from government agencies were not solicited, government agencies having lands that are being considered for withdrawal from their respective jurisdictions have been notified.

RECOMMENDATION: That the Board

1. Approve the conveyance of +/- 817 acres of State land, as selected by DHHL and identified as Exhibit A as full and final settlement, under the terms and conditions

cited above, which are by this reference incorporated herein and subject further to the following:

- A. Compliance with applicable parts of Chapter 171-95, Hawaii Revised Statutes, as amended.
 - B. For those lands which have existing encumbrances [i.e., leases, permits, easements, etc.] and/or are involved in the permit to lease conversion [Act 237], the transfer of the property will include the existing encumbrances.
 - C. Subject to prior review and approval by the Chairperson, authorize DHHL to act on behalf of DLNR in obtaining all subdivision approvals as may be necessary.
 - D. There be no amendments to the final list.
 - E. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Approve of and recommend to the Governor issuance of an executive order withdrawing approximately 5.334 acres from the Governor's Executive Order No. 0101 issued to the Department of Education for a site for McKinley High School, under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
- A. The standard terms and conditions of the most current executive order form, as may be amended from time to time.
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside.
 - C. Review and approval by the Department of the Attorney General.
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Approve of and recommend to the Governor issuance of an executive order withdrawing approximately 50 acres from the Governor's Executive Order No. 4007 issued to the Agricultural Development Corporation for agricultural related purposes, under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
- A. The standard terms and conditions of the most current executive order form, as may be amended from time to time.

- B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside.
 - C. Review and approval by the Department of the Attorney General.
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
4. Acknowledges and finds that DHHL shall be solely responsible to address any inquiries that may arise during the processing of the Governor's Executive Order, including but not limited to working with any agency or department that may be affected by any withdrawal of lands from an existing Executive Order. Moreover, DHHL shall be solely responsible for the processing and all costs associated with any required subdivision of land as a result of this BLNR action, including but not limited to all costs of infrastructure that may be required by the appropriate County or other government agency.

Respectfully submitted,



 Gary Martin
Land Agent

APPROVED FOR SUBMITTAL:


 LAURA H. THIELEN, CHAIRPERSON

Land Board Meeting October 28, 2010; D-12: Amended see additional page

Land Board Meeting, October 28, 2010: D-12

Taking Off McKinley High School property, so, staff is recommending and the Board approved the following amendments to the staff's Recommendation section:

1. Amend recommendation 1 to read:

“Approve conveyance of +/- 817 acres of State land minus the McKinley High School site of approximately 5.334 acres (TMK: (1) 2-3-09:01(portion), as selected by DHHL and identified as Exhibit A...[continue with remainder as submitted]”

2. Delete Recommendation 2 in its entirety.

3. Renumber paragraphs 3 and 4 accordingly to be 2 and 3.

4. New Recommendation no. 4 to read:

4. The Board encourages the Chairperson of the Department of Hawaiian Home Lands to work with the existing tenant or occupant on the lands, particularly those 50 acres of lands on the island of Kauai in Kekaha.

LINDA LINGLE
GOVERNOR
STATE OF HAWAII

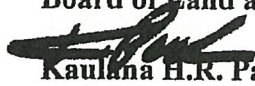


KAULANA H. R. PARK
CHAIRMAN
HAWAIIAN HOMES COMMISSION
ANITA S. WONG
DEPUTY TO THE CHAIRMAN
ROBERT J. HALL
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

October 13, 2010

To: Laura H. Thielen, Chairperson
Board of Land and Natural Resources
From:  Kaulana H.R. Park, Chairman
Hawaiian Homes Commission
Subject: Act 14 conveyance of 817.072 acres obligated to DHHL

RECEIVED
LAND DIVISION
2010 OCT 18 A 10:17
DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

The Department of Hawaiian Home Lands (DHHL) has identified the remaining balance of 817 acres of public land for conveyance from the Department of Land and Natural Resources (DLNR) to DHHL to finalize the State's commitment under Act 14, SpSLH 1995 (Act 14), on the conveyance of a total of 16,518 acres to DHHL.

DHHL and DLNR have verified the attached listing and therefore seeks the approval of the Board of Land and Natural Resources on the final balance of 817 acres to satisfy and close the obligation of Act 14 transfer of lands to DHHL.

