

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

June 24, 2022

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

HAWAII

Mutual Cancellation of General Lease No. S-6065, Natural Energy Laboratory of Hawaii Authority, Lessee, for Air Monitoring and Storage Purposes, Kapoho, Puna, Hawaii, Tax Map Key: (3) 1-4-001:082.

APPLICANT:

Natural Energy Laboratory of Hawaii Authority, Lessee (Lessee or NELHA),

LEGAL REFERENCE:

Sections 171-6 and -95, Hawaii Revised Statutes, as amended, and the provisions of General Lease No. S-6065.

LOCATION:

Portion of Government lands of Kapoho, Puna, Hawaii, identified by Tax Map Key: (3) 1-4-001:082, as shown on the attached map labeled Exhibit A.

AREA:

4.10 acres, more or less.

ZONING:

State Land Use District: Agricultural
County of Hawaii CZO: A-1a: 1-acre agriculture

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:

Encumbered by General Lease No. S-6065 (GL S-6065), Natural Energy Laboratory of Hawaii Authority (NELHA), Lessee, for storage and air quality monitoring site purposes. Lease to expire on June 17, 2079.

ANNUAL RENT:

\$480.00 per annum

LEASE CHARACTER OF USE:

Air quality monitoring site and storage purposes.

REMARKS:

The subject parcel was previously encumbered under Mining Lease No. S-4602, a direct lease to the Research Corporation of the University of Hawaii (RCUH) for geothermal rights, then assigned to the NELHA in 1986. The 35-year lease expired on June 18, 2014.

NELHA had requested a new direct lease for air quality monitoring and storage purposes and the Board, at its meeting of April 25, 2014, under agenda item D-3, consented to the direct lease (GL S-6065) for a term of sixty-five (65) years commencing June 18, 2014.

In 2018, lava from the Kilauea eruption inundated a large portion of the lower Puna district including the entire property comprising GL S-6065 as well as the adjacent county maintained Pohoiki Road. The property is now covered with up to a depth of 100 feet of lava and the Lessee has determined the land is no longer usable for the intended purposes for which the lease was issued. Lessee is now requesting the lease be terminated.¹

Because Lessee has not made any improvements to the land, staff is recommending the Board waive the Phase I Environmental Site Assessment requirement as described in paragraph 35 of the lease agreement.

Staff is recommending the Board authorize the mutual cancellation of General Lease No. S-6065, Natural Energy Laboratory of Hawaii Authority, Lessee.

¹ Par.28. Termination by either party. The Lessor and Lessee, by mutual agreement, may terminate this lease at any time without cause, provided that the Lessor and the Lessee are not in breach of any condition herein at the time of the mutual agreement to terminate.

RECOMMENDATION: That the Board:

1. Authorize the mutual cancellation of General Lease No. S-6065, Natural Energy Laboratory of Hawaii Authority, Lessee, covering the subject area 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 mutual cancellation lease document form, as may be amended from time to time;
 - B. The effective date of cancellation shall be June 18, 2022;
 - C. Waive the Phase1 Environmental Site Assessment requirement (par.35);
 - D. Review and approval by the Department of the Attorney General; and
 - E. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Gordon C. Heit

for

Gordon C. Heit
District Land Agent

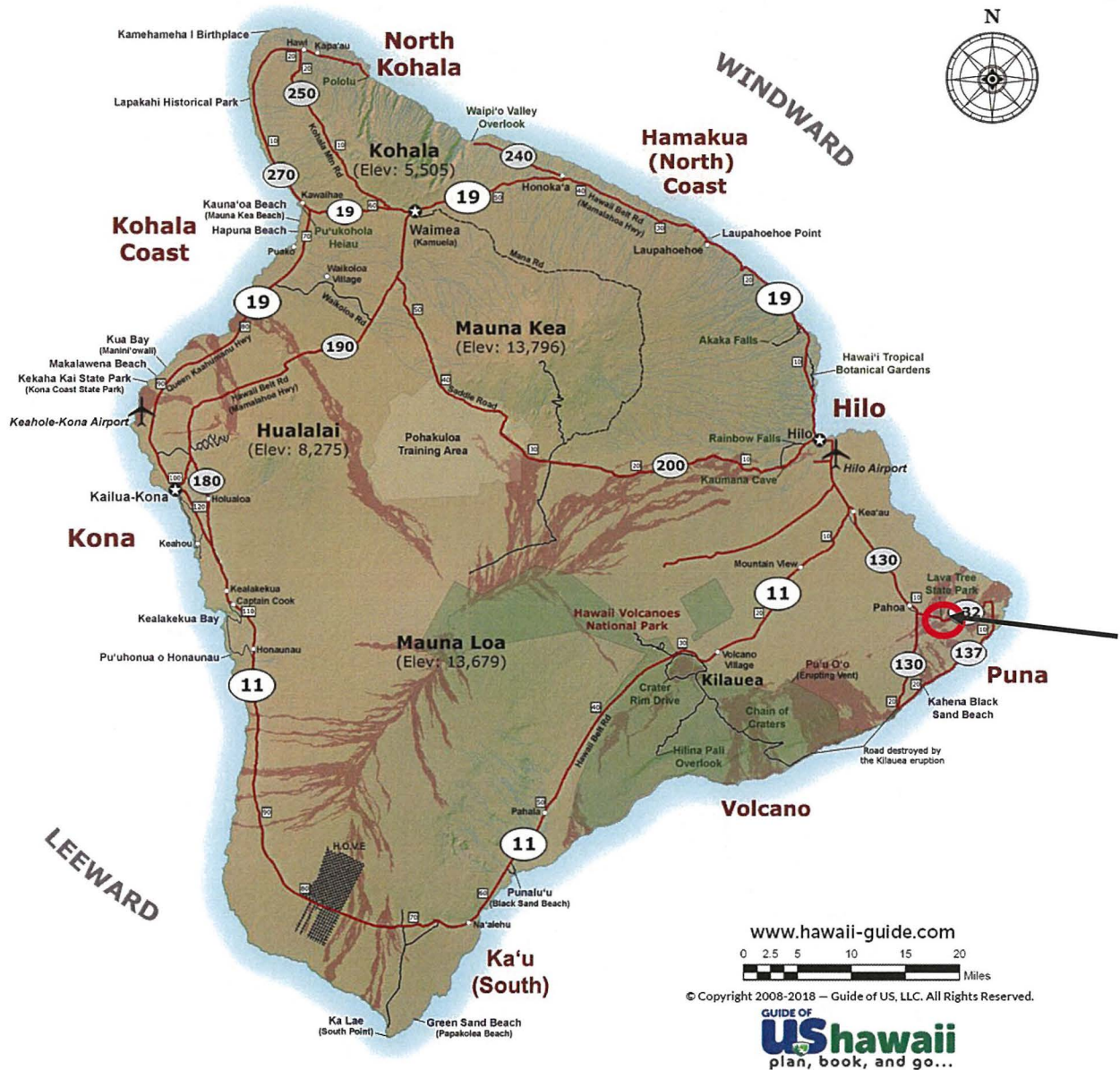
APPROVED FOR SUBMITTAL:

Suzanne D. Case

RT

Suzanne D. Case, Chairperson

EXHIBIT A



GENERAL LEASE No. S-6065

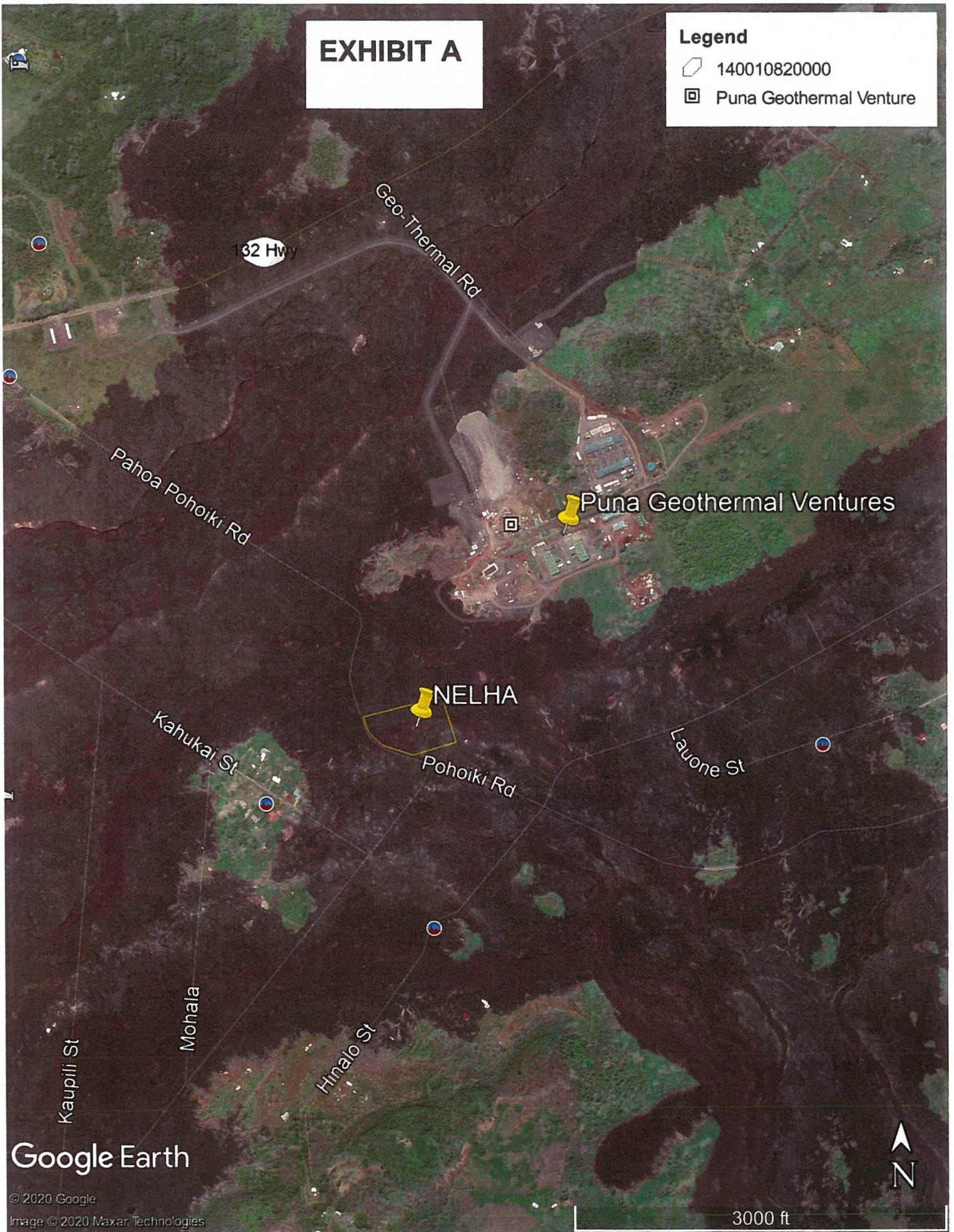
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SUBJECT PROPERTY

EXHIBIT A

Legend

- 140010820000
- Puna Geothermal Venture



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