Also attached is the map that shows a portion (127 acres) of the 424 acre parcel in Kalaoa TMK: 7-3-010: 042 that will be conveyed to DHHL. As evident this is not to scale, but gives an idea of the proximity of the 127 acres that will be combined with a previously identified 232 acres in Kalaoa that will be transferred to DHHL.

Mahalo for your support and we look forward to the October 28, 2010 Land Board submittal and action.

Enclosures

EXHIBIT "A"

	Location	Tax Map	Acres	Use
C & C	Honolulu/McKinley	2-3-009:001 (por)	5.334 acres	Revenue-Producing
			5.334 acres	
COUNTY OF MAUI	Wahikuli, Maui	4-5-021:023 (por)	209.800 acres	Homestead Residential
	Pu`unene, Maui	3-8-008:008	6.926 acres	Revenue-Producing
		3-8-008:035	97.433 acres	Revenue-Producing
	Honokowai, Maui	4-4-001:015	3.640 acres	Revenue-Producing
		4-4-002:038	0.560 acres	Revenue-Producing
	Ho`olehua, Molokai	5-2-004:046	42.313 acres	Homestead Community
	Lana`i City, Lana`i	4-9-002:001 (por)	15.240 acres	Homestead Community
		4-9-002:001 (por)	10.160 acres	Homestead Community
	Kaunakakai, MO	5-3-01:002	4.030 acres	Homestead Community
	Kaunakakai, MO	5-3-01:097	0.275 acres	Homestead Community
	Kaunakakai, MO	5-3-01:100	0.275 acres	Homestead Community
			390.652 acres	
COUNTY OF KAUAI	Kekaha	1-2-002:001 (por)	50.000 acres	Homestead Residential
	Wailua	3-9-006:016	1.769 acres	Revenue-Producing
		3-9-006:020	8.590 acres	Revenue-Producing
	Kapa`a	4-5-011:026	0.051 acres	Revenue-Producing
		4-5-004:002 (por)	0.350 acres	Revenue-Producing
			60.760 acres	
COUNTY OF HAWAII	Pana`ewa	2-2-058:027	0.438 acres	Revenue-Producing
		2-2-058:028	0.438 acres	Revenue-Producing
	Kalaoa	7-3-010:044	232.030 acres	Revenue-Producing
		7-3-010: 042(por)	127.42 acres	Revenue-Producing
			360.326 acres	

TOTAL

817.072 acres

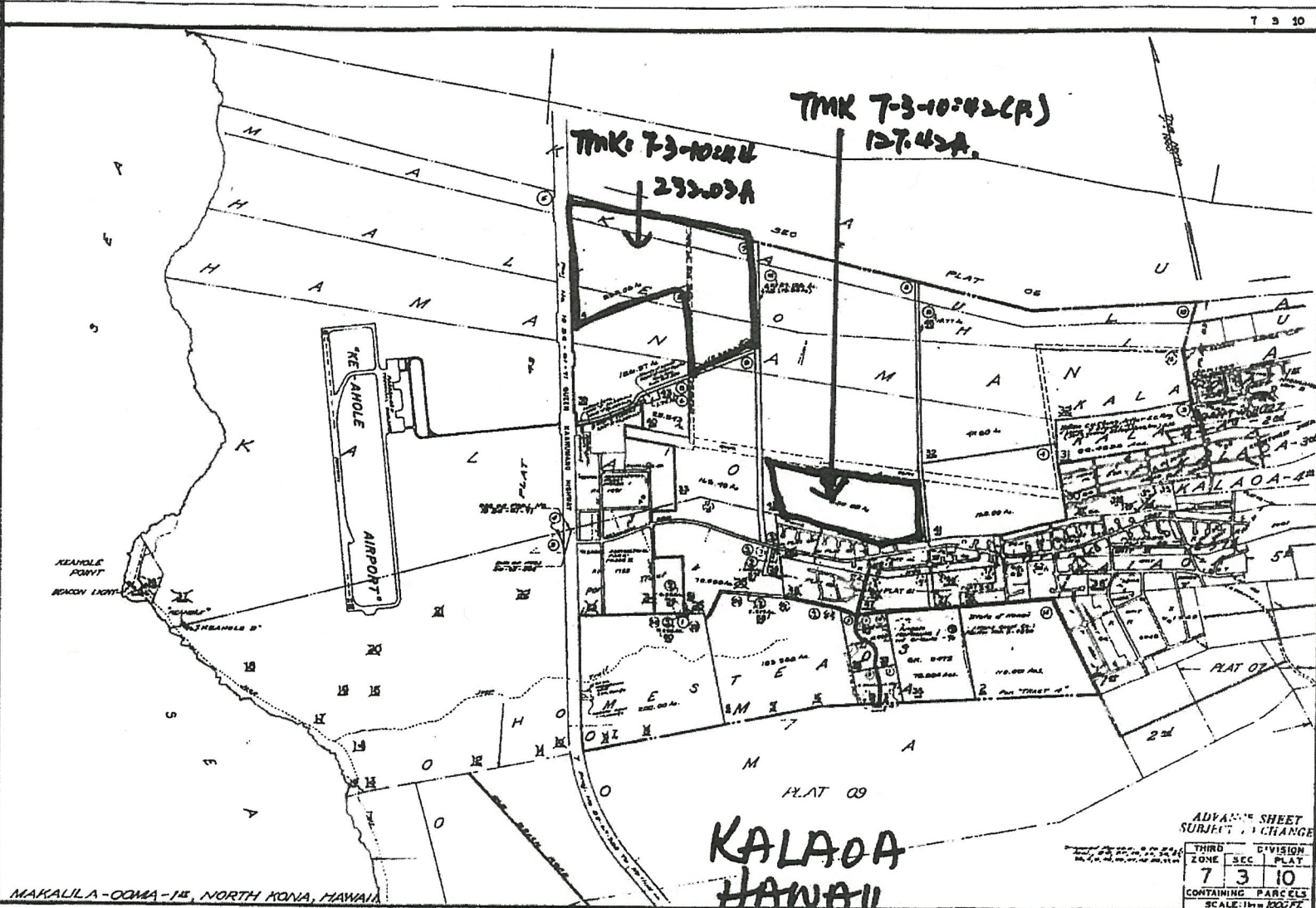


EXHIBIT A
Summary of DHHL Selected Lands

TMK	Location	Land Area (Ac.)	Trust Land Status	Comments
Oahu				
2-3-009:001 (por)	Kakaako	±5.334	5(a)	Subject ±5.334 acres is a portion of a larger 46-acre site set aside to the Department of Education (EO 101) for the McKinley High School campus in 1921. For the past several years, private construction companies have been allowed to use areas along the Kapiolani Boulevard for base yard purposes. Pursuant to HRS 171-11 "[w]henever lands set aside for a public purpose to the various departments and agencies of the State, or to any city and county, county, or other political subdivisions of the State, or to the United States, are not being utilized or required for the public purpose stated, the order setting aside the lands shall be withdrawn and the lands shall be returned to the department. The governor may withdraw public lands and, with the prior approval of the board of land and natural resources, set aside the withdrawn lands to another department or agency of the State, the city and county, county, or political subdivision of the State, or to the United States for public use or purpose, provided that no structure on such lands shall be built, demolished or altered until after the legislative action or inaction as herein below provided." The ±5.334 acre portion of land selected by DHHL will also require subdivision approval. DHHL shall be responsible for processing the proposed subdivision, as well as paying for any and all costs resulting from the subdivision process. Moreover, DHHL shall be responsible for addressing any and all questions pertaining to any recommendation to withdrawal the subject area from EO 101.
Oahu Subtotal:		5.334		
Maui				
4-5-021:023 (por)	Wahikuli	209.800	5(b)	Subject 209.800 acres is a portion of a larger 303.720 acre site. DHHL shall be responsible for processing the proposed subdivision, as well as any and all costs resulting from the subdivision process.
3-8-008:008	Pu'unene	6.926	5(a)	Agricultural lot located along Mokulele Highway. Property is encumbered by Revocable Permit 7368 to Alexander & Baldwin
3-8-008:035	Pu'unene	97.433	5(a)	Agricultural lot located along Mokulele Highway. Property is encumbered by Revocable Permit 7368 to Alexander & Baldwin
4-4-001:015	Honokowai	3.640	5(b)	Vacant land along the mauka side of Honoapililani Hwy and in close proximity to the Lahaina Waste Water Reclamation Plant.
4-4-002:038	Honokowai	0.560	5(b)	Vacant land along the mauka side of Honoapililani Hwy and in close proximity to the Lahaina Waste Water Reclamation Plant.
Maui Subtotal:		318.359		
Molokai				
5-2-004:046	Ho'olehua,	42.313	5(b)	Formerly Hawaiian Home lands, returned to the Territory of Hawaii by HCC Resolution No. 61, dated 10/12/38
5-3-01:002	Kaunakakai	4.030	5(b)	Located on Kaunakakai Place at the entrance of Kaunakakai Warf. Currently vacant.
5-3-01:097	Kaunakakai	0.275	5(b)	Located on Kaunakakai Place at the entrance of Kaunakakai Warf. Currently vacant.
5-3-01:100	Kaunakakai	0.275	5(b)	Located on Kaunakakai Place at the entrance of Kaunakakai Warf. Currently vacant.
Molokai Subtotal:		46.893		

EXHIBIT A (Continued)

Lana'i				
4-9-002:001 (por)	Lana'i	25.40	N/A	Subject consists of two separate un-subdivided portions of privately owned land. Pursuant to LUC Docket No. A89-649, the State Land Use Commission granted the reclassification of approximately 139 acres of land on Lana'i from Rural and Agricultural to Urban for the landowners resort and golf club. One of the conditions for LUC reclassification, together with subsequent Agreements to Convey between the landowner and State Office of Planning ("OP"), required the landowner to provide 25 acres of land to the State, including a 10 acre commercial site (located at the intersection of Kumalapau Hwy and Manele Rd) and a 15 acre industrial site (near the airport). DHHL will assume the State's interest in the 25 acres of land and shall finalize the conveyances of these sites from the private-landowner directly to DHHL, which will include legal subdivision of the two proposed lots.
Lana'i Subtotal		25.40		
Hawaii				
2-2-058:027	Pana'ewa/ Waiakea	0.438	5(b)	One of two parcels currently leased (GL 4311) for general industrial uses thru June 22, 2025. Current annual rent for two combined lots is \$19,800, payable in equal quarterly installments.
2-2-058:028	Pana'ewa/ Waiakea	0.438	5(b)	One of two parcels currently leased (GL 4311) for general industrial uses thru June 22, 2025. Current annual rent for two combined lots is \$19,800, payable in equal quarterly installments.
7-3-010:044	Kalaoa	232.030	5(b)	Parcel is located along the mauka side of Queen Kaahumanu Hwy. across from the Keahole Airport in North Kona. Site is vacant.
7-3-010: 042(por)	Kalaoa	67.420	5(b)	Subject is an approximate 67.42-ac portion of a much larger 500-acre parcel located mauka of Queen Kaahumanu Hwy near the Kona Palisades residential subdivision. Site is vacant. The ±67 acre portion of land selected by DHHL requires subdivision approval. DHHL shall be responsible for processing the proposed subdivision, as well as any and all costs resulting from the subdivision process.
Hawaii Subtotal:		360.326		
Kauai				
1-2-002:001 (por)	Kekaha	50.000	5(b)	Subject is an ±50-ac portion of a much larger parcel of land. The ±50 acres selected by DHHL is currently set aside (EO 4007) to Agribusiness Development Corporation for agricultural and related purposes. Consequently, the subject land areas will need to be withdrawn from EO 4007 and legally subdivided. DHHL shall be responsible for processing the proposed subdivision, including paying for any and all costs resulting from the subdivision process. Moreover, DHHL shall be responsible for addressing any and all questions pertaining to any recommendation to withdrawal the subject area from EO 4007.
3-9-006:016	Wailua	1.769	5(b)	Currently encumbered by GL 4647 for parking and landscaping purposes. GL 4647 expires July 25, 2029. Current annual rent is \$13,615, payable in equal quarterly installments.
3-9-006:020	Wailua	8.590	5(b)	Currently encumbered by two leases. GL 3831 (2.497 ac) expires May 17, 2029 and current annual rent is \$107,725.00. GL 3840 (6.093 ac) expires July 5, 2029 and annual rent is currently \$199,562. Both leases provide the site to be used for resort-hotel purposes and accessory uses incidental to and customarily conducted within hotel areas.
4-5-011:026	Kapa'a	0.051	5(b)	Located near the Lehua Street/Kuhio Highway intersection in Kapa'a Town. Site is vacant.
4-5-004:002 (por)	Kapa'a	0.350	5(b)	Portion of a larger 1.039 ac road remnant lot having frontages along Akoa Road, Kuhio Highway and Pahihi Road. DHHL does not want the entire parcel. The ±0.350-ac portion that DHHL has selected is located along the Akoa Road frontage. DHHL shall be responsible for processing the proposed subdivision, including paying for any and all costs resulting from the subdivision process.
Kauai Subtotal:		60.760		
TOTAL		<u>817.072</u>		

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

DATE: THURSDAY, OCTOBER 28, 2010
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HI 96813

Chairperson Thielen called the meeting of the Board of Land and Natural Resources to order at 9:07 a.m. The following were in attendance:

MEMBERS

Laura Thielen
Jerry Edlao
Rob Pacheco
David Goode

Ron Agor
John Morgan
Dr. Sam Gon

STAFF

Russell Tsuji/LAND
Sam Lemmo/OCCL

Dr. Bob Nishimoto/DAR
Scott Fretz/DOFAW

OTHERS

Bill Wynhoff, Deputy Attorney General
Steve Kai, D-12
Peter Young, D-8
Eric Leong, M-1, M-2
Don Beaucage, F-2, F-3
Mark Roy, K-1
Marjorie Ziegler, C-1
Rob Parsons, D-4

Kaulana Park, D-12
Rep. Cynthia Thielen, D-8
Miles Nishijima, D-8
Marti Townsend, F-1, F-2, F-3, D-4
Randy Vitousek, D-5, K-2
Bill Spencer, D-4
Michael Kumukauoha Lee, D-4

{Note: language for deletion is [bracketed], new/added is underlined}

EXHIBIT H

Item A-1 October 14, 2010 Minutes – TO BE DISTRIBUTED.

Approved as submitted (Pacheco, Gon)

Item D-12 Conveyance of Portions of Government Lands State-Wide from the State of Hawaii, by its Board of Land and Natural Resources, to the Department of Hawaiian Home Lands, Tax Map Key: (1) 2-3-09:01(portion); (2) 4-5-21:23(portion), 3-8-08:8 and 35, 4-4-01:15, 4-4-02:38, 5-2-04:46, 4-9-02:01(portion), 4-9-02:01(portion), 5-3-01:2, 97 and 100; (4) 1-2-02:01(portion), 3-9-06:16 and 20, 4-5-11:26, 4-5-04:02(portion); (3) 2-2-58:27 and 28, 7-3-10:44, and 7-3-10:42(portion).

Withdrawal of Approximately 5.334 Acres of Land from Governor's Executive Order No. 0101 to the Department of Education, for McKinley High School Purposes, Honolulu, Oahu, Tax Map Key: (1) 2-3-09:01(portion).

Withdraw Approximately 50 Acres of Land from Governor's Executive Order No. 4007 to Agricultural Development Corporation for Agricultural Related Purposes, Kekaha, Waimea, Kauai, Tax Map Key: (4) 1-2-02:01(portion).

A number of written testimonies were distributed.

Russell Tsuji representing Land Division reported that Item D-12 is a final settlement of lands that are to go to DHHL and requested an amendment to delete the McKinley High School lot from the list. He has the language for that.

Kaulana Park representing Department of Hawaiian Home Land (DHHL) introduced his staff. Mr. Park thanked the Chairperson and staff. He related some background about DHHL that their primary objective is to get as many people off their wait list onto the land. It's important for DHHL to continue building because it's affordable for their people and they continue to create jobs. The lands in the submittal will continue to provide for the future and they will dedicate these lands to the people to maintain for future generations as a community. Mr. Park related the cash flow situation. It was brought to their attention to uphold the McKinley parcel which DHHL is fine with. They did not know about the school's plan. There is also a tenant on a 50 acre parcel at Kekaha that they are fine with accommodating and will keep them there as long as possible. The DHHL is moving towards an agricultural component where the Hawaiian people could take care of, invest in and get people to know each other to prosper on these ag lands for everyone. Not only to homestead. Everyone will benefit for the greater community. Mr. Park related a solar company coming in and the funds from the lands will be used to educate the youth. Mr. Park asked the Board's approval.